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China Report

AGRICULTURE

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CHINA REPORT

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PEOPLE'S REPUBLIC OF CHINA

NATIONAL

YUNNAN

LI PENG URGES FASTER RURAL CONSTRUCTION

OW261648 Beijing XINHUA in English 1454 GMT 26 Nov 84

["Faster Rural Construction Urged"--XINHUA headline]

[Text] Beijing, 26 November (XINHUA)--The building materials and construction industries should become pillars of China's rural economy, Vice-premier Li Peng said today.

Peasants built more than 35 million new houses with floor space of 2.8 billion square meters between 1979 and 1983.

The 5-year total was equal to all the rural housing compelted from 1949 to 1979.

Contests should be held to provide peasants with sound, economical housing designs, Li told a national conference on construction of villages and towns.

New housing should include methane gas pits, solar energy heaters and fire-wood-efficient stoves to ease the rural energy shortages, Li said.

In keeping with the growth in China's rural commodity economy, large numbers of peasants would give up farming for industry or sideline occupations, and do business in towns, Li noted.

Local governments should attach great importance to drafting town development plans to cope with this new situation, he added.

In drafting plans, Li stressed, priority should be given to road construction.

He also called for a boost for service trades in rural towns.

Development companies should be encouraged to build water works and other public facilities in towns, he said, stressing the need to protect China's rural environment and prevent pollution.

CSO: 4007/103

REFORM STIMULATES CHINA'S RURAL ECONOMIC GROWTH

OW082218 Beijing XINHUA Domestic Service in Chinese 1243 GMT 8 Dec 84

[Text] Beijing, 8 Dec (XINHUA)--Since the 3d Plenary Session of the 11th CPC Central Committee, a series of readjustments and reform have been carried out in the rural areas of our country, resulting in an immense change in the rural economy and the emergence of a lot of counties whose gross agricultural output value is twice as much as before. Recent statistics compiled by the State Statistical Bureau show that there were 138 counties (cities) in the country whose gross value of agricultural production was more than double the figure for 1978.

These counties are located in 18 provinces, municipalities, and autonomous regions. Shandong has 48 such counties; Shanxi has 20; Hebei has 15; Anhui has 9; Nei Monggol, Jilin, and Henan each have 7; Liaoning and Jiangsu each have 5, Zhejiang has 3; and Beijing, Heilongjiang, Fujian, Jiangxi, Guangdong, Sichuan, Shaanxi and Xinjiang each have 1 or 2.

These counties have a combined rural population of some 62 million, accounting for 7.4 percent of our county's total rural population. They have more than 24 million farm laborers, or 7.4 percent of the country's total. In 1983 the gross value of agricultural production in these counties totaled 30.18 billion yuan, showing a 130-percent increase over the 1978 figure. The makeup of the gross value of agricultural production also showed a fairly big change. Crop culture accounted for 68 percent of the gross value of agricultural production as against 72.2 percent in 1978, while the proportion of forestry, animal husbandry, sideline production, and fisheries rose from 27.8 percent in 1978 to 32 percent in 1983. The combined value of agricultural production of these counties accounted for 10.5 percent of the country's total as against 6.8 percent in 1978.

The output of major farm produce in these counties increased considerably. In 1983 grain output reached some 70 billion jin, up 69 percent as compared with the 1978 record. Production of cotton totaled some 28 million dan, an increase of 7.2 times. The production of oilseeds amounted to some 23 million dan, a 190-percent increase. All these showed a much higher growth rate than the nationwide average for the same period.

CSO: 4007/103

ADJUSTMENT OF COTTON POLICIES ANNOUNCED

Beijing JINGJI RIBAO in Chinese 7 Nov 84 p 1

[Article: "State Council Issues Circular Calling for Improving the Overall Balance of Cotton Production, Procurement, and Marketing"]

[Text] On October 26 the State Council issued a circular concerning improving the overall balance of cotton production, procurement, and marketing.

The circular stated that since the 3rd Plenary Session of the 11th Central Committee, cotton production in China has developed considerably. Since 1982, production and marketing of cotton have achieved a balance. As cotton production has increased, our people's clothing using cotton has greatly improved and vast numbers of farmers are enjoying higher incomes. Under such heady conditions for cotton production there have also emerged several new problems that require a better overall balance. The circular calls for the following:

1. Rationally arrange cotton growing areas and improve cotton varieties. Within the next wo to three years we must exercise proper control over cotton growing areas. Agricultural departments must have a tight grip of the implementation of plans to improve cotton so that, starting in 1985, inferior varieties can be replaced by better varieties within two years. Within five years, there will be 50 base counties of superior quality cotton throughout the country, with 20 million mu of superior quality cotton planted, thereby achieving a regionalized superior varieties.

2. After the new cotton appears on the market in 1985, policies governing cotton production, procurement and award sales will be adjusted as follows:

To implement a planned procurement of cotton, the state will set the procurement plan at 85 million dan. Quotas are issued to the provinces, autonomous regions, and municipalities by the State Planning Commission, to be implemented at every level.

Eliminate the award-sales grains for cotton procurement and expand cotton-field supplementary grain. In cotton-producing areas where grain rations are tight, grain rations can be supplied based on the unified procurement price. Cotton farmers in the provinces of Hebei, Shaanxi, and Shanxi will retain grain ration subsidies for the time being.

Revise standards of cotton production, procurement and marketing, readjust the difference in grade and price, and implement a policy of superior quality and superior price.

Before spring plowing commences, the cotton management departments must sign a cotton procurement contract with cotton planting units (households) in accordance with the state procurement plan. Cotton produced within quota as stipulated by the contract will be procured in accordance with the state-mandated price and the award policies; cotton produced above quota may be sold freely and be marketed right away by the producers after negotiating the buying and selling price with the management departments. The state will discontinue procurement of cotton retained by the growers for their personal use.

3. Vigorously expand the sales of cotton cloth and cotton. Develop the clothing industry and increase the supply of industrial use of cotton cloth and ready-to-wear clothing. Provide unlimited supplies of high quality cotton fabric and practice better quality for higher price. Encourage urban and rural residents to exchange old cotton quilts for new ones. The concerned departments should actively reclaim and recycle the old cotton quilts.

4. Quicken the pace of technical reform of the textile industry and increase the products' variety of color and design.

5. Vigorously expand exports of cotton and cotton textile products.

6. Strengthen construction of basic facilities of the cotton management departments.

Finally, the circular stated that cotton and cotton cloth are essential materials for the national economy and the people's livelihood. Comprehensively managing the production, circulation and consumption of cotton and cotton cloth while striving for overall balance is an extremely important policy issue that affects the coordinated development of industrial and agricultural production and the vital interest of the cotton growers. People's governments at all levels must strengthen their leadership, instruct the cadres and masses to focus on the overall situation, and do a good job of readjustment under the guidance of state planning. This will enable the production of cotton and cotton cloth in China to better respond to the demands of domestic and foreign markets as well as the needs of the people.

12681
CSO: 4007/70

TOTAL STATE PROCUREMENT OF COTTON REPORTED

Beijing JINGJI RIBAO in Chinese 24 Aug 84 p 2

/Article: "All New Cotton Will Be Procured This Year According to Policy; Ministry of Commerce Assistant Minister Pan Yao Answers Staff Reporter's Questions"/

/Text/ Cotton has been doing very well in all areas this summer, and it is predicted that a bumper harvest will be reaped again. Will the state procure all of the cotton produced this year? How will procurement prices be revised? How will the occurrence of the problem of the masses having "cotton-selling difficulties" be prevented? A staff reporter recently interviewed Ministry of Commerce Assistant Minister Pan Yao /3382 6674/ on these questions and was answered as follows:

/Question/ Will the state procure all of the cotton produced this year or a limited quantity?

/Answer/ According to our understanding, some of the masses in cotton producing areas are now worried about there being too much cotton this year and that the state will procure a limited quantity. These worries are unfounded. All areas should clearly announce to cotton growers that all cotton produced this year will be procured by the state according to present policies. In order to avoid affecting procurement efficiency and interferring with production line, cotton growers in all areas can sell in an orderly way at the selling times and places appointed by procurement departments and do not have to strive to be first. Cotton procurement stations must have wide open procurement and are not permitted to limit or stop it, and we will procure as much cotton as growers can sell.

/Question/ How will the state revise cotton procurement prices this year?

/Answer/ Cotton procurement prices will be slightly revised this year, and prices will be increased in proportion uniformly throughout the country. Prices will be increased in northern cotton producing areas according to an inverse 2:8 ratio (20 percent list price and 80 percent increased price), and in southern cotton producing areas according to a direct 4:6 ratio (60 percent list price and 40 percent increased price); in addition, the 5 percent price subsidy will be cancelled in northern cotton producing areas, and the excess sale of 1 jin of ginned cotton will be changed from awarding the sale as 2 jin

of grain to 1½ jin of grain (in some provinces and municipalities it will be changed to a proportional method of awarding as grain and in some it will be totally awarded as grain); it has been decided to open wide the sale of substandard cotton and to permit multichannelled management, and prices will not be increased for state procurement of substandard cotton and its sale will not be awarded as grain and chemical fertilizer.

/Question/ How will the occurrence of the problem of the masses having "cotton-selling difficulties" be prevented?

/Answer/ Most procurement stations have adapted to the selling needs of thousnads of households in the last several years, have achieved daily procurement of all cotton sold on a given day, and procurement order has been very good. These procurement stations must do a better job of organizing work and improve procurement efficiency. Certain weak links still exist in procurement work in some new cotton producing areas and in places where the cotton production increase rate is rather large, and the leadership at all levels must stress investigating and helping these places, supplement whatever is lacking, strengthen weak links wherever they exist, and strive to prevent the occurrence of the problem of the masses having "cotton-selling difficulties."

/Question/ How can cotton quality be ensured and improved in procurement work?

/Answer/ In transit from cotton growers to textile mills, cotton must pass through many links such as procurement, examination, processing, baling, allocation and transport, and all links must be coordinated and all regulations strictly carried out in order to ensure and improve cotton quality. We must achieve accurate checking of grades, prevent mixups in moving and stacking, prevent confusion in ginning, control standing time output, and prevent mixing grades when baling. The system of station job responsibility must be carried out for all links, the scope of responsibility clarified, and duties, rights, responsibilities, rewards and punishments clearly demarcated. In order to guarantee cotton procurement quality, no place will be permitted to procure cotton at night; and we must no merely stress speed and do a crash job of procurement.

/Question/ How can cotton management be enlivened and sales expanded?

/Answer/ Past cotton demand exceeded supply, it was enough to do a good job of distribution, allocation and transfer, and there was no need to consider enlivening management and expanding sales. Changes have now occurred in the supply and demand situation, and while stressing procurement work, we must stress sales work and strive to develop markets. In addition to state-assigned allocation and transfer supply, storage and export plans, all areas must guarantee markets for the excess, and after fulfilling sales duties, peasants should be permitted to sell standard cotton on the market. The supply of cotton can be opened wide for local spinning and weaving and other uses; sales of cotton for wadding must be actively expanded, the quality of cotton wadding be ensured, and standard varieties be increased in order to satisfy the needs of the masses.

12267
CSO: 4007/239

WOOL PURCHASING POLICY RECOMMENDATIONS MADE

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese
No 7, 23 Jul 84 pp 54-55

[Article by Gao Xiaoming [7559 2556 2494], Investment Institute, Construction Bank: "Several Policy questions Concerning Wool Purchasing"]

[Text] There has been a rather large increase in the nationwide production of wool since the implementation of the contract responsibility system with remuneration linked to output. However, some new questions have been raised. One question is that the concerned wool purchase policy cannot meet the needs of the present situation and we are anxiously awaiting a rational readjustment which is favorable to developing the country's wool production. A recent investigation by the Construction Bank of the nine major wool-producing provinces and areas, such as Qinghai, Inner Mongolia and Xinjiang, tentatively holds that in order to expand the amount of wool purchased and improve the quality of woo wool, the original planned price and the method of purchase in the purchasing policy should be changed and purchasing should be speeded up.

1. Replace Dirty-Wool Planned Prices with Clean-Wool Pricing

In recent years the quality of our wool has dropped continuously and the sheen, length and softness of wool from some areas does not meet the requirements of industrial production. The average rate for clean wool nationwide is only 30 percent, far below the 60 percent rate of imported wool. Besides the breeding and nourishment factors of the sheep themselves, the main reasons for the drop in wool quality is man-made mixing and adulteration. Every province and area reacted strongly to this investigation and asked that planned pricing for clean wool replace the current ones for dirty wool as soon as possible to curb the continuation and expansion of this practice. In the past we always set planned prices for dirty wool that only considered weight and did not distinguish how much clean wool there was; this is very irrational. For example, the clean-wool rate for improved breeds of sheep in Henan and Shaanxi is only 30 percent and 1 jin of dirty wool only yields 3 liang of clean wool. But in Inner Mongolia, Xinjiang and Qinghai, the average clean rate is about 50 percent and 1 jin of dirty wool yields $\frac{1}{2}$ jin of clean wool, yet the purchasing price in all five provinces is the same. This has made some herdsmen think only about padding their incomes, so they mix various things in with the wool sold to the state. Others put sand, pebbles or water in with the wool to add weight. For

example, the Bureau of Industry and Commerce, Lankao County, Henan Province, seized 1,460 jin of wool, of which mroe than 800 jin was a mix with adulterations, or 55 percent of the total weight. In 1983 the Qinghai Textile Industries Company discovered that 14 carloads of wool among 64, or 22 percent of that brought in by a supply and marketing cooperative, were mixed and adulterated. Such acts are becoming so frequent that the government has had to intervene. Because of this, in July 1983 the Qinghai provincial government issued an "Urgent Announcement Concerning the Immediate Curbing of the Mixing and Adulteration of Wool Sold to the State." Such behavior means severe economic losses for the state and has serious consequences for the wool textile industry. Once wool is stacked and warehoused, it easily mildews and rots if not gathered and used. It also makes the clean-wool rate of some provinces and areas drop year by year. The clean-wool rate in the Ningxia Autonomous Region dropped 5 percent in the last year, and this costs the wool textile industry an additional 1 million yuan or so a year. A survey of one area in Henan during 1980 found a clean-wool rate of 35 percent. In 1981 it droped to 31 percent and to only 27 percent in 1982.

In addition, the dirty-wool planned pricing policy also influences the promotion of breeding fin stock and diminishes the zeal of herdsmen for improving their breeds. For example, wool fromt he Gongnaisi sheep farm in Xinjiang used to have the highest clean-wool rate, 56 percent, but it has not dropped to 45 percent, a reversal of the rate of almost 10 years ago.

Considering the present situation, the key to solving the problems of mixing and adulterating wool sold to the state is to formulate and implement a wool-puchasing policy based on the planned prices for clean wool, pay a high price for good quality and a low price for low quality, make herdsmen have a rational income, reduce losses to the wool textile industry and benefit the state and the people. While this policy is being formulated, we must speed up the training of purchasers and manufacture the essential inspection equipment.

2. Replace the Industry-to-animal Husbandry Association with an Industry-to-trade Association

Our wool purchasing has always been one by commercial departments and it is then supplied to the wool textile industry by an industry-to-trade association. This method is no longer suitable because the wool textile industry has continuously developed. This is because, first, there are many turnover links, costs are high and four links have to be passed through when purchasing and transporting the wool to the sellers, namely the purchase station, the basic-level supply and marketing cooperative, the county native produce and livestock company and the urban native produce and livestock company. Handling charges are added at every stop. The investigation found that an average 25 to 30 percent was added to the price nationwide from the place of purchase to the wool textile factory. Second, the demands for varieties of wool and yarn counts are different following continuous improvements in textile industry techniques, so there must be finer-distinctions in grade and quality. The industry-to-trade association cannot meet these requirements and should be changed. Various sides have proposed a purchasing policy in which animal husbandry is linked to industry. In addition to export departments continuing to make

purchases from foreign trade departments, where wool producers are concentrated, factories should make direct purchases from producers, and in areas where wool producers are scattered, purchasing stations can be set up by the communes and factories together and directly supply wool textile factories after purchasing. Intermediate links and handling charges can be reduced in this way. At the same time, we can consider giving an appropriate portion of the expenses saved to wool-producing households, giving them prices that are slightly higher than those of commercial purchases to arouse their enthusiasm for raising sheep. This is also advantageous to factories for guiding herdsmen to improve the quality of their sheep to meet the requirements of industrial production. In recent years this has been practiced by various areas. For example, the No 1 Shaanxi Wool Textile Factory directly provides goods to sheep farms and pays those farms 1 percent of the total wool output for technique and guidance costs. This increases the farm's income and improves wool quality. Sichuan has been practicing a factory-to-brigade purchasing method. There the purchase price is generally 0.1 to 0.2 yuan higher per jin than the state's purchasing price. Factories in return get favored wool products and this is greatly welcomed by communes and brigades.

There has been a good reaction to the association of industry with animal husbandry. The rate of clean wool has improved, the herdsmen's zeal for raising sheep has been mobilized and it is also a good way to increase wool production. Therefore, we recommend that it be set up and promoted by the concerned departments as soon as possible and that a clear ruling be made in policy so that the method can be perfected.

3. Strengthen Purchasing and Solve the Problem of Herdsmen "Having a Hart Time Selling Wool"

Currently, besides the basic-level supply and marketing departments of commercial organs that purchase wool, other industrial and commercial households and individual households have also entered the wool market and have done some purchasing, affecting fulfillment of the state's purchase quotas. Because wool supplies cannot meet the demand, wool's position as a second category of state goods should not be changed. But to protect state purchasing, we must protect state purchasing, we must prohibit purchases by individual households and industrial and commercial households.

As for surplus wool remaining after the herdsmen fulfill their quotas to the state, in the past a 2-cun cotton ration coupon was given as a reward for every extra jin, but we no longer use these coupons and the price for wool on the agricultural trade market is more than 100 times higher than the state's purchasing price. Therefore, this wool is flowing into the agricultural trade market. Right now, sheep wool purchases account for 89.3 percent of the country's overall sheep wool output and approximately more than 40 million jin of wool have not been purchased. If we rationalize the policy and stress purchasing, even though we will increase purchases by 1.5 percent, which is equivalent to the total annual wool output of Shaanxi Province, this can partially alleviate our serious wool shortage.

We feel that although on the surface a little too much money is spent by overselling and raising or negotiating prices for the surplus wool which remains after the rest is sold to the state, in reality we can reduce wool imports, save the state foreign exchange and mobilize the initiative of the peasants to raise more sheep.

In addition, the investigation discovered that the unavailability of many purchasing network stations and the inability of herdsmen to sell their wool are common problems that still exist in various provices. For example, the installation of purchasing network stations in Qinghai Province generally involves setting up one station per commune, but in some areas, there is not even an average of one purchasing station per commune. The service radius for purchasing stations is generally between 30 to 50 km. The majority of herdsment rely on yak pack transportation and a round trip to the station takes 3 to 5 days for hersmen who are rather far away or $\frac{1}{2}$ month for those even further. In the Inner Mongolian Autonomous Region, network stations on the average handle purchases of 53,000 jin and the average distance between producers and purchasing stations is 25 km, with the furthest being 227 km. The majority of areas rely on natural grassland roads because transportation is undeveloped and transport is poor in the pastoral areas, except for car-carrying roads outside of the banner counties.

We feel that more makeshift purchasing stations should be set up during the busy season in addition to increasing the current number of purchasing network stations to solve this problem. The output of wool has increased and so has the volume of wool purchased following the implementation of the output-linked responsibility system in Shaanxi Province, and the sales targets have switched form collectives, as in the past, to scattered, myriad households. To meet this changing situation, Shaanxi urged wool-producing areas to set up additional purchasing stations during the purchasing season. The two prefectures of Yulin and Yen'an alone have just installed 1,163 of them, for a total of 1,858.

Besides increasing the number of purchasing stations, we should also give some baling presses to the purchasing departments, so they can switch from manual bagging to machine baling, thereby both reducing the number of workers needed and packing more wool per vehicle and speeding up the transport and turnover of wool. This is economically more rational.

12615
CSO: 4007/15

GUANGMING RIBAO ON SOCIAL SERVICE IN RURAL AREAS

HK090901 Beijing GUANGMING RIBAO in Chinese 4 Nov 84 p 3

[Article by Zeng Aixiang [2582 5676 6116]: "Set Up a Social Service System in the Countryside"]

[Text] At present, the rural economy in our country is moving toward specialization, large-scale commodity production, and modernization. In order to meet the needs in this new situation in the rural economy and to further develop the rural commodity economy, it is necessary to establish a sound system for social services in the countryside.

Here, social services include all direct and indirect effective services provided by social groups or individuals for the reproduction process and the development of rural commodity production. These services will ensure normal processes of production, distribution, exchange, and consumption conducted by commodity producers and will accelerate the renewal, expansion, and development of the material production process so as to speed up the disintegration of the self-sufficient economy in the countryside and to promote the establishment of a socialist commodity economy characterized by specialization and socialization.

In the course of developing commodity production, the development of social services constitutes a precondition and foundation for the development of rural commodity production. The all-round introduction of the production responsibility system in agriculture has brought about the development of commodity production in the rural areas. The development of commodity production also requires all kinds of social services, which will in turn effectively promote the development of commodity production. This is determined by the interdependent relationship between commodity production, which is outwardly oriented, and social services, which have manifold functions. Commodity production involves the whole process of production, distribution, exchange, and consumption-reproduction. A commodity producer must rely on timely and effective services provided by various trades and professions in society before, during, and after the production process to ensure that his production body operates smoothly and attains the expected goal. Otherwise, production will be affected to varied degrees or may even be held up. This is even more true under the conditions of small-scale household operation. At present, many peasant households find that they are short of production materials, market information, new technology, and circulation facilities. All this has seriously hindered the

development of commodity production. Therefore, it is necessary to develop social services and make social services a reliable condition and foundation for the development of commodity production.

Social services remain a weak link in the operational structure of the rural economy. However, this is an indispensable part of the improvement and development of the cooperative economy. Since the household contract system is widely adopted, a two-tier economic structure which combines scattered operation with unified operation has been gradually formed in the countryside. However, how to make this two-tier economic structure function reasonably remains an important question which has yet to be studied. According to rural surveys, the tier of scattered operation has been full of vigor and is rapidly developing. This is reflected in the emergence of a large number of specialized and key households and economic combinations which have business and economic efficiency. However, the tier of unified operation has failed to keep pace with the development of scattered operation. Many production cooperatives fail to properly organize projects that should be handled on the basis of unified operation. In particular, they have not provided peasant households with necessary organization, control, guidance, coordination and backup services. This uneven development of the two-tier structure not only hinders the development of household operation, but also makes some collective economies "mere skeletons" that have no useful function. Therefore, it is necessary to ensure the synchronous development of the two economic tiers in order to ensure the normal operation of the cooperative economies. The higher tier of collectively unified operation should even advance ahead and play a role in promoting and supporting household operation through its economic efficiency and its effective services.

According to the principle of the socialist economy, social services will provide an important way for the state to give planned guidance to the rural economy. At present, peasant households have got the right to decide their own production and operation and have become commodity producers and dealers; on the other hand, the state is readjusting step by step the policy for the buying and selling of agricultural and sideline products by reducing the number and quantity of products subject to the state's compulsory purchase quotas and allowing more products to enter free markets. Under this new situation, the state's planned guidance to the rural economy should be effected through social services so that blind operation can be reduced despite a greater role for free market forces in the course of enlivening the rural economy.

Developing rural social services is a task which brooks no delay. We should take rapid action to organize the resources of all parties concerned to gradually establish a sound service system for commodity production in the light of local needs and specific economic, cultural and technological conditions so as to meet varied demands of the peasant masses.

Service items should be diversified and developed from single-item service to comprehensive service for the whole production process. After production is contracted to households which are varied in labor force, working funds, draught cattle, farm tools, and farming skills, there are certainly differences in their outputs and economic results. In order to coordinate and regulate the uneven factors of production, it is necessary to develop a comprehensive service

for various production procedures on the principle of unifying the part of operations that should be unified, particularly in the fields of agricultural capital construction, measuring the fertility of soil, cross-breeding seeds, cropping arrangements, tractor plowing, irrigation works, and plant protection, which are all key links in the production process. This will help fully tap potential productivity in each production procedure.

Service should not only be provided for the process of direct production, but should also be provided for pre-production preparations, post-production work, and reproduction arrangements. The commodity economy involves all links of reproduction--production, distribution, exchange and consumption--which are closely interlinked to form an organic entity. Therefore, production services should not be limited to the process of direct production, but should cover the whole process of reproduction, including pre- and post-production work. Pre- and post-production service includes many items. At present, priority should be given to credit supply, material supply, product processing, transportation, market information, and operation aids. All this is an indispensable condition for commodity production, and service work is bound to develop into these fields.

Service should also extend from the economic field to the scientific, cultural and other fields. The development of commodity production is not an isolated economic issue, but is related to science and culture. At present, priority should be given to the improvement of scientific and technical services. It is necessary to set up systems for cultivating and popularizing improved varieties, plant protection, animal disease prevention, fodder processing and supplying, building irrigation and drainage works, and popularizing scientific knowledge and new technology so as to turn potential productive forces in the form of knowledge into real productive forces directly mastered by peasants. This will promote the rapid development of rural commodity production.

The form of service should be changed from the exclusive form of state service to diversified forms of service provided by various economic organizations. The continuing development of rural commodity production should not depend merely on the state's support, especially when the state has to concentrate its financial resources to ensure key construction projects. It is more important for the rural commodity economy to tap its own potential through the development of mutual services provided by various rural economic units through various channels. Mutual services can be conducted between specialized households, between specialized households and ordinary households, and between specialized households and economic combinations. At the same time, all kinds of rural enterprises should provide better services for peasant households through joint operation with these households. All these steps will play an important role in developing the rural commodity economy on a greater scale and to a greater degree and in further promoting the reform of the rural economic structure.

CSO: 4007/103

CENTRAL OFFICIAL ON RURAL LABOR FORCE MOBILITY

HK250701 Shanghai SHIJIE JINGJI DAOBAO in Chinese 8 Oct 84 p 6

[Report by Hu Houfa: "It Is Necessary To Courageously Give Up Outmoded Policy Slogans so as To Expedite Commodity Production in Rural Areas"]

[Text] Zuo Mu of the State Council's Economic Research Center recently told this reporter: "In order to expedite rural commodity production, we should have the courage to give up outmoded policy slogans so as to further free peasants from all unnecessary restraints. For example, requiring peasants to "remain in their home villages after quitting farm work" may be regarded as one of the antiquated ideas."

Zuo Mu said: Along with the development of the rural economy and the consolidation of the agricultural production responsibility system, a large part of the rural labor force has been spared from farming for other trades. This is a welcome development. Most of these surplus rural laborers remain in their home towns and villages, engaging in animal husbandry, forestry, or rural industries. However, more and more people have left the countryside and small towns and have engaged in construction, mining, transportation, commerce, and other service trades. According to a survey in Jiangdu County, Jiangsu Province, people who work in other provinces (from the Daqing oil field in the north to the Shenzhen special zone in the south) all the year round, engaging in construction or other industries, account for 10 percent of the country's total population of 1.04 million people.

The economy in Jiangdu County is rather developed as compared with other rural areas, but the county is too densely populated. With some laborers and their families, who account for about 10 percent of the county's population, going to work in other areas, the county has not only provided assistance for construction in other provinces, but has also found an effective way to promote its own economic prosperity. This shows that the movement of surplus rural labor force to industrial and urban areas represents an objective requirement, and an inevitable tendency, of the development of the commodity economy. So long as our policies are proper and our arrangements are reasonable, the results of this movement will be good. In these circumstances, it is not reasonable or their home villages after quitting farm work" have good intentions. The change from forbidding peasants to quit farm work to allowing peasants to quit farm work should be considered a major step forward. It is also a positive

measure to develop rural industries so as to attract most surplus rural laborers to small towns. However, the proposition that peasants should "remain in their home villages if they quit farm work" is no longer suited to the present situation in the development of both the rural and urban economies. It is more positive to change the proposition into "supporting peasants who have conditions for handling nonfarming trades." The "nonfarming trades" can be operated either in their home villages or in other areas, either in small towns or in cities. This should be regulated by more concrete policies according to actual needs and possibilities. It is not necessary to require all peasants to "remain in their home village" without exception. Of course, this does not mean that we can encourage peasants to pour into cities without limit. Undoubtedly, preventing excessive numbers of peasants from pouring into cities has been and will continue to be an important matter we must pay attention to. However, experience at home and abroad shows that the most effective safeguard against the excessive influx of peasants into cities is the adoption of proper rural policies. Since the 3d Plenary Session of the 11th CPC Central Committee, our rural policies have been shifted onto a correct path and the rural economy has been growing steadily. So long as we maintain this favorable tendency, there will be no excessive influx of peasants into cities.

Zuo Mu also said that supporting peasants who have conditions for handling nonfarming trades is just one aspect of the efforts to strengthen skilled labor exchange between the countryside and cities. The other aspect of our efforts is to encourage retired workers, technical personnel, and young people in cities to go to the countryside to help develop agriculture and rural industries. Some of these urban residents can open up new enterprises in the countryside, and some can be appointed as teachers and accounts, so that they can bring technology and culture to peasant communities. So long as there are proper policies and measures, we can certainly establish a normal order for the exchange of labor and intellectual resources between cities and the countryside.

CSO: 4007/103

INCREASED TOTAL AQUATIC OUTPUT REPORTED

Beijing JINGJI RIBAO in Chinese 16 Aug 84 p 1

/Article: "We Have Comprehensively Developed Water Areas and Vigorously Developed Breeding; Total Aquatic Product Output Has Increased 1,100 Percent Over That of the Initial Postliberation Period"/

/Text/ During the 35 years since the founding of the country and particularly since the 3d Plenary Session of the 11th CPC Central Committee, China's aquatic products industry has become a major component of general agriculture. Since our guiding ideology has changed from relying mainly on ocean fishing to developing both breeding and fishing, we have stressed the development of breeding and have comprehensively developed water areas, thus enabling the aquatic products industry to develop quite rapidly. Our country's total aquatic product output has now increased by 11-fold over that of the initial postliberation period and ranks 3d in the world; and the output of freshwater breeding has reached 1.43 million tons and ranks 1st in the world.

Our country has the longest history of and the most advanced technology in freshwater breeding in the world. As long as 2,400 years ago during the Spring and Autumn Period and Warring States Period, Dr Fan Li /4636 5867/ of the state of Yue wrote the "Classic of Fish Raising" which became the world's earliest fish-raising document. Since the founding of the country, our country has also carried out the world's first successful artificial propagation of the "four great families of fish" of black, grass, silver and variegated carp, and has developed new methods or lage-scale artificial breeding, enabling freshwater breeding to become an aquatic breeding enterprise of nationwide scope. Except for Xizang, freshwater breeding has now been developed throughout the country. Some new breakthroughs have been made in breeding area, variety, technology and methods. There have also been developments to varying degrees in net and box, factory and high density running water fish raising and in using surplus and geothermal heat from electricity factories to raise fish. The output of freshwater breeding now constitutes 80 percent of freshwater fish output. In the last 5 years particularly, freshwater breeding has taken 5 great steps forward in 5 years, with output increasing an average of 13.2 percent a year. There are 364 counties in inland areas which have doubled output in 5 years.

Great changes have also been made in ocean fishery in the course of rectification. A backbone contingent of state-run fishery and a great army of collective fishery production have been established, and technical equipment and rear facilities have both been greatly improved and strengthened. The wooden sailing ships and cotton yarn nets which fishermen used in the past have been replaced by motorized ships and chemical fiber nets. Since the founding of the country, we have built in succession throughout the country 13 large-scale fishery bases, 136 small and medium-sized fishing ports and over 370 small, medium and large-scale refrigerated warehouses, and cold storage capacity has reached 250,000 tons at a time. Ocean fishing production has again advanced a large step into the outer ocean in recent years, and the scope of operations has now moved from the 80-meter deep sea area along the coast to the 200-meter deep edge of the continental shelf. Under the conditions of having paid attention to protecting and rationally utilizing resources, 1983 ocean fishing output has reached 3.62 million tons.

There have also been some new breakthoughs in the area of seawater breeding in recent years, we have begun to adopt measures to increase breeding resources such as building man-made fishing reefs and man-made free flowing fry cultivation, and bred varieties have also developed from the traditional "four large shellfish" of razor clams, blood clams, clams and oysters to some tens of varieties such as kelp, mussels, prawns, laver, agar, abalone and scallops. Successful artificial cultivation of kelp has not only ended our country's history of eating imported kelp, but has also provided abundant raw materials for industry to make iodine, glue and alcohol. Successful factory cultivation of prawns has also caused an increase in a high-output, short-cycle breeding variety along the coast and enabled our country to become one of the world's major prawn cultivators.

12267
CSO: 4007/239

SOIL EROSION REPORTED UNDER CONTROL

Beijing ZHONGGUO NONGMIN BAO in Chinese 12 Aug 84 p 1

/Article: "One Quarter of the Soil Erosion Area Throughout China Has Been Brought Under Control; In the Controlled 400,000-plus Square Km drainage Area, Over 400 Million Mu Have Been Planted with Trees and Grass, and Capital Construction Has Been Carried Out on over 120 Million Mu of Farmland"/

/Text/ China has brought under control one-quarter of its soil erosion area; in the initially-controlled 400,000-plus square km drainage area, over 400 million mu have been afforested and planted with grass, and capital construction has been carried out on over 210 million mu of farmland, enabling changes to begin to occur in the appearance of our country's land and in its ecology.

China's mountain areas, hills and plateaus constitute over 80 percent of the total territory, and due to historical and natural factors, the soil erosion area throughout the country has reached over 1.5 million square km. The most serious erosion area in the Northwest's loess plateau has reached 430,000 square km, and over 1.6 billion tons of silt a year are lost to the Huang He. The party and the state have paid a lot of attention to water and soil conservation work in the past 35 years. Chairman Mao and Premier Zhou both personally inspected the Huang He, repeatedly issued important directives and major policy decisions on water and soil conservation work, and appealed to the whole country to develop water and soil conservation work of a mass character. Since the 3d Plenary Session of the 11th CPC Central Committee, leading comrades of the Central Committee have made repeated appeals to the whole country to plant trees and grass and to vigorously study the "Classic of Vegetation" and "Classic of Mountains and Seas." Since policies have been relaxed and the economy invigorated in rural areas, new conditions have been initiated for better implementing water and soil conservation work, and there has been greater development as compared to the past in many areas such as the scope and pace of control and economic benefits: The former decentralized control has been changed to diversified systematic control of small drainage areas; the former one-sided individual control has been changed to large-area control of farming, forestry, and animal husbandry, and comprehensive control of gullies, slopes and plains; and the former eating out of one big pot has been changed to household or joint-household contracts. There have been rather rapid developments in water and soil conservation work in provinces and regions in the Huang He Basin such as Gansu, Shaanxi, Ningxia, Nei Monggol, Shanxi, Henan, Hebei and

Shandong, while places such as Yanan and Yulin Prefectures' Wuding River Basin and Chunhua, Ning County, Jingchuan, Northwest Shanxi and the Hetao area have emerged as models for controlling soil erosion on large areas. Over 10,000 family contracts to control small drainage areas in Shaanxi and Shanxi have reduced the silt carried into the Huang He from the Wuding River Basin by 50 percent, decreasing it from the former 200 million tons to less than 100 million tons. Remarkable achievements have also bee made in the areas of water and soil conservation and river control in drainage areas of rivers such as the Heilong Jiang, Songhua, Liao He, Chang Jiang, Huai He and Zhu Jiang. According to calculations by the departments concerned, grain production has increased by more than 10 billion jin annually due to water and soil conservation service to agricultural production throughout China, and the output value of specialized local forestry byproducts has increased, the income of the masses of peasants in small drainage areas has improved, and some peasants have become prosperous.

12267
CSO: 4007/240

WATER CONSERVANCY EXPERTS ON FLOOD CONTROL

OW291319 Beijing XINHUA Domestic Service in Chinese 1231 GMT 28 Nov 84

[By reporter Cui Lisha]

[Excerpts] Beijing, 28 Nov (XINHUA)--At a symposium on non-engineering [Fei Gong Cheng 7236 1562 4453] anti-flood measures, which closed today, water conservancy experts and scholars pointed out that the implementation of the anti-flood work principle of combining engineering [Gong Cheng 1562 4453] and non-engineering measures is the only way to raise flood control efficiency and to reduce flood damage. They also suggested the restructuring of the production setup in flood-diversion and flood-detention areas and the beginning of the flood-insurance business at an early date.

Non-engineering anti-flood measures do not rely on engineering project construction to control floods. Engineering measures regulate or reduce the flow of floods by building dikes, dams, and flood-draining projects. Non-engineering measures include management of flooded areas, the proper location of flood-diversion and flood-detention areas, their management, and the best utilization of land and restructuring of the production setup in these areas. They also include such measures as flood forecasting and alarm systems and flood insurance.

Experts and scholars at the symposium called on the departments concerned to step up the study of flood insurance, put it into practice on a trial basis, and formulate flood control regulations according to the unique conditions of our country. At present, losses suffered by the masses in flood-diversion and flood-detention areas are mainly compensated by state relief funds, while those areas that benefit from the setting up of these flood-diversion and flood-detention areas are not required to render assistance at all. This is unreasonable. The institution of flood insurance can change the way the burden of flood damages is borne. It will not only save state expenditures but also help ensure the stability of people's livelihood and early resumption of production after floods. Since the reopening of the insurance business in our country in 1980, Sichuan and some other provinces have instituted flood insurance on a trial basis, and it has played its due role after heavy flood damage.

CSO: 4007/103

KANG SHENG ON EXPLOITATION OF MARINE RESOURCES

OW082348 Beijing XINHUA Domestic Service in Chinese 0958 GMT 8 Nov 84

[By reporter Yang Huimin]

[Text] Beijing, 8 Nov (XINHUA)--Speaking today at the closing ceremony of the Second Congress of the Chinese Society of Oceanography, State Councillor Kang Sheng stressed that China has shifted from the traditional exploitation of marine resources to a new era of modern exploitation of marine resources, with petroleum exploration as the central task. From now on, China must further promote cooperation with foreign countries in marine exploitation.

Kang Sheng said, China's coastal waters on the continental shelf are endowed with rich petroleum and natural gas resources. Since the 3d Plenary Session of the 11th CPC Central Committee, China's offshore petroleum exploration activities have flourished, and China has signed 23 contracts with foreign petroleum firms for joint exploration and development of offshore petroleum resources in a number of areas. In current and future large-scale exploitation of marine resources, China not only must cooperate with the world's developed nations, but must also carry out mutual support and cooperation with the world's developing nations.

He said, in addition to the exploration of offshore petroleum, China must cooperate with foreign countries in the following six areas: Accurate forecasts on marine meteorology and marine conditions; advanced marine communications and positioning equipment; marine safety and rescue services; testing of marine materials and antiseptic technology; marine diving and underwater engineering services; and seabed geological study. He hoped that the over 6,000 members of the Chinese Society of Oceanography would pay attention to fostering marine scientific research personnel, and create conditions for large-scale marine exploitation.

CSO: 4007/103

COMMODITY RATE IN DEVELOPMENT OF LIVESTOCK ENTERPRISES STRESSED

Beijing ZHONGGUO NINGMIN BAO in Chinese 12 Aug 84 p 1

/Commentary by Liu Shufan /0491 2885 5400/: "We Must Stress the Commodity Rate in Order To Develop Livestock Enterprises"/

/Text/ China's livestock enterprise production is now developing rather quickly but still more slowly than farming, and the quantity and quality of meat, milk, poultry and eggs still cannot satisfy the people's daily increasing consumption needs. Accelerating the pace of development of livestock enterprise produciton and improving its commodity rate is of great urgency.

The basic way to develop livestock enterprise commodity production is to implement and perfect the job responsibility system in stock raising production. While implementing the job responsibility system in raising herds, pastoral areas must define grass farm use rights and carry out the job responsibility for grass farm use management. While continuing to perfect the family responsibility system with remuneration linked to output, farming areas can relax stock raising produciton policies and encourage individuals to raise hogs, sheep, poultry and draught animals, and in addition to assigning feed crop land, rights can be settled and certificates issued for some grassland hills and slopes which can be assigned for peasant household management. This is a major link in arousing the enthusiasm of peasant herdsmen to develop livestock enterprise commodity production.

In order for peasant herdsmen to have production enthusiasm, they must strive for economic results, overcome the tendency to blindly seek breeding quantity and to neglect the rate of those emerging from the pens and the commodity rate, and improve the individual produciton capacity of livestock. The key is the need to use good breeds, to raise them scientifically, and to improve the output and quality of livestock and poultry products. We must first develop production of lean meat commodity hogs, raise the milk produciton rate of cows and the egg production rate of poultry, improve the quality of sheep's wool, advocate fattening in 1 year, and accelerate the turnover rate of poultry and livestock herds. These can all greatly improve the livestock enterprise commodity rate. While developing livestock enterprise commodity produciton, we must pay attention to lowering produciton costs, fully utilize the rich forage grass resources, develop grass-fed livestock, turn forage grass into livestock products such as meat, milk and fur, actively develop the feed industry, popularize the use of mixed feed, and expand development of feed sources.

China's animal byproduct processing and storage and transportation technology are rather backward, and consequently great losses occur in the course of storage and transportation. Developing the animal byproduct processing industry, improving the technology to ensure freshness in storage and transportation, making animal byproduct production, supply and marketing a coordinated process, and developing various forms of joint animal husbandry-industrial-commercial economic systems will thus be a major step in raising output, ensuring quality and reducing losses.

In summary, along with the development of livestock enterprise commodity production, service before, during and after produciton is becoming progressively more important, and we must mobilize the forces of the state, the collectives and individuals in all areas, use methods such as contracts, and do a better job of service work in order to eliminate peasnat herdsmen's fears of past troubles and promote the development of livestock enterprise commodity production.

12267
CSO: 4007/240

REDUCTION OF ARABLE GRAIN AREA REJECTED

Beijing ZHONGGUO NONGMIN BAO in Chinese 23 Aug 84 p 2

/Article by Tong Bingya /0157 1456 0068/ of the Crop Research Institute of the Chinese Academy of Agricultural Science: "Can China's Arable Grain Area Be Reduced?"/

/Text/ China's total 1983 grain output was 775.4 billion jin, the average amount of grain per capita has remarkably increased, and output has reached 1,500-2,00 jin per mu in some grain-producing areas and a high of 4,000 jin per mu in exceptional counties. Grain and legume prices on agricultural trade markets in some areas are still lower than national list prices, and problems have occurred in many areas, as peasants are having grain-selling difficulties. Some people thus believe that our country's grain is adequate and that the arable grain area can be somewhat reduced.

Does our country really have too much grain? The answer is no. The average amount of unprocessed food grains throughout the country now still does not exceed just over 700 jin per capita, and only a little over 500 jin per capita is processed as finished products, which is still lower than the average amount of grain per capita for all countries in the world. There still is a considerable number of areas in China where natural conditions are poor, production standards are low, and the average amount of grain is less than 200 jin per capita. Some areas have one kind or another of natural calamity every year. Judged by conditions throughout the world, then, we do not have too much grain, but far too little.

The average amount of grain in agriculturally-advanced countries throughout the world is now at least 1,000 jin per capita, exceeding 2,500 jin per capita in countries such as the United States and Hungary, and has reached 3,500 jin per capita in Canada and Australia which have the most. This is one of the major indications that these countries have achieved agricultural modernization. A diversified economy can be further developed and more feed and raw materials provided for the development of animal husbandry and industry only if there is a surplus of grain. All of the world's advanced animal husbandry countries have become so by providing abundant feed grains to be transformed into meat, eggs and milk. Our country is still in an inferior position in meat, eggs, milk and animal husbandry, and our products are far from being able to satisfy social needs. One of the reasons is that the feed we can now provide from grain is limited. Judging from the state of the feed industry and animal husbandry, we do not have too much grain but too little.

Our country's peasant households also certainly do not now generally have too much stored grain. According to an investigation we made in Hebei's Shulu County, the ordinary peasant household has 800-2,000 jin of surplus grain, which is mainly coarse food grains. But peasants have no storage sites and, moreover, want to turn grain into cash, and so are eager to sell it. Grain departments limit procurement because of limited storage capacity, plus circulation is not free, surpluses and deficiencies are unbalanced in all areas, and on the spot transformation and comprehensive utilization of grain are also not carried out. This creates the problem of grain-selling difficulties and gives people the false impression that there is too much grain. According to another investigation of 64 production brigades in certain high-yield areas in Hebei Province, peasant households' stored grain can only feed them for 4-5 months. In other words, if natural calamities occurred in some areas, they would require grain aid from the state that year, and even more if large-scale calamities occurred.

As the saying goes: With grain in your hand, your mind will be calm. We must therefore make great efforts to stress grain production. China averages just over 1 mu per capita of cultivated land; we can only rely on raising output per unit area to increase total output, and this is a very diffiuclt task. We must thus definitely maintain our arable grain area. First, we must preserve our flour and rice crop area for paddy rice and wheat; second, we must preserve our high-yield crop area for corn used as feed grain; and third, we must preserve our legume crop area in order to provide people with more richly nutritious legume food products. This will be a major guiding principle in future development of cultivation.

12267
CSO: 4007/240

REFORM OF RURAL COOPERATIVE ECONOMIC STRUCTURE EXPLAINED

Beijing NONGCUN CAIWU KUAIJI [RURAL FINANCIAL AFFAIRS] in Chinese No 10, 6 Oct 84 pp 26-28

[Article by Wang Hanzhi [3769 3211 4249]: "Questions Concerning Reform of the Rural Cooperative Economic System"]

[Text] Six. What are the prospects for rural economic development in our country?

The CPC Central Committee Documents No 1 for 1983 and 1984 and the speeches of certain leading comrades have given a prophetic description of the excellent prospects for rural economic development in our country. The basic contents are as follows:

First, instituting three reforms under three premises. The three premises are: strict control over the population growth, rational utilization of the natural resources, and preservation of the environment. The three reforms are: reform of the agricultural economic structure, reform of the economic management system and reform of agricultural technology. These six items represent the important strategic measures for agricultural development. They are both closely interrelated and mutually promoting. We should do the work of family planning well to strictly control over the population growth and ease grain shortage. In the premises of rationally utilizing the natural resources and preserving the environment, we should develop diversified undertakings, change the unitary agricultural structure, implement the division of labor and trade and set up the multi-sector economic structure. We should change the excessive centralized economic management system of the past, which involved "doing things in a massive and unplanned way" and "eating from the same big pot," mobilize the peasants' enthusiasm, give play to the economic vitality, and usher in a lively situation of daily growing commodity production. We should make continual efforts to achieve the technical transformation of agriculture, improve the conditions for agricultural production and develop the agricultural productive forces so as to provide agriculture with a more advanced material and technical foundation.

Second, promoting the "two changes" through reform. By the "two changes" is meant the change from a self-supporting and semi-self-supporting economy in agriculture to large-scale commodity production, and the change from

traditional agriculture to modern agriculture. This trend portends the imminent approach of the revitalization of the rural economy in our country, thereby providing favorable conditions for realizing the strategic targets put forth by the 12th CPC Congress.

Third, following the path of comprehensive development of agriculture, forestry, animal husbandry, sideline occupation and fishery, and comprehensive operation by agriculture, industry and commerce. Reforms and changes first made a breakthrough in the unitary form of grain production before embarking on large-scale agriculture embracing agriculture, forestry, animal husbandry, sideline occupation and fishery. Later they made another breakthrough in this scope of "agriculture" before embarking on agricultural-industrial-commercial comprehensive operations. While ensuring the increase in grain production, we should energetically develop forestry and animal husbandry and fishery production, open up and make use of barren hills, wilderness, waste sand dunes, sandy beaches, untapped water and other resources, seed grass and plant trees, raise cattle and breed fish so as to create conditions for the coordinated development of agriculture, forestry, animal husbandry and fishery. Energetic efforts should be made to develop the rural food processing industry, the fodder processing industry, the building materials industry and small energy industry. We should open up channels of commodity circulation and implement multi-channel circulation with state commerce, cooperative commerce, and individual commerce going into action simultaneously.

Fourth, since the peasants detached themselves from the soil but remained in the countryside, the arable land is gradually concentrated. With the division of labor and trade and the development of commodity production, more and more labor force will break away from working on the arable land and engage in forestry, animal husbandry, sideline and fishery production and switch to industrial and commercial undertakings. To change the situation of feeding 800 million peasants, the arable land in the rural areas will gradually concentrate on farming experts who will become households specialized in grain cultivation and farming. Thus the labor force contracting to farm the land will gradually shrink from the original 70-80 percent of the total labor force to 20-30 percent of the total labor force. The small family farms operated by the specialized households will, through the socialized service system, provide machinery, electric power, water conservancy facilities, science and technology, supply, marketing, transport, storage, information and other services to gradually realize agricultural modernization. In the meantime, some relatively large farms operated by the regional agricultural cooperatives will carry on to eventually become commodity grain bases.

Fifth, the rural industry will develop markedly and converge gradually on small market towns. The industrial and sideline enterprises originally run by the communes and brigades or teams have become the important pillars of agricultural production. Letting industry subsidize agriculture, many places have released part of the profits netted from industrial and sideline production to be used as investments in support of agricultural capital construction and also to subsidize the income from distribution of commune members engaged in farming. Such a practice is an important way for the peasants to achieve common prosperity. From now on, a labor force of over

1 million men (about 40 percent of the total labor force in the rural areas) will turn to rural industries, construction, transport, commerce and service trades to find an outlet. Village and town industries, industries jointly managed by the peasants and family industries self-managed by the peasants themselves will increase several times and even several dozen times. With small market towns as their bases, these industries are converging on the small market towns. At present the rural industries have made a breakthrough into the scope of commune and brigade-run enterprises. The CPC Central Committee Document No 4 for 1984 has renamed commune and brigade-run enterprises as rural and small town enterprises [xiang-zhen qiye 6763 6966 0120 2814] thus making it more compatible with the objective circumstances that rural industries are converging on small market towns.

Sixth, the widely scattered small market towns in the rural areas will be more prosperous and the gap between industry and agriculture and between the cities and the countryside will diminish step by step. The CPC Central Committee Document No 4 for 1984 has provided new stipulations allowing peasants engaged in industrial work, business and service trade to take care of their own food grain in settling down in small market towns. This open policy is now playing a vital role in advancing the construction of small market towns. The Document held that this way would hold down investments on energy, communications, warehouses, water supply and sewage treatment. Under the correct guidance of the CPC Central Committee, the nearly 60,000 small market towns in the rural areas throughout the country will prosper group by group. Based on the results of investigation and studies, some places have summed up the vital role of a small market town as follows:

It is a developmental base of village and town industries.

It is a place to absorb the rural surplus labor force and a place for the skillful craftsmen to display their skills.

It is a market for the rural fair trade enabling the peasants to each supplies what the other needs, to each makes up the other's deficiency from his own surplus, exchange techniques and satisfy the needs in production and livelihood. It supplies market information to the peasants.

It is a bridge linking the flow of goods and materials between the cities and the countryside. When agricultural and sideline products entering the cities, they go from the rural areas to the market towns first before arriving in the cities, moving in both a dispersed and concentrated way in the shape of a folding fan; when industrial products going down to the rural areas, they move first from the cities to the market towns before reaching the rural areas in a concentrated and dispersed manner, also in the form of a folding fan. The combination of these two fans embodies the network of commodity circulation.

It is the core of socialized services. Various kinds of collective, state-operated and peasant jointly operated service organizations offering operational and management services, agricultural technical services and supply and marketing services are established in a more concentrated manner in these small market towns.

It is a place to disseminate scientific and technological and cultural knowledge. The market towns have schools, hospitals, cultural halls, libraries, radio stations, photo studios, movie projection teams, they even have movie houses, theaters and theatrical troupes. All kinds of political, scientific and technological, cultural and economic management training classes are run in the market towns, all types of meetings are also convened in the market towns. The market towns are rural political, economic and cultural centers.

The various roles of the small market town mentioned above are all conducive to narrowing the gap between industry and agriculture and between the cities and the rural areas. With more and more peasants now engaging in industry and commerce and in agriculture, industry as well as commerce at the same time, the gap between industry and agriculture is continually narrowing. With the small market towns becoming more prosperous and developed and properly built to the extent that whatever items the cities have to offer can also be found basically in the market towns, the gap between the cities and the rural areas is also diminishing markedly.

The construction of small market towns is a new task with many new problems to be solved step by step and one by one through investigation and study and by relaxing policies. Although the work of construction is arduous, we must redouble our efforts to make it a reality since the magnificent prospect is lying ahead of us.

12662
CSO: 4007/82

WAYS TO IMPROVE RESULTS IN APPLYING AGRICULTURAL ZONING

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese No 6, 23 Jun 84 pp 51, 47

[Article by Li Landi [2621 5695 2769]: "Improving the Results of the Application of Achievements in Agricultural Zoning"]

[Text] The objective of agricultural zoning lies in application. To do well in applying its achievements and to improve the results produced by the application are, therefore, vitally important tasks for us to accomplish. For the improvement of the said results, we must grasp the following two points:

First, to do a good job of restructuring the agricultural system and setting it in motion by paying attention to the application of its engineering method and following the achievements made in the zoning, and to attain a high-level agroecological balance by tapping the potential of production in natural resources to the maximum. Except for a thorough investigation of their natural resources, what has resulted from the agricultural zoning is the general discovery of the destruction of the areas' agroecology and irrationality in the local agricultural systems and in their internal production structures. The essence of the application of the achievements of agricultural zoning should be to readjust and design the agricultural system by following the law of ecology and the law of economics and to adopt the system's engineering method in such a way that it carries the area's characteristics and can bring the area's preponderances into full play. For this matter, let us first discuss the relationship between the function and structure of the agricultural system. Function is the goal of our management of the agricultural system. Even under the same conditions, different structures have different functions. The agricultural system is an enormous and complicated system in an open form and is also a unity of the agroecological system and the agroeconomic system. Its structure contains many layers, and the structure of each layer may have multiple forms as well. Divided by the customary method based on production, the agricultural system comprises many subsidiary systems, for example, agriculture (which, in a narrow sense, is planting), forestry, animal husbandry (including poultry growing), fishery, insect growing, microbe cultivation and sideline production. Existing among the subsidiary systems are interdependent

internal links which make them an organic entity. Each subsidiary system is individually composed of its own subsidiary systems at a lower level; likewise, these subsidiary systems have their own interdependent internal links. Due to the differences in the conditions of natural resources and the state of historical production, in the means of exploitation and the situation of technology and in social conditions, the subsidiary systems and those at a lower level are structured in different compositional ratios. They are known as structurally different. Structures differ in function or in economic results and ecological results, when their forms are different. Those structures are known as structurally rational if they comform to objective laws, or as structurally irrational if they are not. The former have a high function, the latter a low one. Certain irrational structures may not look as though they would have poor economic results in a short period of time, but they definitely do when judged by their ecological results and long-range economic results. The concrete range of our work in agricultural zoning is to provide a scientific basis for the study of the best results of the agricultural system and its subsidiary systems. When we study the results (both ecological and economic) of the agricultural system of an area, we must study its structure because the most scientific way to study whether or not the structure is rational is the system's engineering method. Only by so doing can we find a scientific plan based on the law of the transformation of matter and qualitatively and quantitatively present the mathematic bases to carry out the development of subsidiary system B, which is promoted with products from subsidiary system A; those of subsidiary systems A and C, which are promoted with products from subsidiary system B; that of subsidiary system C, which is promoted with products from subsidiary systems A, B and D; etc. so that we will eventually accomplish the due development of each subsidiary system which is suitable to all of the local conditions and ultimately brings all of the developments into the grand development of the agricultural system. With the grand development, we will be able to obtain the best ecological and economic results which are larger than the total of the results of individual subsidiary systems reached by simple addition. This is exactly the end result of agricultural zoning as well as the application of its achievements.

Second, to pay attention to factors which restrict production and to try to eliminate them. For agricultural production, elimination of those factors is the only way that will enable us to utilize natural resources fully and all kinds of favorable conditions to improve productivity and to increase economic results. For example, the soil specialty team discovers in its survey the shortage of a certain nutrient or an obstruction in the soil; the animal husbandry specialty team discovers in its survey the surplus of calories and the shortage of proteins in the composition of feed or the shortage of grasslands; the fishery specialty team discovers in its survey the shortage of bait in fresh-water and seawater cultivation, which prevents giving full play to the preponderance of the surface of water; the meteorology specialty team

discovers in its survey the contradiction between the growth stages of plants and the requirements of calories; the farming machinery specialty team discovers in its survey the contradiction between the elevation of the level of mechanization and surplus labor; and the comprehensive team discovers in its survey the contradiction between the vicious transformation of water resources and the fertility of farming land caused by the irrational structure of forestry. Only by effectively solving these problems can we "climb one story higher" and then further perfect the results of restructuring the agricultural system, which we have attained by applying the achievements in agricultural zoning and using the system's engineering method. The approaches to eliminate those factors restricting production should be various, depending on the situation. For example, if the soil is short of a certain nutrient or has a certain obstruction, we may add the kind of chemical fertilizer containing such a nutrient to the normal kind or give treatment directly to the obstruction in the soil so that we can achieve the goal of improving the soil's productivity. If the normal feed is short of proteins, we may give the animals additional urea or other feed containing proteins so that we can improve the feed's return. To deal with the contradiction between the requirements of calories and the growth stages of plants, we may handle the surplus and shortages of calories separately so that we can improve the yield of grain by fully utilizing the resources of light and heat.

We realize that we will be able to improve the results in applying agricultural zoning when the two points are organically combined. If the product of this combination can be turned into the intention of the leading organization, included in the work schedule, formed as an overall plan, a long-range plan and a short-term plan for implementation and given the necessary guarantees in organization and funding, the application of the achievements in agricultural zoning will help speed up the pace of the modernization of agriculture and permit us to achieve the goal of rendering service to the "four modernizations" with agricultural zoning.

12730
CSO: 4007/215

RURAL MATERIAL SUPPLY ANNOUNCED

State to Augment Rural Supply

Beijing ZHONGGUO NONGMIN BAO in Chinese 28 Aug 84 p 1

[Article: "State Goods and Materials Bureau Decides To Organize Goods and Materials in Addition to Plans To Supply Rural Areas"]

[Text] The state goods and materials bureau has recently decided to provide some goods and materials to rural areas in addition to plans, and these include 300,000 tons of imported steel products, 300,000 cubic meters of lumber, 37,000 imported automobiles, 20-30,000 automobiles processed with imported steel products, and 200,000 tons of dismantled ship plates.

Li Jizhang Interviewed

Beijing ZHONGGUO NONGMIN BAO in Chinese 28 Aug 84 p 1

[Article: "On the Problem of Organizing Goods and Materials in Addition to Plans To Supply Rural Areas: Assistant Head of State Goods and Materials Bureau Li Jizhang [2621 4764 4545] Answers Staff Reporter's Questions"]

[Text] Question: Why has the state organized this year to supply goods and materials in addition to plans for rural use?

Answer: This is a step in the reform of goods and materials departments. Since the goods and materials included in state plans for rural areas are far from satisfying present rural development needs, based on the principle of taking a planned economy as the major factor and market adjustment as a supplement and premised on guaranteeing national key construction projects, it has thus used the method of market adjustment to organize a group of goods and materials in addition to plans to invest in rural areas.

Question: Who will this group of goods and materials be supplied to and how will it be distributed?

Answer: The bureau has drafted a "measure" to send it down to all areas. It is stipulated therein that: Steel products and lumber will be specially supplied to rural areas to use in building houses, and preference will be

given to supplying specialized households, joint systems and ex-servicemen who have returned to their native places and lack housing; after undergoing processing and remanufacture, dismantled ship plates will be used for maintenance and production of small and medium-sized farm tools, and can also be used in construction of rural houses; and automobiles will be specially supplied to specialized households and small town enterprises. Under these supply measures, the state goods and materials bureau distributes supplies to goods and materials bureaus in all provinces, autonomous regions and municipalities directly under the jurisdiction of the state; the provinces will then distribute them directly to counties, and all areas must not again transfer them.

Question: What procedures must consumers use to purchase needed goods and materials?

Answer: Consumers can apply directly to local goods and materials bureaus and make overall arrangements with them according to circumstances. According to need, goods and materials supply departments can process some goods and materials into finished or semi-finished products, organize the supply of complete sets of construction materials for rural housing, and handle consignment business.

Question: How will this group of goods and materials for rural use be priced?

Answer: Prices of this group of goods and materials will be based on the principle of a fluctuating high without further national financial subsidization; in other words, higher than state-selected prices and lower than the highest market price. The state goods and materials bureau has stipulated that goods and materials departments on all levels must charge fairly, not add costs level by level, and definitely not resell at a profit and seek for illegal profits from it.

Question: Will you continue in future to organize goods and materials in addition to plans?

Answer: The group of goods and materials organized this year is the first, and we will continue in the future to organize and strive for some increase in specifications, varieties and quantity.

12267
CSO: 4007/234

COMPREHENSIVE BALANCE IN AGRICULTURAL PRODUCTION TECHNOLOGY EXPLORED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL PRODUCTION TECHNOLOGY] in Chinese No 7, Jul 84 pp 33-37

[Article by Lu Chengzu [7120 2110 4371] of the Chinese Academy of Agricultural Sciences Agricultural Economics Institute: "A Brief Examination of the Comprehensive Balance of Technical Measures in Agricultural Production"]

[Text] I. The Scope of Comprehensive Balance of Technical Measures in Agricultural Production

Research on a comprehensive balance of technical measures in agricultural production must begin with the scope of comprehensive balance and decide on what the scope of comprehensive balance should be.

The theory of comprehensive balance of technical measures in agricultural production is an expression of the "law of diminishing returns." The "law of diminishing returns" is one phenomenon of the loss of balance in technical measures in agricultural production. Research on comprehensive balance requires exploration of the factors that lead to imbalance through the law of diminishing returns and finding the route to balance within the imbalance.

The "law of diminishing returns" says that when two or more factors of production are combined for production of a specific product, if the amounts of some of the factors of production cannot be changed, then the amounts of the other factors of production must continually increase. In the beginning, the return from each increase of one unit of a variable factor will be greater than the return to the previous unit (if the starting point is assumed to be very low). When a certain point is reached, output drops with each additional unit, that is, the return to each additional unit of the variable factor will be smaller than the preceding one. It can be seen that there are two types of factors of production in the "law of diminishing returns": variable factors and fixed factors. The situation after changes in the returns to these two types of factors is not the same.

1. Changes by stage in returns to variable factors

To see this clearly, we will assume that two factors are combined for the production of an agricultural product: cultivated land and crop seeds.

The land area (a fixed factor of production) is set at 2 mu. A comparative experiment was done sowing different amounts of seed (a variable factor). The results of sowing differing amounts of seed are shown in Table 1.

Table 1. Changes in Returns to Variable Factors (units = Kg)

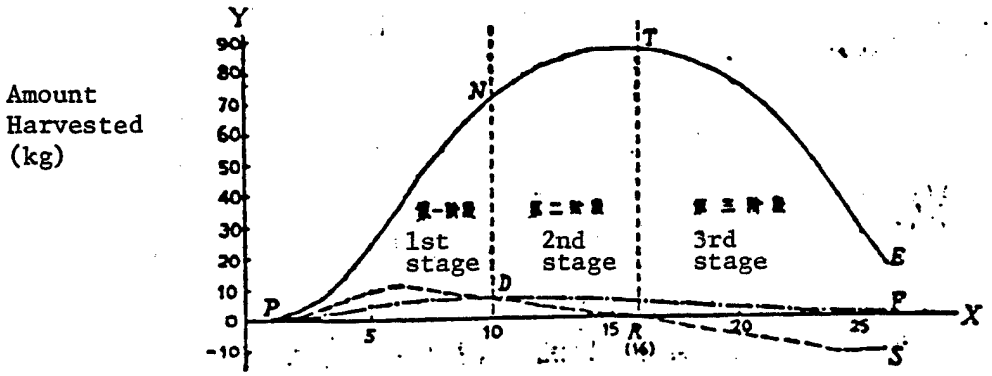
A	B	C	D
播种量 (X)	收获量 (总报酬) Y	种子边际报酬	种子平均报酬
1	1	1.0	1.00
2	3.1	2.1	1.55
3	7.5	4.4	2.50
4	14.8	7.3	3.70
5	24.8	10.0	4.96
6	35.8	11.0	5.97
7	46.2	10.4	6.60
8	55.6	9.4	6.95
9	63.9	8.3	7.09
10	71.0	7.1	7.10
11	76.8	5.8	6.98
12	81.2	4.4	6.77
13	84.0	2.8	6.46
14	85.6	1.6	6.11
15	86.3	0.7	5.75
16	86.3	0.0	5.39
17	85.3	- 1.0	5.02
18	83.1	- 2.2	4.62
19	79.5	- 3.6	4.19
20	74.3	- 5.2	3.72
21	67.8	- 6.5	3.23
22	59.9	- 7.9	2.72
23	50.5	- 9.4	2.20
24	38.9	-11.6	1.62
25	27.9	-11.0	1.12
26	17.8	-10.1	0.69

Key:

A. Amount sown (X)
B. Amount harvested (Total Returns) Y
C. Marginal returns to seed
D. Average returns to seed

Table 1 shows that gross output is highest at 86.3 kg when 16 kg of seed are used and begins to drop after this point. The marginal returns to seed refer to the output gained from the last unit of seed. Average returns and marginal returns are equal when 10 kg of seed are planted, which we will label point D. Total returns are highest when marginal returns are equal to zero. This is the situation when 16 kg of seed are used, and will be labelled point T. The point on the OX axis where marginal returns are equal to zero is labelled R. The data in Table 1 was used to draw the three curves in Figure 1. The horizontal axis (OX) shows the amount of seed used and the vertical axis (OY) shows the amount harvested. The three curves show the changes in total returns, marginal returns and average returns.

Figure 1. Diagram of Changes in Returns to Variable Factors



Amount Sown (kg)

The line PNTE shows the change in total returns. The line PDRS shows the change in marginal returns, and the line PDF shows changes in average returns.

By drawing a straight vertical line from the point where marginal returns and average returns cross to the OX axis and labelling the point where it crosses total returns as N and the point where it crosses OX as Q, the portion to the left of the line NQ is the first stage. The curve is fairly steep during the first stage. Marginal returns per unit and total output increase rapidly. Total output is not at its maximum point, however. By drawing a straight vertical line from the point where the curve of marginal returns crosses the OX axis (when marginal returns are equal to zero) up to the point where it crosses the total returns curve at T, then the portion between NQ and TR is the second stage. Total returns continue to increase in this state, but at a slower rate than in stage one, and the slope of the curve flattens. The area to the right of TR is stage three. There are negative marginal returns in this stage, and total returns drop.

Figure 1 shows that during the first stage, when the amount of seed is small and the amount of land is large, there is an imbalanced proportional relationship between the two, so that although marginal returns are high and increase quickly, total output is not high because of the underuse of land. In the second stage, because of continual increases in the amount of seed, it begins to assume a balanced proportion with the fixed factor, land, and the point of highest total output occurs during this stage. During the third stage, excessive amounts of seed are used, and there is a relative shortage of land. Imbalance between the two factors reappears, so total output declines from its maximum point.

We can summarize this in the following way:

During the first stage, the marginal returns to the variable factor are greater than average returns up to the point where they are equal to average returns. The first stage stops at the point where average returns are at their highest point. During the second stage, the marginal returns to the variable factor are smaller than average returns, but they are still positive. Total output reaches its maximum when marginal returns are equal to zero. Marginal returns to the variable factor are negative throughout the third stage. Total returns and the average returns to a unit of the variable factor decline. This is a change that splits variable factors into two stages. During this process of change, increases in the absolute amount of the variable factor also cause continuous changes in its ratio with the fixed factor. The proportional relationship between the two moves from imbalance to balance and then back to imbalance. This is the reason for the changes in marginal, total and average returns.

2. Changes in the stages of returns to fixed factors

The theory of constant returns regardless of the scale of production that is found in the economics of agricultural production in the West states that if the proportional relationships between the factors of production are held constant, and the scale of production is made smaller or larger in equal proportions, then there will be constant average returns and marginal returns, and total returns will increase along with the factors of production in the same proportions. For example, if 100 kg of wheat can be produced using 1 kg of seed, 1 kg of fertilizer and one worker on 1 mu of land, then 1,000 kg of wheat can be produced using 10 mu of cultivated land, 10 kg of fertilizer and 10 workers. Because the proportions of each factor of production are held constant, then expansion of the scale of production does not cause changes in average returns or marginal returns. We feel that this theory is correct, but that there are two conditions: 1) Production technology must be fixed, and changes in output must not be due to advances or regression in production methods. 2) There must be constant natural conditions and no differences in the quality of each factor of production.

With this theory in mind, we can return to Table 2. When the amount of seed sown on the fixed 2 mu of land is increased from 1 to 2 kg, output increases from 1 to 3.1 kg. This is the output with fixed land. When land and seed are increased in equal proportions, there also should be a proportional

increase in output from 1 to 2 kg. In actuality, under conditions of fixed land, the output is 3.1 kg. With an increase of 1 mu of cultivated land, output falls by 3.1 - 2 = 1.1 kg. If we increase the amount of seed from 2 to 3 kg, actual output increased from 3.1 to 7.5 kg. If land is increased in the same proportion from 2 to 3 mu, then there should be a corresponding increase in output from 3.1 to 4.65 kg, but in reality there is a decrease of 7.5 - 4.65 = 2.85 kg over the situation with fixed land. This is due to the excessive amount of land. In relative terms, the amount of seed sown was too small and an increase in the amount of cultivated land caused excessively thin sowing, resulting in decreased output.

It can be seen that agricultural production involves production of living animals and plants, and that agricultural production will play its most effective role only through adoption of measures for a comprehensive balance. A change in a single measure not only cannot promote production but can also lead to waste of resources and decreased production because of the loss of proportional relationships.

Using above method for extrapolation, we have extrapolated from the figures in Table 1 and achieved the results shown in Table 2.

(Table 2 on next page)

Table 2. Changes in Marginal Returns to Fixed Factors (units in kg)

A	B	C	D	E
递增种子数量	种子、土地等比例增加时的收获量	土地固定时的收获量	同比例增加土地对产量的影响	土地边际报酬
1～2	2.00	3.1	- 1.10	- 1.10
2～3	4.65	7.5	- 2.85	- 5.70
3～4	10.00	14.8	- 4.80	-14.41
4～5	18.50	24.8	- 6.30	-25.20
5～6	29.76	35.8	- 6.04	-32.90
6～7	41.76	46.2	- 4.44	-26.66
7～8	52.80	55.6	- 2.80	-10.58
8～9	62.55	43.9	- 1.35	-10.80
9～10	71.00	71.0	0	0
10～11	78.10	76.8	+ 1.30	13.00
11～12	83.78	81.2	+ 2.85	28.66
12～13	87.79	84.0	+ 3.97	47.82
13～14	90.46	85.6	+ 4.86	63.10
14～15	91.71	86.3	+ 5.41	75.66
15～16	92.04	86.3	+ 5.75	86.30
16～17	91.69	85.3	+ 6.39	102.24
17～18	90.32	83.1	+ 7.22	123.42
18～19	87.72	79.5	+ 8.22	148.10
19～20	83.68	74.3	+ 9.38	178.66
20～21	78.02	67.8	+10.22	204.40
21～22	71.03	59.9	+11.13	234.30
22～23	62.62	50.5	+12.12	266.36
23～24	52.70	38.9	+13.80	317.24
24～25	40.52	27.9	+12.62	304.08
25～26	29.02	17.8	+11.22	280.50

Key:

A. Step Increase in Amount of Seed
B. Amount Harvested when Seed and Land Are Increased in Equal Proportion
C. Amount Harvested when Land Is Fixed
D. The Effect of a Proportional Increase in Land on Output
E. Marginal Returns to Land

Table 2 shows that there is a definite inverse direction between changes in the marginal returns to fixed factors and changes in the marginal returns to variable factors. When the marginal returns to variable factors are negative, real marginal returns to fixed factors are positive. In Table 1, marginal returns are negative at zero and below. In Table 2, the marginal returns to fixed factors below zero are negative. A further investigation shows that the marginal returns to seed are greatest at 11.0 kg when the amount of seed sown equals 6 kg, and declines after this point. The negative marginal returns to land reach their maximum after this point however, at 32.90 kg. When 24 kg of seed are sown, the negative marginal returns to seed are greatest at -11.6 kg. This is the exact point where positive marginal returns to land are highest, at 317.24 kg. It can be seen that the forces of production of land and the forces of production of seed are in an exactly opposite position. The first stage in the forces of production of seed is the third stage of the forces of production of land, while the third stage in the forces of production of seed is the first stage of the forces of production of land. Only in stage two does output from both factors of production tend to increase. We used only two factors of production in our example, so a situation of opposite directions was formed. If there are several factors of production, there could be some nonuniformity in the numbers, but the basic tendencies would be no different. We can learn from this that "the law of diminishing returns" is created by a loss of proportion between variable factors and fixed factors.

Two conclusions can be drawn from the above analysis:

1. The object of agricultural production is living animals and plants. Any factor of production (resource) cannot play a role individually but must be combined with other factors of production. If the proportion of one factor in combination with other factors is too high or too low, its forces of production may decrease. Only when combined in suitable proportions to achieve a comprehensive balance of technical measures in agricultural production can full play be given to the role of each resource.

2. Fixed factors and variable factors are measured by their absolute amounts. In terms of their relative amounts, there can be changes in the proportional amounts of the two. Too little of one factor means that there will be too much of another factor. For this reason, when carrying out a comprehensive balance of technical and economic measures in agricultural production, we cannot allow a shortage of one factor of production so that its forces of production remain in stage one. Neither should we permit an excess in the proportional amount of one factor of production so that it enters stage three. Rational comprehensive balance should occur in stage two.

We have pointed out in the past that in research on comprehensive balance of technical measures in agricultural production, we should pay attention to research on "inadequate" and "surplus" technical measures. The inadequate technical measures we spoke of at that time refer to technical measures that lie in the first stage of our analysis of stages, while excess technical measures are those technical measures that lie in stage three. Although the marginal returns to individual measures are highest in the first stage, the

fact that some technical measures cannot play their role fully in the first stage means that total returns are at their maximum in the second stage.

II. Factors Influencing Comprehensive Balance in Agricultural Production Technological Measures

We have analyzed the scope of comprehensive balance of technical measures in agricultural production, but we still cannot find the point of comprehensive balance. Further research on the factors that influence comprehensive balance is necessary. There are a lot of data on changing factors of production in the second stage of changes in the agricultural production function. The increased sowing of seed from 10 to 16 kg, for example, lies in the second stage. Only when the actual amount used is known is it possible to achieve the most superior comprehensive balance. This requires examination of two conditions: 1) the amount of each productive resource; and 2) price levels of resources and products.

1. The amount of each productive resource:

There are often insufficient amounts of certain resources (e.g., fertilizer, farm chemicals, improved varieties, etc.) during the production process. When studying comprehensive balance of technical measures in agricultural production, we must pay special attention to fully utilizing these resources. In Table 1, output was highest at 86.3 kg when 16 kg of seed were sown. If the resources are less than this amount, then they should be withdrawn and used for another purpose or another resource should be substituted for them. If they cannot be replaced and if the resource is a limited factor, then the amounts of other resources consumed should be determined with this resource as the standard for establishing a comprehensive balance.

2. Price levels of resources and products:

Prices greatly influence the amount of profit a producer may obtain. In comprehensive balance of technical measures in agricultural production, in order to obtain the maximum profits, all variable factors should be input up to this point. Above this point, the total costs of each factor are equal to marginal benefits. That is to say, the sum of the cost of each factor of production should be the minimum cost composition. To simplify this point, we will use Px to represent the unit cost of a variable factor and Py to represent the unit cost of the product. ΔX represents the increase in variable factors (marginal amount used), and ΔY represents the increase in product (marginal returns). The proportional price between the factor of production and the product is Px/Py. In order for the producer to obtain maximum profits from production, the amount of the variable factor input should be adjusted to this degree so that the ratio of marginal returns to marginal amount invested is equal to the ratio of the resource price to the product price, i.e.,

$$(1)\quad \Delta Y / \Delta X = Px/Py$$

$$\text{or } (2)\quad \Delta Y \cdot Py = \Delta X \cdot Px$$

Formula 2 shows that marginal income is equal to marginal costs. If each input of the variable factor is one unit, so that $X = 1$, then formula 2 becomes:

$$\Delta Y \cdot Py = Px$$

We will assume that the price of seed is 2 yuan per kg, and that the price of each kg of product is 1.25 yuan. Using the amounts of seed input shown in the second stage of Table 1, we derive the following results:

Table 3. Changes in the Amount of Variable Factor Inputs and Net Benefits

A 播种量 (公斤)	B 总报酬		E 种子边际报酬		H 成本		K 纯收益 (元)
	C 数量 (公斤)	D 金额 (元)	F 数量 (公斤)	G 金额 (元)	I 总成本 (元)	J 边际成本 (元)	
10	71.0	88.72	7.1	8.875	20	2	68.75
11	76.8	96.00	5.8	7.250	22	2	74.00
12	81.2	101.50	4.4	5.500	24	2	77.50
13	84.0	105.00	2.8	3.500	26	2	78.99
14	85.6	107.00	1.6	2.000	28	2	79.00
15	86.3	107.87	0.7	0.875	30	2	77.87
16	86.3	107.87	0.0	0	32	2	75.87

Key:

A. Amount Sown (kg)
B. Total Returns
C. Amount (kg)
D. Amount of Money (yuan)
E. Marginal Returns to Seed
F. Amount (kg)
G. Amount of Money (yuan)
H. Costs
I. Total Costs (yuan)
J. Marginal Costs (yuan)
K. Net Benefits (yuan)

Table 3 shows that net benefits are highest at 79 yuan when the amount of seed sown equals 14 kg. Above this point, marginal benefits and marginal costs are both equal to 2 yuan.

The two conditions play different roles in comprehensive balance of technical measures in agricultural production. The amount of resources affects comprehensive balance in agricultural production for obtaining the maximum output. Resource and product prices affect the comprehensive balance of technical measures in agricultural production for achieving maximum profits.

In a socialist nation dominated by a planned economy, the goal of agricultural production is to fulfill the amount of output specified in plans; profits are secondary. We should adhere to making output the primary factor and profits a supplementary factor. To meet this requirement, we must derive production programs for achieving minimum costs under conditions of constant output.

III. Steps for Achieving a Comprehensive Balance in Technical Measures in Agricultural Production

Based on the above analysis, research on comprehensive balance of agricultural production technological measures can be carried out in the following steps:

1. Determine the primary objects of agricultural production in each area and the second stage of the primary variable factors in agricultural production. A survey can be made to determine the amount of labor and materials consumed in the production process for each object of production. Then, several of the key factors of production can be chosen to serve as variable factors and the current amount consumed for each change can be used as the foundation for arranging several variable amounts. The current amounts of other factors of production being consumed can be treated as fixed factors for comparative experiments. The results of the comparisons can be used for analysis of stages. The results of the analysis will permit research on the scope of the second stage.

2. The amounts used within the scope of the second stage should be compared with the amounts of resources on hand to determine the amount of this factor of production that should be consumed to achieve maximum output. If there are more than two changes, then it can be carried out according to the procedures described below.

3. Agricultural production is not based on the role of a single factor of production, but is the result of the mutual promotion and comprehensive balance of several factors of production. Therefore, after the amount of each resource that should be consumed for each of the variable factors mentioned above under conditions of maximum output has been calculated, we still must achieve comprehensive balance on the basis of scientific and technical research. When a comprehensive balance is achieved, there should be a decrease in surplus resources. Insufficient resources should be supplemented or substituted for. If there are no substitutes, and if this resource is also very important, then the resource is an effective limiter and and should be used as the standard for achieving a new comprehensive balance.

4. Calculate the lowest cost composition under conditions of equal output and use a production program at the minimum cost composition as the standard.

We have described an overall and complete process for comprehensive balance in technical measures in agricultural production. In reality, with the currently used technical measures in agricultural production, apart from other conditions, they basically fall into the second stage of our analysis

of stages. For this reason, there can sometimes be a saving in experiments and analysis of stages. We can use the amounts of labor and materials currently being consumed and summarize the results of previous experiments, technical results, the composition of minimum costs and other information to compare resource conditions for carrying out research on comprehensive balance, and we sometimes can attain the goals of technical rationality and economic feasibility. At the present time, because of the small amount of information in this area, there should be further experiments. When more information has been accumulated, we can confidently make arrangements for comprehensive balance of technical measures in agricultural production.

12539
CSO: 4007/10

PRC EXPERIENCES HISTORICAL CHANGE IN GRAIN PRODUCTION

Beijing ZHONGGUO NONGMIN BAO in Chinese 12 Jul 84 p 1

[Article: "China Experiences Historical Change in Grain Production; Gross Output of Grain Last Year [1983] Was 342.2 Percent of That in 1949; Grain Reserves Were Double Those of 1978; This Year We Will Maintain the Momentum of Continued Increases"]

[Text] Relevant departments estimate that after five successive years of continued bumper grain harvests, this year we will maintain the momentum of continued inreases in grain production. Gross output could top 800 billion jin, and the PRC is beginning to experience a historical change in grain production.

Our gross output of grain last year was more than 774.5 billion jin, 342.2 percent of that in 1949. Compared to the early post-liberation year of 1952, grain per capita increased 32 percent. The accumulative total for increases in grain yields for 1982-1983 was 124.5 billion jin, exceeding the total amount of grain imports for the previous 4 years. Therefore, the acute contradiction of grain supply and demand has been resolved, and there is a rather large balance of grain income over expenses. This is a tremendous achievement of strategic significance in the economic well-being of the country.

The development of grain production in China has these two characteristics: 1. There is a speeding up in the rate of development. Gross grain output in the PRC in 1952 was only 300-plus billion jin. It took 14 years to reach 400 billion jin, 6 years to exceed 500 billion jin, 5 years to break 600 billion jin, 4 years to surpass 700 billion jin, and it is possible that 800 bilion jin will be topped in only 3 years. 2. The commodity rate of marketable products is becoming higher. The commodity ratio of grain production in China is increasing year by year; the extent of increase has been especially large in the last few years. The amount of grain collected by the state last year and the excess over purchases was 1.91 times that of 1978, while the amount of grain reserves was double that of 1978.

The main reasons for China's experiencing a historical change in grain production are the gradual implementation of the household joint production contract responsibility system in recent years, improvement of the production system, less and less of the labor force being thrown into agricultural production,

and greater and greater grain yields. At the same time, implementation of the contract responsibility system also brought into play the potential of the productive forces which had been taking shape for many years and which functioned to inrease output. In 1982, the area in China which was plowed by tractors had increased 258.2-fold over that of 1952; the proportion of area irrigated by mechanical and electrical power rose from 1.6 percent to 57 percent, and the amount of chemcial fertilizers applied increased 194-fold. All these factors greatly increased the efficiency of agricultural production in China. Since the Third Plenary Session of the Party Central Committee, although the area seeded to grain has been reduced year after year nearly 100 milion mu, unit grain yields are increasing annually. Average unit grain yields last year were 3.3 times those in 1949, and the average yearly rate of increase in unit grain yields over the last 5 years was 6.1 percent. This was 2.5 percent above the yearly rate of increase for the 34 years since the founding of the PRC.

Reform in the rural areas from now on will continue to stabilize and perfect the contract responsibility system and make new achievements in the areas of produc on structure and circulation. Although grain output will continue to increase steadily, the extent of growth could be comparatively smaller; consequently, China's agricultural economy will experience a series of novel changes.

12513
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PRC GRAIN, COTTON, EDIBLE OIL PRODUCTION CAPACITY REPORTED UP

Beijing JINGJI RIBAO in Chinese 16 Jul 84 p 1

[Article: "The Problem of Feeding and Clothing One Billion People Nationwide Has Been Fundamentally Soved; Grain, Cotton, Edible Oil Production Has Doubled and Redoubled in the Last 35 Years"]

[Text] The Chinese people have acted in accordance with the teaching of Comrade Mao Zedong to "transform China in the spirit of the foolish old man who removed mountains" and struggled arduously for 35 years. Total grain output nationwide has gone from 113,180,000 tons in 1949 to 387,280,000 tons in 1983, a 2.4-fold increase; total cotton production form 444,000 tons to 4,637,000 tons, a 9.4-fold increase; total output of edible oils from 2,564,000 tons to 10,550,000 tons, a 3-fold increase; sugar form 2,833,000 tons to 40,320,000 tons, a 13-fold increase. Total output of silkworm cocoons, tea leaves and fruit increased more than 4-fold. Total production of grain, cotton and edible oils has leaped to first place in the world.

After the founding of New China, we carried out land reform throughout the country and socialist transformation of the small-scale peasant economy, set up a socialist cooperative agricultural economy, and promoted agricultural production. After that we travelled a tortuous road, and since general implementation of production responsibility system in the rural areas nationwide in 1979 which gives priority to joint production contracting by households, we have brought fully into play the initiative of the peasants in the area of production. At the same time we readjusted the production system, we implemented the policy in overall agricultural production of "never slacken grain production, vigorously develop economic diversification." The agricultural structure, which included farming, forestry, animal husbandry, fishery and small town businesses, became more rational day by day. The nation also simultaneously adopted measures to readjust the procurement prices of agricultural products and establish centralized bases for commodity production of grain and cotton, and further advanced agricultural production.

In the last 35 years, we have carried out large-scale farmland capital construction throughout the coutnry, done preliminary dredging of the Changjiang, Huaihe and Huanghe and Huanghe rivers, constructed more than 86,000 reservoirs and sunk more than 2.6 million motor-pumped wells; the area under effective irrigation has reached more than 44 million hectares, a 1.2-fold increase since

the early post-liberation period. In 1952 there were only 1,300-plus large and medium sized tractors nationwide, and there are now 3.59 million tractors of various types; 90 percent of the communes and 60 percent of the production teams have begun using electricity; the average amount of chemical fertilizers applied per hectare of cultivated land has increased to 750 kilograms. Agricultural production conditions have been greatly improved throughout the country.

Through 35 years of struggle and under conditions of a nearly doubling of total population, grain per capita nationwide in 1983 reached 340 kilograms (not including soybeans and tubers), an 80 percent increase over 1949, and cotton per capita was 4.5 kilograms, a 4.5-fold increase over 1949. There are presently 18 provinces from which surplus grain can be transferred and many areas where peasant grain stores have been increased, grain prices in markets are stable to lower, cloth coupons have been abolished for the time being and there is an unlimited supply of textiles. The problem of feeding and clothing 1 billion people nationwide has been fundementally solved. Agricultural production in China is steadily advancing toward the grand goal for the end of the century!

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URBAN, RURAL MARKET TRADE REPORTED BRISK

Beijing JINGJI RIBAO in Chinese 14 Jun 84 p 3

[Article: "Urban, Rural Market Trade Flourishes; Trend Is Toward Lower Prices"]

[Text] According to statistics on 206 representative rural markets and 70 urban markets nationwide, the volume of business in urban and rural market trade in the first quarter of this year was 957,330,000 yuan, a 7.1 percent increase over the same period last year. There was a general increase in the amount of transactions for major commodities on the market (including meat, poultry, eggs, aquatic products, vegetables and edible oils). Among these, the most marked increases in transactions were for chickens, ducks and geese, 31-plus million yuan, a 69.2 percent increase over the same period last year, and aquatic products, 73.9-plus million yuan, a 37.2 percent increase. Not only was thre an increase in the amount of transactions, the prices of commodities were steady to lower as well. Compared to the same period last year, overall levels fell 1.97 percent; a drop of 2.2 percent in the cities and a slight increase of 1.97 percent in the rural areas (a 0.06 percent drop if vegetables are not figured in).

There was a drop in prices of grain and edible oils in the markets of both the cities and countryside compared to the same period last year. The price of grain in the urban markets fell an average of 7 percent, and in the rural makrets, an average of 9.8 percent; the price of edible oils in the urban markets dropped an average 7.1 percent, and in the rural markets, 2.3 percent. The lowest price for husked rice was in the town of Wuyi, Chuxian County, Anhui, at 2 jiao 2 fen per jin; the lowest price for edible oils was in the town of Liangshui, Liaocheng County, Shandong, where cottonseed oil sold for 8 jiao 5 fen per jin. The trend toward lower grain prices which appeared in the markets in the first quarter of this year is unprecedented in recent years.

Regional price differences for meat, poultry and eggs were further narrowed in the first quarter of this year, and are gradually being evened up throughout the country. For example, for pork, not counting the price in Guangdong, which was slightly higher at about 1 yuan 8 jiao per jin, the price in other provinces and municipalities nationwide was around 1 yuan. The highest was at the Xiaobanqiao market in the Guandu district of Kunming, at 1 yuan 5 jiao; the lowest was in the town of Keqiao, Shaoxing County, Zhejiang, at 9 jiao per jin.

A new situation which appeared in the urban and rural market trade in the first quarter was that the amount of transactions for all kinds of saplings greatly exceeded that of the same period last year. According to statistics for 18 market points in Zhejiang, the volume of business in January for nursery stock and seeds increased 70 percent over the same period last year. Also for example, at the Shicun market in Suxian County, Anhui, on 23 March alone there were more than 300,000 saplings of various kinds on the market, placed along the streets for two and a half li. This situation had never occurred in the past.

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GUANGMING RIBAO ON RURAL MORAL CHANGES

HK010620 Beijing GUANGMING RIBAO in Chinese 19 Nov 84 p 3

[Article by Lan Xiuliang [5695 4423 5328]: "Thoughts on Changes in Moral Features in the Midst of Rural Reform"]

[Text] As a comprehensive and thorough revolution, rural reforms centered on the implementation of the system of contracted responsibilities with payment linked to output have inevitably brought about deep changes in the moral field. This is a fact. Have the reforms brought about moral regression? I hold that the reforms, just as any big social change in history, have given vitality and an impetus to moral progress.

The Reforms Have Strengthened the Peasants' Moral Concepts About Collectivism

For hundreds of years peasants, as small producers, have had a deep-rooted provite ownership mentality. Since the land reform and the cooperative transformation of agriculture, peasants have taken a road of collectivization, and the small producers' private ownership mentality began shaking in their minds. But the process of replacing the small producers' private ownership mentality with collectivism was disrupted by the leftist line. Marxist ethics hold that the fundamental coincidence of overall interests is the practical foundation coincidence of overall interests is the practical foundation of collectivist morality. But the "leftist" practices which we carried out among peasants for many years have put the interests of the state, collectives, and individuals in opposing positions in many fields. The normal individual interests of commune members were repeatedly violated under such slogans as "consolidating collective economy" and "reforming small production." This has seriously hurt peasants' feelings for the state and collectives and has devalued the influence of the moral principle of collectivism. This is a fact. In the midst of many additional leftist "proud words," the collectivist buds in peasants' hearts gradually withered, their indifference toward the state and collectives became more and more serious, and hypocrisy became common. All this confirms Plekhanov's argument: "Where private interests and public interests are divorced, moral degeneration will appear." ("Selected Philosophical Works of Plekhanov," Vol 2, p 118)

The rural reforms have corrected the "leftist" mistake in handling the relationships between the state, collectives, and individuals and have paid due

attention to the individual interests of the vast number of peasants, so that they personally sense the superiority of the socialist system and love their socialist motherland even more. Undoubtedly this feeling is an indispensable psychological basis for the formation of the moral concepts of collectivism. Moreover, the implementation of the system of contracted responsibilities with payment linked to output has discovered a practical way to integrate the interests, rights, and duties of the three in the form of an economic contract. Thus, the principle of "paying attention to the interests of the three parts" is no longer a slogan, but has truly become a part of practical economic relations. Undoubtedly these economic relations can help cultivate the peasants' sense of responsibility and duty toward the state and collectives. In fact, the duty of "submitting enough products to the state and retaining enough for collectives" has been affirmed morally and initially performed by most peasants. This is the plain concept of collectivism which is of noble moral value and which appears repeatedly in our daily life.

Some people argue that the fact that the reforms respect individual interests and treat the laborers' concern for individual interests as a lever in developing production can only result in the appearance of egoism and disappearance of collectivism. This is tied to an important theoretical problem in ethics; that is, do the existence of individual interests, and concern for them necessarily mean the appearance of egoism and an obstacle to the formation of collectivism? From the viewpoint of Marxist ethics, individual interests and the concern for them both [to] belong to a specific historical category. Whether or not they result in egoism must be viewed in connection with overall interests, and analysis should be made by using a historical approach. In "the German ideology," Marx pointed out: The development of social division and the appearance of private ownership have resulted in the separation between private and public interests. On the one hand, social interests become illusory common interests which are antagonistic to individual interests. On the other hand, "special interests are always fighting against common interests and illusory common interests." Thus egoism inevitably becomes a by-product of individual interests. But, when individual interests tally with social interests fundamentally, seeking individual interests does not necessarily violate social interests and it is possible to pay attention to both individual and social interests. Therefore, the existence of individual interests and the concern for social interests do not necessarily result in egoism. Under socialist conditions, on the one hand, objective laws demand that we develop production by relying on individual hobbies and on laborers' concern for individual interests; on the other hand, individual interests are the means for personal development. Even in communism, individual interests only change their contents, but do not vanish. If people treat the existence of individual interests and the concern for them as the reason for the appearance of egoism and the obstacle to the formation of collectivism, then egoism becomes the eternal "evil of mankind" and collectivism is restricted to an ideal kingdom and never occurs.

The Reforms Are Pounding at the Decadent and Backward Things of the Traditional Morality

The strikes at traditional morality by the reforms are profound and nearly all traditional moral concepts of land has been changed. Many peasants no longer treat land as their capital to settle on and pursue their goals as they did in the past, but "leave the land in order to do other work and throw away hoes to do business." The concept of professions has also changed. Engaging in commerce and the handicraft industry is no longer treated as "not engaging in proper jobs," and "being determined to do farm work" is no longer the basic moral requirement of peasants. The concept of poverty and wealth has been changed. Poverty is no longer related to how much capital can be shown. The idea of "the rich being cruel" has been replaced by that of "making money is glorious." The concept of money has been changed. Money is no longer something that people desire and obtain secretly, but is treated as something that can be obtained openly and that can bring people happiness. Those who know how to make money are no longer under moral pressure as they were previously, but do everything boldly and justly and are followed by others. There are more similar examples. All these changes form a colorful picture. If we do not limit ourselves to some minor details, we find that the spearhead of the reforms aims at none other than the decadent and backward things of the traditional morality.

First, the moral concept of feudal patriarchal hierarchy has become the main target of the reforms. We know that patriarchal hierarchy is the basic principle of feudal morality as well as the essence of traditional morality. In rural areas where feudal forces are the most powerful and science and culture are fairly backward, there is fertile land suitable for existence and the growth of the morality of patriarchal hierarchy. As a result of the implementation for many years of a highly concentrated management system, bureaucraticism has become very serious, providing a place for the morality of feudal patriarchal hierarchy to exist. The morality of feudal patriarchal hierarchy can be seen in various bureaucratic expressions. Some cadres have the idea that "if one has power, all his relatives can benefit from him. Thus they ride roughshod and do whatever they like. The implementation of the system of contracted responsibilities with payment linked to output has replaced the pure administrative relationship of subordination with contracts, an equal economic relationship. The process of formulating, implementing and executing contracts is the process of achieving a relationship between people. Laborers enjoy more extensive equal and democratic rights. Consequently, bureaucraticism has been checked, the remnant ideas of hierarchy in people's minds are swifting disappearing, the relations between the cadres and masses have become closer and more intimate, and new comradely, equal and independent moral relations are further shaping and developing.

Second, the small laborers' moral concept of egalitarianism is on the brink of collapse in the waves of the reforms. The resolute implementation of the principle of distribution according to one's work has fiercely challenged the moral concept of egalitarianism. Lazybones can no longer use such excuses as "no one will starve in socialism" to defend themselves morally. The differences in material reward caused by results of labor have been viewed to be fair by

more and more people, and becoming rich through labor is perfectly justified. In history, the moral concept of egalitarianism never went beyond the category of private ownership. Marx pointed out: This concept shows small private property owners' envy at fairly rich private property owners and their desire for egalitarianism. "This is what greedy desire adopts to satisfy its own covert form"; "It has never exceeded the level of private property, or has never reached that level." ("Complete Works of Marx and Engels," Vol 42, p 118) Therefore, it is absolutely different from socialist morality with collectivism as its core. In socialism today, it has become a passive force which disintegrates socialist economic relations, dampens people's enthusiasm for labor, and retards social progress. Egalitarianism being criticized in the reforms obviously represents moral progress.

Third, the traditional concepts of sticking to old ways and seeking no progress have been eliminated in the practice of the reforms. Over a long period in history, the vast number of peasants were weighed down under the feudal hierarchy system, which advocated "there are 10 suns in the sky and 10 grades of people on the earth," and could not move. They gradually changed from the status of not moving to "do not think of moving." Economically, they were limited to a closed and self-supporting natural economic structure and small pieces of land, and they occupied a very narrow historical space. This kind of life in which no progress was sought could not but cultivate a character of seeking no progress. In addition, feudal morality "extols timidity, inferiority, self-humiliation, and submission; that is, it extols all features of ignorant people. ("Complete Works of Marx and Engels," Vol 4, p 218) Thus, the concept of sticking to old ways and being satisfied with the existing state of affairs penetrated deeply into the minds of many peasants and became a part of their character and a habit of their lives. The birth of the new economic system and the development of commodity economy have provided bright prospects for peasants to creatively bring into full play their role, thus sharpening the contradiction between the traditional concept of sticking to old ways and the new production and lifestyle, giving a warm call to new quality, character, and principles, and creating conditions for the new morality of boldly seeking progress. "Being content with one's lot" as a motto which has been handed down from generation to generation has no longer been treated as an unchangeable rule by people. New desires, needs and causes are always striking the hearts of some peasants. The habit of "observing rules" in their lives has been gradually broken. Many honest peasants have now become people who dare to challenge the old rules handed down by their ancestors and their enthusiasm for new things has been enhanced. The philosophy which advocates that "it is dangerous to be a pioneer and more secure to follow others" is no longer effective. Being bold in taking the lead and daring to act as a pioneer has become a prevailing thought now. All this fully shows the progress made by peasants in morality and also predicts the rejuvenation of the spirit of the Chinese nation.

Meanwhile, the reforms have also affected some traditional virtues. How should we view this? It cannot be denied that this has some passive effects and that it is necessary to promote what is beneficial and abolish what is harmful according to circumstances. However, we must also realize the following: 1. Many things which have been criticized in the reforms do not

meet the requirements of modern life. Although somethings have a charm which may endear them to some people, the condition for them to play their role have disappeared or are disappearing, their inherent moral value has diminished or disappeared, and it is not at all strange that they should be criticized in the reforms. 2. We must not inherit the traditional virtues intact, but must critically reform them according to the needs of the new life and endow them with new contents so that they can be in tune with the new life. The basic system of the reform is to put the traditional virtues in the furnace of the new life and temper them so that they have not only traditional excellence but also modern excellence. In this sense, the criticism of traditional virtues by the reforms has provided them with a chance of "purgatory." Genuinely beautiful and good things do not fear the test of life. Instead, they can be regenerated by it.

It is Necessary To Coordinate the Relationship Between Moral and Economic Regulation

People have more and more profoundly realized that on the one hand, social morality changes with the in-depth development of economic reform, resulting in a general trend corresponding to the reforms; on the other hand, the factors unsuited to the reforms still exist in the moral field and have become an invisible spiritual force hindering the reforms. Striving to change this situation and regulating the relationship between morality and reforms so that morality can further meet the needs of the reforms has become the requirement of the development of the times.

The reforms have strengthened the dominant role of the economic lever in supervising and regulating social economic life. Just like other regulatory means, the means of economic regulation do not have the power to complete everything. Economic reforms have not cancelled and cannot cancel the role of moral regulation in social economic life; they only call for putting moral regulation in a proper position in the social regulatory system so that moral regulation can become a positive supplementary means of economic regulation.

The reforms have integrated responsibilities, power and interests through economic contracts, thus coordinating the relationship between the interests of the state, collectives, and individuals. This is very necessary. But economic contracts must be morally authoritative. Only when the duties stipulated by some contracts are affirmed by laborers will they be performed conscientiously by the laborers. Only when laborers are governed by not only material motives but also noble moral motives will they display more ardent and lasting enthusiasm for labor. Moreover, moral regulation can fill some blank spaces which economic regulation cannot avoid. For example, after the implementation of the contract system, some peasant households which had an insufficient labor force and suffered natural and man-made calamities unavoidably met some difficulties in their daily life. It is, therefore, necessary to vigorously advocate the spirit of noble humanism and give them help and support. In the process of reform, we must strengthen education among the vast number of laborers in communist morality and vigorously help them to conscientiously regulate the relationship between individual interests and the interests of state and collectives by applying a collectivist spirit.

Here we must pay attention to avoiding the following two tendencies: 1) The tendency to exceed one's functions and meddle in others' affairs by replacing economic regulation with moral regulation. The concern for material interests is people's most basic practical motive. If economic means are not effectively used to regulate the relationship of social interests, then no moral regulation will be useful. 2) The tendency of setting moral regulation against economic regulation, which is very common in the rural areas. Many things approved and advocated by economic policies have been regulated and prohibited morally. True, moral regulation always has some ideal factors and differs from economic regulation, but we cannot set one against the other. In the system of social regulation, the coordination and unanimity of various means are an essential guarantee for bringing into full play their regulatory role. The antithesis between moral and economic regulation will inevitably result in a situation in which those coordinating the two are at a loss as to what to do, and will weaken and undermine the role of economic regulation. Therefore, it is very necessary to conscientiously coordinate the regulatory role of the two.

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JOURNAL ON SPECIALIZED HOUSEHOLDS, MONEY FLOW

HK290340 Beijing JINGJI YANJIU in Chinese No 10, 20 Oct 84 pp 72-73, 47

[Article by Zhang Shuqing [1728 2885 7230] of the Jindongnan [2516 2639 0589] Prefectural branch of the Agricultural Bank, Shanxi Province: "The Growth of Specialized Households and the Flow of Money in the Market"--June 1984]

[Text] Following the implementation of the system of contracted responsibilities with payment linked to output in the rural areas since the 3d Plenary Session of the 11th CPC Central Committee, various types of specialized households have mushroomed in the rural areas. This change in the relations of production has produced a great impact on the flow of money in the market and put new questions before us in research on the regulation of money flow.

According to a survey conducted in Jindongnan Prefecture, the relaxation of economic policies in the rural areas has greatly stimulated the enthusiasm of the peasants for working hard to become rich. Some skilled workers who are experienced in production and who are resourceful, have special technical and managerial skills, and can do hard work have taken the lead in becoming rich. They have quickly become specialized households and pushed forward the drive to become rich through production in the rural areas. According to statistics from May this year, the number of specialized households in the whole prefecture (including households doing specialized jobs--also below) has increased to 270,000, according for 30 percent of the total number of peasant households. The operatons of these households cover a wide spectrum including commodity grain, other types of cultivation, breeding and rearing, processing, service trades, labor services and excavation. Their scale of operation is expanding and their labor productivity and marketable amounts are steadily increasing. Although households specializing in grain production only accounted for 7.2 percent of the total number of peasant households, they produced 23.6 percent of the total grain output and fulfilled 64 percent of the state procurement quota for the whole prefecture last year. More than 3,500 households sold upwards of 10,000 jin of grain to the state. The per capita income of these specialized households averaged over 300 yuan, nearly double that of other households. More than 15,000 households had a per capita income of over 1,000 yuan.

The growth of specialized households in the rural areas, which has opened up new spheres of production, represents the change from self-sufficient and

semi-self-sufficient production to commodity production and has accelerated the transformation of traditional agriculture to modern agriculture. This important change has also brought about new changes in credit, settlements and the flow of money in the rural areas.

1. The scale of the flow of money in the market has expanded and the amount has increased. For example, thanks to last year's bumper harvest, Jincheng City sold to the state 64.63 million jin of commodity grain, overfulfilling the state quota by 14.63 million jin, an increase of 67.4 percent over 1982. The above-quota protion was sold at 50 percent above the set price, meaning that an additional 1 million yuan was paid. With the growth of commodity production, the peasants' income increased. In 1983, per capita income was 327 yuan, an increase of 66 yuan, or 25.3 percent, over 1982. Peasant cash holdings have increased by a large margin.

2. The imbalance in cash holdings will continue to pose a problem. Because most farm and sideline products are sold by individuals, accounts are mostly settled in cash. Thus, a lot of cash is held by contract or specialized households. According to investigations, specialized households control about 45 percent of the money in the whole market although they only account for 30 percent of the total number of peasant households in the prefecture. In Qinshui County, cash held by the 5,831 specialized households amounts to 990,000 yuan, or 39.8 percent, of the county's cash holdings. On average, each household has 169.8 yuan, over 5 times the average income of 32.9 yuan for the non-specialized households there. This imbalance in cash holdings will continue to pose a problem.

3. There is a corresponding change in the direction of cash flow. At present, the purchasing power of the peasants is primarily directed toward investment in expanded reproduction, followed by housing construction, improvement of cultural life, and the purchase of top or medium qulaity commodities. With the change from solely livelihood-oriented consumption to dual consumption to meet both production and livelihood needs, the level of consumption will rise and people will be willing to invest more in developing commodity production. According to a consumption survey conducted among the specialized households of Jincheng City, production expenses showed an increase of 40 percent over the preceding year and were mainly spent on purchasing chemical fertilizers with high effectiveness, plastic sheets for agricultural use, small four-wheeled tractors, and so on. Livelihood expenses increased by 21 percent and were mainly spent on purchasing commodities of top and middle quality and famous brands. Following the development of production and the expansion of the scale of production, the peasants' demand for the means of production and livelihood will change. There is mainly a current shortage of the means of production, particularly chemical fertilizers.

The scope of cash settlements has expanded and the rate of cash recovery has slowed. With the rapid growth of specialized households, coupled with the fact that the banks cannot keep pace with the work of settling accounts, specialized households mainly conduct commodity exchanges in cash. Thus there is an increase in the flow of money in the market. The phenomenon of cash outflow also becomes more of a problem. Since the system of contracted responsibilities with payment linked to output was widely put into practice in the

rural areas on a household basis, production units have increased in number while the scale of production has been reduced. Production is being undertaken by individuals rather than by collectives, on a small scale rather than on a large one. Each production unit needs to have a given amount of working funds for production and livelihood expenses ready at all times. Each household is also an economic entity that carries out production independently and handles its own cash receipts and payments. In the past, commodity exchange was mainly conducted between production teams and state-owned commercial units or between the individual and state-owned commercial units. Now the exchange relationship is one between the individuals on the one hand and the state, the collective, and the self-employed manufacturers and merchants on the other. This relationship is not only confined to the means of livelihood, but it also covers the means of production. This requires us to establish a commodity-money exchange relationship in the rural areas, in which cash settlements play the leading role and where collective and individual commerce integrate, with state-owned commerce at the core. According to our sample survey, about 25 percent of the farm and sideline products sold by peasants were sold to residents of cities and towns at trade fairs. About 30 percent of the means of production, building materials, and consumer goods for everyday use purchased by peasants were also bought from collectives and individuals at trade fairs. Because the place of purchase, seller, amount and price in regard to certain commodities are not fixed, and because conditions for account transfers are lacking, cash settlement is widely practiced as a result. The rate of cash purchase in regard to farm and sideline products has gone up from 30 percent to 70 percent. More and more cash has gone into circulation, and the rate of cash recovery has also slowed.

The above situation shows that the growth of specialized households in the rural areas has put forward new demands on banks in regard to credit, settlements and where to put its money, and has produced a certain impact on the flow of money. Banks should better adjust their flow of money to suit these changes.

1. They should actively support and encourage the transfer of manufactured goods to and organize the recovery of cash from the rural areas. Commercial supply and marketing departments should not only strictly abide by the regulations of the Ministry of Commerce by supplying 15 types of manufactured goods in exact amounts to the rural areas, but should open up more channels for the circulation of commodities and promptly organize the supply of the means of production and livelihood to the vast number of peasants. Efforts should be made to increase the varieties of commodities and provide more options. This will facilitate commune members wanting to buy and make it possible to recover cash on the spot. This will change the present state of affairs in the market where goods are unsaleable, varieties are limited, options are few and cash recovery is slow.

2. They must suitably relax the requirements for opening accounts in view of the expanded cash flow in the rural areas and allow more specialized households to open accounts. With the development of commodity production in the rural areas, large numbers of specialized households of various types have mushroomed. As their production items increase and the scope of their operation expands, their income also increases. Some specialized households that are engaged in

such trades as processing, repairing and transport have even gradually extended their business to other counties, prefectures, or provinces. Purely cash transactions can no longer meet their business needs. They need bank accounts to handle settlements. Thus, banks should suitable relax the requirements for opening accounts and simplify procedures accordingly. Control over cash settlements should be relaxed. Banks may be entrusted to collect payments and settle remittance through the opening of current accounts. Fees may be charged in the same way as for collective clients. This will facilitate the freer flow of money and enliven the economy.

3. They should set up credit operations, improve their quality of service, and expand the recovery of credit. At present, specialized households have a lot of cash in hand. This source of savings cannot be ignored. Banks must make maximum efforts to absorb cash from these specialized households. Besides increasing saving deposits, this will also enhance the recovery of money from the market. To this end, credit services must be stepped up. In addition to setting up more credit operations, efforts should be made to restore time-honored traditions and practices, provide door-to-door service, and organize the recovery of credit. Banks and credit cooperatives can increase their funding capacity by absorbing the idle cash in the hands of commune members, and make use of this money in expanding reproduction.

4. They should rationally extend loans and bring into play the role of the credit lever. In extending loans to specialized households, it is necessary to uphold the policy of "ensuring the leading role of self-reliance, supplemented by state assistance" while strictly adhering to the system of "three checks." Those people who have a fair amount of funds in their own hands and have business experience and managerial ability, who uphold the principle of integrating money with commodities, and who are capable of honoring the credit contracts should be given support in the form of loans. But these people are required to deposit their money in banks when they have income. By linking loans with deposits, people who deposit money in banks may apply for loans and banks may extend loans while drawing in money. This makes it possible to support the growth of specialized households while increasing bank deposits and expanding the recovery of cash. Measures should be taken to recall payments in cases where people fail to repay overdue loans as promised or do not make repayments even though they have money. Loans must be recalled promptly if it is discovered that the money has been used for illegitimate deals.

5. They should file on the production development of specialized households to record their production activities so as to provide a basis for decision-making by the leadership. Because specialized households engage in all kinds of undertakings but do not keep records, there is no available data on their income which comes close to reality. In fact, it is quite impossible to assess their earnings. Thus, we must gradually institute a system of keeping files on the production of specialized households and recording their production activities so as to keep track of their production and income. This will contribute to make state statistics more precise, provide the leadership with a more reliable basis for mapping out policies, and help regulate the flow of money in the market.

6. Economic information must be strengthened to serve production and circulation. The vigorous development of production makes it imperative for us to grasp market movements in good time and provide economic information on production and circulation in order to give guidance to production. At present, there is a surplus of cash in the market, but there are not enough marketable goods to satisfy the needs of the masses and to meet the changing needs of consumers. In particular, specialized households of various types in the rural areas all want to foster their strong points and dodge their shortcomings. They want to bring their strong points into play so that they can become rich quickly through developing the commodity economy. If they have no access to market information, if material supplies are lacking, and if services in such fields as science and technology, processing, storage, transport and marketing cannot keep up with needs, the development of commodity production will be restricted. Thus, while actively providing support to the specialized households, banks are advised to cooperate with departments concerned to provide information on funds, technology and market conditions so as to better guide production and circulation.

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PROSPERITY OF COUNTRY FAIRS REPORTED

Country Fair Trade Up

Beijing ZHONGGUO NONGMIN BAO in Chinese 23 Aug 84 p 1

/Article: "Our Country's Urban Rural Country Fair Trade Is Flourishing"/

/Text/ Guided by the party's policy of opening up externally and enlivening the domestic economy in the past few years, ina's urban and rural country fair trade is flourishing like never before. There were over 48,000 urban and rural country fairs throughout the country in 1983, or an increase of over 10,000 over 1978, and the volume of commodity business was 37.9 billion yuan, or an increase of over 200 percent over 1978 and equal to 10.2 percent of the total retail turnover of social commodities.

Country fair trade is our country's traditional form of commodities exchange. During the initial period of the founding of the country, there was considerable development of country fair trade in all areas, but during the period of the decade of turmoil, the "gang of four" cut it off and regarded it as a "remnant of capitalism," and for a period of time country fairs slumped. Since the 3d Plenary Session of the 11th CPC Central Committee, rural economic policy has been relaxed, rural commodity production has rapidly developed, there has been an abundance of goods and materials on urban and rural country fair markets, business has been brisk, both purchasing and marketing have been brisk and prices have basically remained stable, supplementing the inadequacies of state-run commerce and enriching and improving urban and rural people's lives. The size of country fairs has moreover been becoming progressively larger, and there were 732 with over 10,000 people in Shandong Province, 384 in Hebei and 180 in Hunan by the end of 1983.

Along with the development of commodity production, country fair trade has been developing from a self-supporting and semiself-supporting economy of each making up the other's deficiency from his own surplus toward the comprehensive commodity exchange of a commodity economy, many rural country fairs have become local economic and cultural centers, and some ahve begun to form embryos of new cities and towns.

There has also been rapid development in all areas in transporting goods for sale. Anhui and Guangdong provinces each had over 100,000 peasant families

engaged in agricultural sideline product traffic last year. The trafficking families transport a great quantity of agricultural sideline products to cities and also industrial products back to the rural areas, invigorating markets and enlivening circulation.

Along with the continued expansion of commodity exchange and the increased traffic, agricultural sideline product wholesale markets have emerged as the times have requried. Liaoning Province had built 50 agricultural sideline product wholesale markets handling 210 million jin of agricultural sideline product business by 1983. And the city of Chongqing had built 9 agricultural sideline product wholesale markets handling over 35.2 million jin of agricultural sideline product business by 1983.

Since specialized households representing advanced rural productive forces have emerged in large numbers, all kinds of specialized commodity markets have also appeared one after another. By the end of 1983, there were over 600 various specialized markets throughout the country such as straw mat, fur and acrylic fiber markets and over 1,400 markets for small commodities manufactured for daily use.

Country Fair Quantity Up

Beijing ZHONGGUO NONGMIN BAO in Chinese 12 Aug 84 p 1

/Article: "Country Fairs Throughout China Have Increased By Over 1,000 In the First Half of the Year; Staple Food Business Decreased, Nonstaple Food Business Increased, and Commodity Prices Dropped"/

/Text/ There were over 49,000 urban and rural country fairs throughout the country by the end of June, an increase of more than 1,000 over the end of 1983. The volume of urban and rural country fair trade business throughout the country was approximately 21 billion yuan for the first half of the year, an increase of approximately 14 percent over the same period last year. The rate of increase was quite large in provines such as Hubei, Hebei and Gansu. The volume of business in Gansu Province for the first half of the year was 230 million yuan, a 12.9 percent increase over the same period last year and nearly equal to the entire volume of business for 1980. The volume of business in Hebei Province for the first half of the year was 1.049 billion yuan, a 28.3 percent increase over the same period last year and a large-scale increase not seen for many years.

A distinguishing feature of country fair trade for the first half of this year is that clear changes have occurred in commodity composition: Staple food business has decreased and nonstaple food business has increased. According to statistics from 206 rural country fairs for the first half of this year, there was 3.01 million jin of business in edible oils, a 31 percent increase over the same period last year; 11.22 million jin of eggs, a 30 percent increase; 48.54 million jin of pork, a 17 percent increase; and 403 million jin of vegetables, a 13 percent increase. Grain decreased 4.5 percent. Nonstaple foods supplied to cities by rural areas also increased. According to statistics from 70 urban country fairs for the first half of this year, there was 52.99 million jin of

business in chickens, ducks and geese, a 61 percent increase over the same period last year; 139 million jin of pork, beef and mutton, a 20 percent increase; 83.86 million jin of fresh eggs, an 11 percent increase; and 162 million jin of aquatic products, a 28 percent increase.

Another distinguishing feature of country fair trade is that since there are more commodities on the market, country fair commodity prices have dropped remarkably and the rate of decrease has been especially large for foodstuffs. According to statistics from 206 rural country fairs, comparing the period up to the end of this June to the same period last year, prices of grain dropped by an average of 13.8 percent, edible oils 5.2 percent, vegetables 2.3 percent, eggs 5.4 percent and chickens 2.2 percent. In provinces and municipalities such as Beijing, Shanghai, Hebei, Shanxi, Shaanxi, Gansu, Shandong, Jiangsu, Anhui, Henan, Hubei, Huanan and Sichuan, prices at any country fairs of commodities such as pork, eggs, chickens, Chinese cabbage, eggplant and cucumbers were close to or lower than state-managed list prices.

12267
CSO: 4007/240

BRIEFS

CHINESE CONSUMPTION UP--After the 3d Plenary Session of the 11th party Central Committee, our country reaped bumper grain harvests for 5 years in a row, increased production over 165 billion jin for the 5 years, increased rice and wheat production 119 billion jin, and the proportion of total output constituted by flour and rice rose to 64 percent. The state increased grain procurement nearly 100 billion jin, but all of the increased output of rice and wheat remained in the rural areas. According to investigations by concerned departments, our country's peasants' average per capita flour and rice consumption reached 393 jin in 1983 or 76 percent of their grain consumption, and their grain consumption conditions greatly improved. Not only did the amount of grain supplied by the state to the town and country population increase, but the proportion of flour and rice (from wheat and husked rice) supplied also increased, with the proportion of flour and rice supplied in 1983 having risen to 70.3 percent, and that of wheat to 39.3 percent. The increase in the proportion of flour and rice supplied in wheat and other food grain producing areas in provinces such as Shanxi, Shaanxi and Gansu was particularly evident. The output of corn, gaoliang and soybeans in the 3 northeastern provinces constituted 70 percent of total grain output. The state has moved 2-3 million tons of wheat a year into these 3 provinces, enabling the proportion of flour and rice supplied to them to reach approximately 50 percent. Based on instructions by leading comrades of the Central Committee on the need to vigorously develop the refining and thorough processing of grain and to expand the supply of polished rice and refined flour, grain departments in all areas have actively organized the production and supply of polished rice and refined flour this year. The three large municipalities of Beijing, Tianjin and Shanghai and some cities under the jurisdiction of provincial (or autonomous regional) governments have opened up the supply of polished rice and refined flour. [Text] [Beijing ZHONGGUO NONGMIN BAO in Chinese 26 Aug 84 p 1] 12267

TOTAL COTTON PROCUREMENT--A Bumper cotton harvest will be reaped this year, and many cotton growers are worried that the state will limit or stop procurement. The Ministry of Commerce has thus asked this paper to inform the masses of cotton growers that all cotton produced this year will be procured according to present policies, and that it will procure as much cotton as growers can sell. All areas must sell in an organized, planned and orderly way, and procurement departments will have wide open procurement and not be permitted to limit or stop it. Procurement preparation work in all areas has now been basically completed, and particularly in areas where the rate of increased

production is large, cotton procurement departments have recently built and extended a group of procurement stations, increased platform scales, windows and personnel, and expanded warehouse space, and are basically able to adapt to the needs of this year's cotton sales. /Text/ /Beijing ZHONGGUO NONGMIN BAO in Chinese 23 Aug 84 p 1/ 12267

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FORESTRY CONSTRUCTION PROBLEMS IN SOUTH CHINA REPORTED

Hunan JINGJI DILI [ECONOMIC GEOGRAPHY] in Chinese No 3, Aug 84 pp 191-194

[Article by Wang Youchen [3769 1635 5256] of the Research Institute of the Economics of Forestry under the Chinese Academy of Forestry Science: "A Probe Into the Problems of Forestry Construction in Mountainous Areas of South China"]

[Text] Fujian, Jiangxi, Hunan, Guangdong, Guangxi, Guizhou, Hubei, Zhejiang and Anhui--nine provinces (and autonomous regions) in South China--are located in the subtropical zone where temperatures are warm, rainfall is abundant, days are long and mountains and hills account for a large portion of the area. Most of these provinces (and autonomous regions) either have "70 percent mountains, 20 percent waters and 10 percent famland" or "80 percent mountains, 10 percent waters and 10 percent farmland." Therefore, they have exceptionally good natural conditions for developing forestry. In this area, 54.2 percent of the land is covered by forests and 390 million mu of barren hills are suited for afforestration, accounting for a third of the acreage of barren hills suitable for afforestration in China, leaving much room for maneuver in developing forestry. In addition, since the natural environment in this area is good for multiplying forest trees, planted trees can survive easily and grow quickly and the production cycle of forestry is short. For example, the acreage of preserved afforested areas in China is 420 million mu, of which 55.8 percent is in this area. The average growth rate of forest trees in this area is 4.6 percent, higher than the 2.7 percent national average. The production cycle of major timber trees in South China, such as China fir and pine, is about 30 years, 50 percent or more shorter than in the forst communities of Northeast China. Superior natural conditions have made this area an important timber production base in China. According to investigation, the acreage of forests in the nine provinces (and autonomous regions) ia 550 million mu, 30.3 percent of the nation's total--1.8 billion mu--the acreage of timber forests is 520 million mu, 35.4 percent of the nation's total--1.47 billion mu; the standing volume of forests is 1.45 billion cubic meters, 15.2 percent of the nation's total--9.53 billion cubic meters; the standing volume of timber forests if 1.16 billion cubic meters, 15 percent of the nation's total--7.736 billion cubic meters; and the annual timber harvest (1981)

is 17.31 million cubic meters, 35.3 percent of the nation's total--53.593 million cubic meters. Moreover, superior natural conditions have also made this area a production base of China for economic forest products such as bamboo, tea-oil trees, tung trees, black cypress, raw lacquer, tea leaves and citrus. This area also produces minor forest products such as resin, bamboo shoots, mushrooms, spices and medicinal herbs. Therefore, superior natural conditions and abundant natural resources in this area have provided conditions conducive for developing forestry and a diversified economy, enlivening the economy in mountainous areas and accelerating the development of mountainous areas.

Compared with mountainous areas in other parts of China, mountainous areas in the nine provinces (and autonomous regions) in South China have better developed industry and agriculture, better communications facilities, and more people. Besides, their farming and forested areas overlap and their peasants are very experienced in and have a tradition of managing forests. All this has created favorable conditions for forestry production and development in mountainous areas. In recent years, due to the easing of economic policies and implementation of the responsibility system in agricultural production, more surplus labor has been transferred to forestry. Especially since the "three decisions" on forestry (to delimit private mountains, stabilize rights to forests and fix the responsibility system), peasants' enthusiasm for managing forests have begun to soar. Households specializing in forestry, forest farms run by families, and integrated bodies of forestry are continuing to emerge and have already become the hope of forestry prosperity in the mountainous areas of South China.

Over 30 years of construction in the mountainous areas of the nine provinces (and autonomous regions), especially counties in forest communities, has laid a definite foundation for the cause of accelerating the development of forestry. There are 42,000 km of highways running through the forest communities in this area, about 40 percent of all highways running through forest communities in China. The density of highways in major counties within forest communities in this area is double that in the forest communities in Northeast China. According to statistics compiled in 1982, this area has built 1,271 state-run forest farms, accounting for 31 percent of all such farms in China, and 86,979 commune- and brigade-run forest farms, accounting for 50 percent of all such farms in China.

In sum, the mountainous areas of the nine provinces (and autonomous regions) in South China have exceptionally good natural conditions, superior social and economic conditions and a definite material foundation for forestry production. Therefore, as long as we do things in accordance with natural and economic laws, carry out effective technical and economic reforms and measures in the forestry industry and fully develop the advantages of this area, there is great hope for quickening the tempo in the forestry construction of mountainous areas and revitalizing the mountainous areas' economy.

II. Since the founding of the PRC, forestry production and construction in the mountainous areas of the nine provinces (and autonomous regions) in South China has developed greatly, scored definite achievements and made contributions to the state. However, due to the lack of understanding of the objective laws governing the mountainous areas, we have made quite a few mistakes in work and failed to fully develop the advantages of forestry in this area. Instead, we have caused constant, serious damage to forest resources and worsened the environment. This has not only affected forestry development but also created extremely detrimental effects on agriculture, animal husbandry and other production and construction. There are many serious problems in forestry production and construction of the South China mountainous areas.

First, consumption of forest resources is astonishing and deficits of forestry are serious. Not only have forest communities diminished and barren hills expanded but the environment is deteriorating as well. It is too dreadful to contemplate the consequences. According to investigation materials provided by five provinces (and autonomous regions)--Hunan, Guizhou, Guangdong, Guangxi and Anhui--forest acreage was 486 million mu during the investigation in the "Fourth 5-year Plan" period and recent statistics showed that the acreage of forests was 440 million mu, a decline of 46 million mu. The standing volume of forests in this area is also declining. The balance of the growth and felling of forests in Fujian and Hunan provinces show that the standing volume of forests declines 5 to 6 million cubic meters each year. In the early 1970's, Zhejiang Province changed from a timber production province to a timber purchasing province. The excessive exploitation of forest resources, indiscriminate felling and denuding, and gaps in reforestation also constitute an important cause of ecological disasters such as worsening water and soil erosion, increasingly turbid rivers and streams, and frequent occurence of floods and drought. Economic losses caused by this are enormous, too. For example, in June 1982 a flood in the mountainous areas of northern Fujian, which is known as "green exchequer", submerged a third of the farmland in Jianyang Prefecture and ruined the harvest of over 400,000 mu of crops, resulting in a direct economic loss of nearly 200 million yuan.

Second, for many years the economic structure of the mountainous areas in the south has been irrational, and there has been an imbalance among different sectors of forestry production, seriously affecting the development of forestry production. Overemphasizing the principle of "taking grain as the key" in the past has resulted in such phenomena as "destroying forests to reclaim wasteland" and has caused "losses to both sides (agriculture and forestry)." Furthermore, the erroneous idea that "before grain is raised to the plane of principle, there is no time to attend to forestry" has not only caused extremely detrimental effects on forestry, but affected agriculture, animal husbandry and sideline production as well. In addition, due to the idea of "putting major timber products in command" in the guiding ideology of the development of forestry production, we have failed to fully utilize forest

resources, to practice diversified economy on a large scale, develop the comprehensive utilization of timber, or vitalize the economy in mountainous areas. Instead, we were engaged in a single-product economy, narrow-range production and limited numbers of products. As a result of ignoring the comprehensive development "based on the management of forests," the economic structure of mountainous areas is irrational, different sectors of the forestry industry are imbalanced, the rapid development of forestry is hindered and mountainous areas are getting poorer and poorer.

Third, the scientific methods of forestry have been ignored in the production and construction of mountainous areas in the south. As a result, many trees have beenplanted but few have survived. The rate of preservation is low, and the quality of forest trees is poor. No attention has been paid to scientific afforestation and the investigation and designing work prior to afforestation. Many places use old, simple and unified methods of afforestation, stress artificial afforestation and underestimate the method of closing mountains to grow forests. The lineup of forest and tree types is also irrational. Moreover, young and half-grown forests occupy a large portion of the forest communities in the south, but the management of such forests is lagging behind and the growth of forest trees is slow. Thus, the average standing volume of timber per mu is only 2.1 cubic meters, 50 percent less than the national average of 4.7 cubic meters. What is even more serious is that the phenomenon of felling young and half-grown forests is quite serious in many places. This practice is actually the same as getting eggs by killing the goose--the loss outweighs the gain.

Fourth, we have failed to fully understand the characteristics of forestry in the mountainous areas of the south, seriously affecting improvement of economic results in forestry. Unlike the state-owned forests in the forest communities of northeast and southwest China, forestry in the nine provinces (and autonomous regions) in the south has its own characteristics: 1) Commune- and brigade-run collective forests account for about 90 percent of the forests in the nine southern provinces (and autonomous regions) and forestry production for the most part depends on local communes, brigades and peasants. 2) Forestry and agriculture are closely combined, forestry production is closely related to the local economy, and the social expression of forestry is very prominent. 3) Forestry is like agriculture in which policies play an important role and production is mainly guided and organized through local party and government organizations at all levels. But because in the past we ignored the characteristics of forestry in this area, we often used the method for guiding state-owned forest communities to organize collective forestry production and established large numbers of state-run lumber yards, resulting in many mistakes.

In addition, timber prices are too low, prices are seriously divorced from value and the price disparities between timber and other products are irrational. Especially because timber prices are reversed, "selling timber is less profitable than selling firewood," worsening the destruction of forest resources. Clogged channels of timber production, marketing and circulation also constitute a problem that causes the waste of timber resources, poor economic results and obstacles to forestry development of the mountainous areas in the south.

III. The mountainous areas of the south have advantages in forestry development. The question is how to fully develop and utilize these advantages to speed up the growth of more and better forest resources, raise the level of productive forces in existing forests, accelerate the development of forestry production and construction, continue to increase economic results and invigorate the economy in mountainous areas. For this, we may make the following suggestions:

1. Use policies to arouse the enthusiasm of the masses in mountainous areas for developing forestry. Historical experience proves that policies are the lifeline of forestry. Because the cycle of forestry production is long and because it is easy to destroy but difficult to restore a forest, we should first demand that forestry policies be stable, consistent, long-lasting and free from frequent alterations. Second, we should demand "legislation." We should manage forests in accordance with laws so as to win the trust of the people. Third, we should link responsibilities, rights and interests and put this practice into effect. We should now continue to readjust and restructure all policies and systems unfavorable to forestry development and do a conscientious job in the work of "three decisions" on forestry. Particularly, we should establish multi-level and multi-form responsibility systems in forestry production according to the wishes of the people and the different conditions of different areas and forests. As for family-run forest farms, specialized and major households and integrated bodies of forestry, we should give them support in all fields and fully arouse their enthusiasm for developing forestry to find a new way for the forestry production and construction of the mountainous areas in the south.

Counties in mountainous areas should establish a rational economic structure of forestry. This is a key link in increasing the economic results of forestry and bringing about sound forest development. How do we establish a rational economic structure for forestry? First, we should carry out comprehensive management and make forest management, timber production and forest product processing a coordinated production process. Second, we must change the lineup of forestry investments and increase the proportion of investments in forest management and the forest product processing industry. Third, we should change the lineup of forest management production. In forest management production we should change the lineup of forest and tree types, develop fast-growing and high-yield forests and pursue a diversified economy. Fourth, we should strengthen the construction of the forest product industry, vigorously carry out the comprehensive utilization of timber and change the mix of timber products.

3. Do a good job in building forestry production bases. Building various forestry production bases is an important forestry capital construction project to continuously expand forest resources, provide more commodity timber and forest products for the state and achieve better economic and ecological results. To achieve good economic and ecological results in construction of forestry bases, first of all we must follow the principle of properly developing and utilizing the natural resources of mountainous areas and correctly handling relationships among agriculture, animal husbandry and forestry, and, on the basis of conducting forestry zoning and in light of local conditions, make overall plans and rational arrangements for construction of forestry bases. Second, in the construction of forestry bases, we must have clear orientation and objectives, place special emphasis on commodity production and link the cultivation of forest trees to the final processing, utilization an marketing of products. Only then can we enable such bases to take on vitality and become even stronger and bigger. Third, in the construction of forestry bases we should not let forestry departments "unify the country." Instead, we should mobilize enterprises and departments in the match, paper, coal mining, resin, building materials, railway communications and timber processing industries to build specialized bases for raw material or fuel forests. There can be a diverse form of management. They can either manage such bases on their own or cooperate with forestry departments or communes, brigades, and specialized households in planting and growing trees and then share profits according to the proportion of their investments. But, regarding the right to fell forest trees, we must let forestry departments "unify the country," exercise unified and centralized control and establish a "single account" for felling and utilizing timber.

4. We should fully utilize natural forces on the basis of doing a good job in artificial afforestation and promote in light of local conditions such techniques as closing mountains to grow forests, facilitating natural regeneration with artificial methods, and seeding by airplanes. Mountainous areas in the south have superior natural conditions and a fairly large acreage of natural secondary forests with mixed coniferous and broad-leaved trees and barren hills suitable for afforestation, creating good conditions for applying such techniques. China has rich experience in using the techniques of closing mountains to grow forests and facilitating natural regeneration with artificial methods. Many localities have already made great strides in this regard. Closing mountains to grow forests and facilitating natural regeneration with artificial methods can protect and expand natural mixed coniferous and broadleaf forests, solve the problems caused by difficulties in raising the seedlings and growing the forests of broadleaf trees and change the situation in which broadleaf forests are diminishing each day. These techniques can also conserve water, soil, fertility and seed resources, achieve good economic results and quickly expand forest resources without mountain clearance and soil preparation. Afforestation by airplane seeding has more than 20 years of history in China. It is now being widely practiced in collective forests in the south and outstanding achievements have been made. The advantages of this

technique are speed, efficiency, large scale and better results. It plays an important role especially in facilitating afforestation in remote mountainous areas which have poor communications facilities, sparse population, large acreage of barren hills and great difficulty in artificial afforestation.

5. Strengthen the tending and management of young and half-grown forests. In the timber forests of the nine southern provinces (and autonomous regions), there are 448.86 million my of young and half-grown forests, accounting for 86 percent; their standing volume is 628.187 million cubic meters, accounting for 54 percent. They are imporiant forest resource reserves for forestry production and construction. But, because in the past we emphasized afforestation and neglected tending and management, especially because the forestry funds were insufficient, large numbers of young and half-grown forests have not been tended in a timely manner, resulting in low preservation rates of forest trees and poor quality of standing forests. Therefore, we should strengthen management and upkeep of young and half-grown forests and the transformation of low-yield forests. This is an effective measure to raise the level of forestry production with small investments but quick and good results.

6. Fully utilize thenatural resources of mountainous areas to develop a diversified economy. Generally speaking, the forest production cycle is long and results are slow, creating obstacles to development. This problem can be solved by developing a diversified economy on a broad scale, because the diversified economy has many resources and yields quick results and good economic returns. Especially, since mountainous areas in the south have many favorable conditions for developing the diversified economy, there is a great potential for development. Doing a good job in this work is of great immediate significance in changing the production lineup of mountainous areas, vitalizing the economy of forestry and making up for deficiencies with strong points to accelerate development of forestry. For example, the experience of Zhuzhou County in Hunan Province shows that it is by relying on development of a diversified economy and by making up for deficiencies with strong points that commune members were paid for their work in the early period of afforestation and that forest coverage has gone up from 14.6 percent in the early 1960's to the present 43.2 percent.

7. Practice joint management of forestry, industry and commerce. This is a good way to manage forestry with economic means. Proceeding from the prerequisite of protecting, developing and fully utilizing forest resources, it organically combines three links--forest management, forest industry and marketing--and makes production, supply and marketing a coordinated process of management. It also retains different forms of economic ownership, exercises unified leadership and separate economic accounting. Therefore, it is conducive to accelerating the construction of forest foundations, insuring the planned and proportional development of forestry and the realization of balanced and comprehensive production,

cultivating and growing forests in a fixed orientation, utilizing timber rationally, reducing timber losses and wastes and raising the utilization rate of forest resources.

8. Increase the financial sources of forestry and the utilization results of forestry funds. Expanding the sources of forestry funds is an important condition for stepping up forestry development in the mountainous areas in the south. How do we increase forestry funds? First of all, the state should increase the proportion of investment for forestry in the south. Second, we should raise timber prices and return increased forestry income to forestry production units. Third, we should use low-interest or free-interest bank loans. Fourth, we should absorb funds extensively from foreign countries, overseas Chinese, and various departments, units and individuals at home and allow rural communes and brigades to invest labor and savings in afforestation. Although forest funds are now limited, they are improperly managed and used. The problem of wasting funds is extremely serious. To strengthen the work fo fund management, we should establish forestry fund management organizations and systems such as forestry investment, development and construction companies and forestry fund systems.

9. Do a good job in the administration and management of forest resources. The forest resources of the nine southern provinces (and autonomous regions) are unclear and their management is improper. Because of this we should investigate and make a complete inventory of forest resources and establish forest resource continuous inventory systems and forest resource files, beginning from grassroots units. At the same time, we should establish forest asset accounts and establish and carry out the economic accounting system in the process of growing forests, namely in every stage in forest management production.

10. Use the science and technology of forestry and scientific administrative and management methods to accelerate development of forestry production and construction. The scientific and technological forces of forestry are weak, and the administrative and management work of forestry is backward in the nine provinces (and autonomous regions) in the south. Especially with the drastic changes of rural areas and development of the new situation, the basic scientific and technological work of forestry and scientific management work are becoming even more incompatible and urgently need to be strengthened.

11. Strengthen the leadership over forestry and build the counties of mountainous areas into an economic entity of forestry. In the nine provinces (and autonomous regions) in the south, collective forests occupy an absolute proportion, and forestry production is mainly guided and organized by local party and government organs at all levels, especially at the county level. Concrete measures are carried out through cadres in charge of forestry who play a key role in connecting higher and lower levels. Therefore, strengthening the

leadership of the county level over forestry and improving the professional skills of cadres in charge of forestry management is vital to the success of forestry production. At the same time, we must also enable the counties of mountainous areas to become an economic entity of forestry and transfer the financial and administrative and management systems of forestry (including the forest industry) down to the level of counties, giving them responsibilities, rights and interests. Only by doing so can we fully arouse the enthusiasm of mountainous areas for forestry production and bring about great development in forestry.

12302
CSO: 4007/34

BRIEFS

AUTUMN PLANTING--According to ANHUI RIBAO, the provincial autumn planting task has been basically fulfilled. Some 30.12 million mu of summer grain and 95.1 million mu of rape have been planted and some 6 million mu of green manure spread. Peasants managed to overcome unfavorable weather conditions to accelerate autumn planting. Seed dressing has been done on 63.6 percent of the sown area to prevent and control pests. [Summary] [Hefei Anhui Provincial Service in Mandarin 1100 GMT 15 Nov 84 OW]

CSO: 4007/103

LI ZIQI ON AGRICULTURE UNIVERSITY REFORM

OW231149 Beijing XINHUA Domestic Service in Chinese 0756 GMT 21 Nov 84

[Text] Lanzhou, 21 Nov (XINHUA)--Secretary of the Gansu Provincial CPC Committee Li Ziqi recently discussed, at length, the reform being carried out at the Agriculture University. He stressed: The main objective of the university's reform is to train, at a faster pace, more talented people for agricultural modernization.

Comrade Li Ziqi visited the Gansu Agriculture University during a recent tour to investigate towns and village reform in the Hexizoulang area. He praised the university for increasing student enrollment from some 1,200 to over 1,800 over the past 2 years, by sponsoring various special training classes to meet practical needs in the spirit of reform, while fulfilling the tasks in teaching and scientific research assigned by the state, thereby making important contributions to the support of rural construction. According to the "Decision of the CPC Central Committee on Reform of the Economic Structure," adopted by the 3d Plenary Session of the 12th CPC Central Committee, respecting knowledge and talented people is the key to accelerating reform and construction. Since the mission of a university is to train more talented people at a faster pace, school reform should be done in the right of this objective.

Based on the actual situation in Gansu, Comrade Li Ziqi put forward a three-point suggestion for accelerating the training of talented people. First, it is necessary to adopt various forms to set up schools. In view of the many remote, impoverished areas in Gansu, special training classes, with the specific purpose of training specialized personnel in a certain field, can be set up on request from local people. These training classes can be located either on campus or locally in prefectures and countries, with the buildings and equipment financed by local people and the teachers and teaching materials provided by the Agriculture University. Students should be recruited, trained, and assigned jobs locally in order to ensure the remote impoverished areas' needs for skilled personnel to carry out local construction.

Second, the Agriculture University should regard its teaching, scientific research, and experiments as an integrated body. Since the application of agricultural science and technology must be suited to local conditions, not a single one of these conditions--teaching, scientific research, or experiments--can be dispensed with. Aside from conducting experiments at its ex-

perimental farms, the Agriculture University should also carry out experiments in various agricultural zones, together with local prefectures or counties. Currently, Gansu must speed up its pace of planting trees and grasses, readjust its agricultural pattern, and concentrate the teaching, scientific research, and experiments on training more well-trained, skilled personnel.

Third, it is necessary to continue to eliminate the "leftist" influence, and implement the policy on intellectuals. Because the key to running a good school lies in the number of qualified teachers, it is necessary to earnestly implement the policy on intellectuals, by inducing outstanding intellectuals into the party, and giving them the necessary conditions for their work and livelihood. Experts, who have made outstanding contributions, should be given generous rewards, in order to harness their enthusiasm, and enable them to play a greater role in training skilled personnel and speeding up construction.

CSO: 4007/103

GRAIN, OIL STORAGE WORK CONFERENCE CONCLUDES

HK031228 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 1 Dec 84

[Text] The provincial conference on grain and oil storage work, which concluded today, stressed that in circumstances of a great increase in grain and oil production, it is necessary to do well in the scientific storage of grain and oil and to vigorously mobilize individual peasants and rural collectives to solve the problems of insufficient state storage capacity and of the peasants' difficulties in selling their grain in the course of the state storage of grain.

Since the 3d Plenary Session of the 11th CPC Central Committee, grain production in our province has developed very quickly. This year our province has changed from a province which was allocated grain to a province which is self-sufficient in grain. The amount of grain produred is approximately 500 million jin more than in the corresponding period last year. In such circumstances, while tapping grain storage potentials, grain departments must mobilize the masses to store grain to solve the problems of the insufficient granary capacity and of the peasants' difficulties in selling grain.

In order to meet the needs of the development of grain production, the conference also stressed: in the future, all grain departments must popularize the application of advanced storage technology as well as the prevention and control of plant diseases and insect pests, must further reform grain work, must raise the commodity rate of grain, and must take the road of the all-round development of procurement, marketing, and processing so that grain work will change from the management type in the past to the business type. In addition, it is essential to establish a circulation system of many sectors, many channels, many forms, less links, and of an open type with state-run enterprises forming the leading part in order to constantly raise economic results and improve the quality of service.

The conference also commended nine units and two individuals who had scored achievements in grain and oil storage work.

CSO: 4007/103

INTERNATIONAL AGRICULTURAL CONFERENCE OPENS IN GUANGZHOU

HK200400 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 19 Nov 84

[Excerpts] The China International Conference on Agrigultural Science and Technology opened at the Guangdong Science Center in Guangzhou this morning. Present at the opening ceremony were a total of 1,600 people, including leading comrades of the provincial CPC committee, the provincial people's congress, the provincial government, and the city government, as well as representatives from various departments concerned. Du Ruizhi, Zong Ming, and Huang Youmou cut the ribbon at the opening of the conference on invitation. Also present at the opening ceremony were the senior representatives of the UN Industrial Development Organization, Dr (Kirshen) and Mr (Shippey); Professor (Browning), chairman of the world environmental protection association; Professor Niu Manjiang, well-known American geneticist of Chinese descendant; and government officials and specialists from the countries concerned, a total of more than 300 people.

A total of 113 manufacturing firms and companies from 14 countries and areas including Australia, Canada, the United States, West Germany, Great Britain, Japan and Hong Kong are participating in the conference. On display are more than 2,000 items, including instruments, tools, drawings and technical data related to agriculture, forestry, animal husbandry, fishery, water power resources, meteorology, energy resources, environmental protection, and genetic engineering. Quite a few exhibits are up to the world's contemporary advanced technological standards. During the Chinese and foreign [missing word] experts will exchange information concerning agriculture science and technology by giving lectures and holding seminars.

This conference is cosponsored by the Guangzhou center for the exchange of scientific and technological information of China and Hong Kong (Aoyu) exhibition and conference organizing company, limited. The conference will close on the afternoon of 24 November.

CSO: 4007/103

BRIEFS

AGROTECHNOLOGY SYMPOSIUM HOSTED--Guangzhou, 19 November (XINHUA)--An international agrotechnology exposition and symposium opened here today. Nearly 1,000 Chinese units and 113 firms from 13 countries and Hong Kong are taking part in the 6-day session, the biggest on agriculture ever held in China. Technicians and agronomists will share experiences at the 70 meetings scheduled to be held. Foreign firms are displaying 2,000 items of information, including a display on embryo section and grafting developed by Agtec Pty Ltd, Australia, which claims to be able to develop an embryo of a fine breed into as many as eight young animals with the same genetic information. [Text] [Beijing XINHUA in English 1444 GMT 19 Nov 84 OW]

CSO: 4007/103

BRIEFS

DISASTER RELIEF FUNDS--In the latter part of October, the region allocated 10.22 million yuan natural disaster relief funds to the areas that suffered relatively seriously from the No 10 strong typhoon and other natural disasters this year, in order to help the masses of people there to overcome the difficulties related to their food, clothing and housing and to enable them to resume production as soon as possible. Since the beginning of this year, the weather in our region has been abnormal and there have been frequent natural disasters. In particular, in early 22 September, counties, autonomous counties and cities, including Hepu, Qinzhou, Beihai, Pubei, Fangcheng, Lingshan and Nanning, suffered from the No 10 strong typhoon, rare in history, which caused serious losses to industrial and agricultural production and to the lives and property of our people. After the disaster, in mid-September, the regional department of civil affairs appropriated 440,000 yuan disaster relief funds to give emergency aid to victims of the disaster. On 23 October, it appropriated another sum of 9.78 million yuan of disaster relief funds. These relief funds were given to the victims in two ways: As donation that need not be repaid or as interest-free loans. [Excerpts] [Nanning Guangxi Regional Service in Mandarin 1130 GMT 7 Nov 84 HK]

LAND CONTRACT PERIOD--Guangxi Region is now gradually extending the period of land contracts. According to statistics, 21,537 production teams in Guilin, Yulin, Qinzhou and Wuzhou Prefectures have completed the work of extending the period of land contracts. They account for 15.26 percent of the total number of production teams in the four prefectures. [Summary] [Nanning Guangxi Regional Service in Mandarin 1130 GMT 10 Nov 84 HK]

WINTER SOWING--According to statistics on 24 November, Guangxi Region had sown winter crops, including wheat, rape, potatoes, broad beans, peas, garlic and green manure, on some 2.5 million mu. Yulin Prefecture has now cultivated flue-cured tobacco on some 60,000 mu, potatoes on some 73,000 mu, vegetables and garlic on some 164,000 mu, and peas, sweet potatoes, and other crops on some 133,000 mu. [Summary] [Nanning Guangxi Regional Service in Mandarin 1130 GMT 28 Nov 84 HK]

CSO: 4007/103

BRIEFS

GRAIN HARVEST--Guiyang, 18 Oct (XINHUA)--Guizhou Province is enjoying an all-round good harvest in agricultural production. According to a sample survey, the province's grain harvest is estimated at 14.8 billion jin this year, an increase of 700 million jin over the record-breaking year of 1983. According to incomplete statistics compiled up to the end of June, the number of draft animals increased by 4 percent over the corresponding 1983 period; the number of beef cattle sold, or slaughtered, increased by 20.6 percent; the number of hogs removed from inventory increased by 10.7 percent; milk output rose 6.7 percent. [Summary] [Beijing XINHUA Domestic Service in Chinese 0801 GMT 18 Oct 84 OW]

RURAL INVESTIGATION--The Guizhou Provincial CPC Committee recently decided that the Rural Work Department of the provincial CPC committee should organize 20 departments, offices and bureaus concerned of the provincial CPC committee and the provincial government, as well as cadres and scientific and technological workers of the prefectures and counties concerned to carry out a comprehensive investigation of rural society and economy in 10 villages in six townships and towns in four counties, including Zunyi, Pengba, Panxian and Luodian. This investigation will involve the political, economic, cultural and educational aspects. In particular, the provincial CPC committee wants to know the profound changes brought about by the implementation of the system of household contracted responsibilities with remuneration linked to output in the rural areas in the province since the 3d Plenary Session of the 11th CPC Central Committee and to know the new experiences, new situation and new problems emerging. [Summary] [Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 16 Nov 84 HK]

CSO: 4007/103

BRIEFS

SAPLINGS GIVEN TO HEBEI--Gao Yang, first secretary of the Hebei Provincial CPC Committee, this afternoon presented leading comrades of the Jixian and Tangxian County party committees with pine saplings collected by Hu Yaobang, general secretary of the CPC Central Committee. At the presentation ceremony, Gao Zhangxiang, secretary of the Hebei Provincial CPC Committee, read letters to the Jixian and Tangxian county party committees from the general office of the CPC Central Committee. The two letters read in part: Comrade Hu Yaobang is seriously concerned about the task of afforesting Taihangshan. He, and members of his staff, collected saplings on many occasions this autumn, and instructed this office to pass on to you some of the pine saplings collected, in the hope that you would score great successes each year in covering Taihangshan with evergreen trees. [Text] [Beijing Domestic Service in Mandarin 1200 GMT 26 Nov 84 OW]

CSO: 4007/103

MEETING CALLS FOR EDUCATION ON RURAL POLICIES

SK260548 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 25 Nov 84

[Text] The provincial meeting to exchange experience in publicizing the economic policies on rural reform, which was held in Zhoyuan County for 4 days, concluded on 25 November. A leading comrade of the rural department of the provincial CPC committee spoke at the meeting on the situation of the province's rural reform and the current tasks. A leading comrade of the propaganda department of the provincial CPC committee spoke on how to conduct systematic education on rural policies.

The meeting held: Following the application of the output-related contract responsibility system over the past 2 years, party organizations at various levels throughout the province have conducted a great amount of work on the propaganda and education of the three No 1 documents of the CPC Central Committee, and have scored great achievements. The rural situation is developing very rapidly and well, and there is a trend of latecomers surpassing the old-timers. We should not, however, the understanding of the cadres and the people of the nature, significance, and developing trends of the reform still fall short of the requirements of the CPC Central Committee. Therefore, in line with the arrangements of the CPC Central Committee, we should, beginning from this coming winter and spring, devote 3 to 5 years to the systematic education of the masses of rural cadres and people on rural economic policies.

The meeting noted: The general requirement of the systematic education on rural economic policies is to conduct a systematic education of peasants with the guidelines of the 12th National Party Congress as the guide, the three No 1 documents of 1982, 1983, and 1984 as the major teaching material and the textbook on current rural economic policies compiled and issued by the propaganda department of the provincial CPC committee as the supplementary teaching material, and truly solve their problems in ideology and practical work so that they will understand policies, get rid of their misgivings, have the courage to develop commodity production, become prosperous more quickly through diligent labor, and promote the province's rural economic reform and economic development.

CSO: 4007/103

HEILONGJIANG HOLDS MEETING ON GRAIN PROCUREMENT

SK040345 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 3 Dec 84

[Excerpts] On the evening of 3 December, the provincial people's government held a telephone conference on grain procurement, urging all localities to ensure a fulfillment of the soybean and grain procurement tasks and to do a good job in settling accounts for grain procurement in line with the policy rules.

So far, the province has sold over 5.95 billion jin of new grains to the state, which amounts to 59 percent of the grain procurement plan. The current problem is the imbalance in the proportion of various grains sold to the state. The sales of soybean are especially bad. The main reason that some localities cannot sell their soybeans to the state is because the natural moisture content of their soybeans is higher than the state standards. Some localities are not carrying out the state methods for settling accounts for grain procurement. Therefore the peasants' enthusiasm for grain sales are influenced.

The telephone conference urged:

1. All localities should conscientiously attend to the work of purchasing and storing up soybeans, paddy rice, and wheat, and must fulfill the soybean, paddy rice, and wheat procurement tasks.

2. All localities should do a good job in settling accounts for grain procurement in accordance with the rules in the policy of the central authority.

3. We should temporarily relax the requirements for the moisture contents of soybean and paddy rice sold to the state and unlimitedly purchase them.

The telephone conference also made new plans for the supply of grain and edible oil to the urban areas and reaffirmed that the policy on grain supply and the policy on possessing the saved grain and edible oil should not be changed.

CSO: 4007/103

WHEAT PURCHASE PRICE CLARIFICATION

Harbin HEILONGJIANG RIBAO in Chinese 12 Aug 84 p 1

[Interview: "Responsible Person at Provincial Grain Bureau Answers Reporter's Questions Regarding Wheat Purchase Price"]

[Text] The reporter called on the responsible comrade at the Provincial Grain Bureau today [12 Aug] and asked him to explain the implementation in Heilongjiang this year of a fixed ratio added price method for state purchases of wheat.

[Question] Is it true that this method is only being implemented in Heilongjiang?

[Answer] The Provincial People's Government decided to implement this measure in accordance with the Ministry of Commerce's "Report on a Comprehensive Fixed Ratio Method of Reckoning Prices for State Purchases of Grain" and in the spirit of instructions of leading comrades of the State Council. Relevant departments of the State Council are requesting that the measure be generally implemented nationwide next year.

[Question] What are the advantages of implementing this measure?

[Answer] Implementing this measure will be beneficial to both the state and the peasants.

First, this measure will serve as a useful role as an economic lever to motivate the peasants to sell more grain. The method currently in effect is this: purchases within the state procurement base are at the state purchase price; those outside the base quotas are purchased at the added price. The state procurement base was determined on the basis of 1971 seeded acreage, output and commodity rate, and basically has not been adjusted for 12 years. The base is high for established commodity grain producing regions, and they receive only a little added price money; the base is low for new grain producing regions, and they take in more added price money. It gives rise to the situation where peasants may sell equal amounts of grain while not receiving equal amounts of added price money; this affects some areas, in particular the motivation to produce grain in the established commodity grain producing regions. Implementing a fixed ratio added price could overcome this drawback.

Secondly, it helps to stabilize the state financial burden and lessen unreasonable expenditures. Labor productivity has risen year by year for the last 13 years and there has been an expansion in seeded acreage, while the state procurement base for grain has yet to be adjusted. This has resulted in ever-increasing financial expenditures of grain added price money. Also, individuals or production units pool their grain and sell it together to the state to obtain more added price and sell it together to the state to obtain more added price money through craft; since the state procurement base has not been changed, this has increased expenditures. By implementing a fixed ratio added price we could avoid this unreasonableness.

Effecting a fixed ratio added price also would simplify procedures and contribute to resolving the peasants' "grain selling hardships." The current procedure for figuring prices is complex; when the peasants sell grain two calculations are required. Implementing fixed ratio added price regulations would simplify price reckoning methods and procedures; the peasants' accounts could be settled as they sell their grain and they would receive the added price money at that time.

12513
CSO: 4007/231

BRIEFS

WHEAT, BARLEY PRICES UP--This year Heilongjiang is implementing a fixed ratio added price for wheat and barley. This is what was promulgated for 4 days in a circular issued by the provincial government. The circular said that the provincial government decided to eliminate the fixed quota base for grain, and that this year a fixed ratio added price method would be implemented for state purchases of wheat and barley (referring to contracted brewing barley). The "3-7 rule" fixed ratio added price means that 30 percent of the amount sold will be at the state price and 70 percent at the excess purchase price. The amount to be added on will be calculated at 50 percent of the state purchase price. A separate circular deals with the added price method for other grains in excess of purchase quotas. The added price is limited to farm households and production units with state procurement responsibilities. The added price method is not in effect for all those without state procurement responsibilities alike; state purchases for this group will be at a negotiated price. (Provincial Grain Bureau) [Text] [Harbin HEILONGJIANG RIBAO in Chinese 12 Aug 84 p 1] 12513

GRAIN OUTPUT--This year, Heilongjiang Province reaped a bumper agricultural harvest. Total grain output will reach 35 billion jin, an increase of 4 billion jin over 1983. [Excerpts] [Harbin HEILONGJIANG RIBAO in Chinese 28 Oct 84 p 1 SK]

CSO: 4007/103

BRIEFS

COTTON PRODUCTION--The gross output of the 8 million mu of cotton grown in Hubei Province this year exceeded 10 million dan, a record. Despite reduction of the area sown to cotton, the gross output was 30 percent higher than last year and the per-mu yield recorded an increase of approximately 40 percent. The amount of cotton stored in warehouses in the province by 15 November had reached 8.89 million dan, a record. [Summary] [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 17 Nov 84 HK]

AUTUMN WHEAT ACREAGE ADJUSTED--The distribution of autumn sown crops in the province has been noticeably adjusted and the quality of crops has been substantially raised this year. While implementing the state's guiding plan for this year's autumn sowing, local authorities have reduced the sown area for wheat and increased the sown area for barley, peas, rapeseed, and vegetables in light of current market demand. The province's sown area for what has decreased by 12 million mu compared with last year, while that for barley has increased by more than 1.8 million mu, that for peas and other grains has increased by more than 0.8 million mu, and that for vegetables has increased by nearly 0.4 million mu. At the same time, local authorities have tried their best to select fine varieties of grains and to enhance their quality. The proportion of the sown area for white bran wheat has been substantially increased and that for black bran wheat decreased; high-yield fine varieties of barley such as (Bumai) No 4 and early-maturing No 2 have been actively popularized; and the trial growing area for low erucic acid rapeseed has also been increased considerably. Low erucic acid rapeseed accounts for 6 percent of the 0.2 million mu of rapeseed planted in Xiangfan City. [Text] [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 18 Nov 84 HK]

CSO: 4007/103

PHOSPHATE FERTILIZER PROBLEM TO BE SOLVED

OW111419 Beijing XINHUA Domestic Service in Chinese 0758 GMT 10 Nov 84

[Text] Beijing, 10 Nov (XINHUA)--According to a report carried today in JINGJI CANKAO, the Jiangsu Provincial Planning and Economic Commission published a circular on 5 October, calling on all localities in the province to protect the peasants' interests by solving the widespread problem of inferior quality and high price of phosphate fertilizers.

The circular urges all localities to strictly control the quality of phosphate fertilizers. Enterprises in the province producing phosphate fertilizers with less than 12 percent of effective phosphorus (the content of phosphorous for the lowest grade--fourth--of phosphate fertilizer stipulated by the state) must stop the production. The output and input value of substandard phosphate fertilizers should not be included in statistics. The phosphate fertilizer production license system should be effectively reinforced. At the same time, substandard phosphate fertilizers from other provinces should strictly be forbidden to enter Jiangsu.

It is necessary to reinforce the policy of setting price of the product according to its quality. Phosphate fertilizers with more than 12 percent of effective phosphorus in stock at producing enterprises and supply and marketing departments should be sold according to the current price for each grade; those with less than 12 percent of phosphorus should be sold at a price 15 to 75 yuan per metric ton less than the current price; those with less than 8 percent of phosphorus should be handled as discarded materials.

The circular says: The content of effective phosphorus should be measured and determined by the standardization bureau in each city. All units concerned should not measure and determine the content on their own.

CSO: 4007/103

BRIEFS

GRAIN OUTPUT--The grain output of Jiangsu Province increased 8 percent this year over 1983, a year in which the province's grain output topped 60 billion jin for the first time. The province's summer grain output was 24 billion jin, an increase of 15.8 percent over the corresponding 1983 figure; its autumn grain output was 42.12 billion jin, up 4.4 percent over 1983. [Summary] [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 5 Dec 84 OW]

CSO: 4007/103

LEADERS ATTEND MEETING ON TEA OIL

OW091427 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 8 Nov 84

[Text] The provincial meeting on production of tea-oil trees, which ended on 7 November, pointed out that tea oil is one of the major strong points of our province and that it is necessary to regard tea-oil production as a major industry and promote it accordingly.

Attending the meeting were responsible comrades of the various prefecture, cities and the counties in charge of agricultural production; heads of forestry bureaus and grain bureaus, and responsible comrades of departments concerned, 250 people in all. Zhao Zengyi, secretary of the provincial CPC committee and governor, attended the meeting and spoke. Zhang Fengyu, secretary general of the provincial people's government, delivered a report entitled: Strengthen Leadership and Relax Policy Restraints To Create a New Situation in Tea-oil Tree Production.

The meeting summarized and exchanged experience in tea-oil production in the light of the actual conditions in our province. In accordance with the characteristics of our province, that is, large areas of sparsely scattered tea-oil trees and low per-mu output to tea oil, the meeting put forward the policy of consolidating and increasing the output of existing tea-oil trees, appropriately developing new forests in line with local conditions, and increasing the province's total acreage of tea-oil forests to 16 million mu and the total output of tea oil to 120 million jin by the year 1990.

The meeting stressed that it is necessary to regard tea-oil production as a major industry and promote it accordingly. Efforts should be made to further relax policy restraints and improve the system of contracted responsibilities with remuneration linked to output in tea oil production, expand tea-oil producers' decisionmaking power in operation, and give energetic support to households or integrated economic establishments specializing in tea-oil resources in our mountainous areas and allow them to comprehensively process and utilize them on favorable terms.

The provincial people's government also decided to give economic assistance to tea-oil producers such as loans at discount interest rates, subsidized grains, and chemical fertilizer.

CSO: 4007/103

BRIEFS

RURAL GRAIN DEPOTS--Peasants in 42 key grain producing counties in Jiangxi Province have set up 1,337 grain procurement and storage depots to help the state store more than 1.5 billion jin of grain. The province is enjoying a bumper harvest of grain, this year and the total output is expected at 30.5 billion jin, an increase of 1.29 billion jin over the record output of 1983. Some 12 billion jin of grain needs to be procured in the province. [Summary] [Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 11 Nov 84 OW]

GRAIN WAREHOUSES--Nanchang, 13 Nov (XINHUA)--To solve the problem of inadequate warehouses for grain purchased by the state, 42 major grain producing counties in Jiangxi Province have built grain storage stations with assistance from the provincial grain department. Up to now, more than 1.5 billion jin of grain are stored in these stations. [Summary] [Beijing XINHUA Domestic Service in Chinese 0037 GMT 13 Nov OW]

CSO: 4007/103

BRIEFS

TREE-PLANTING ACHIEVEMENTS--Jilin Province has scored marked achievements in planting trees this autumn. According to incomplete statistics complied at the end of October, the province planted 1.16 million mu of trees and surpassed the annual tree-planting plan of 4 million mu, a 4.1 percent increase over the 1983 figure. [Excerpt] [Changchun Jilin Provincial Service in Mandarin 2200 GMT 3 Nov 84 SK]

DEVELOPING PADDY RICE--In order to improve the livelihood of urban and rural people and to increase the peasants' income, the provincial government decided to appropriately readjust the crop structure and to vigorously develop the production of paddy rice. The province plans to increase paddy rice growing areas by 2.3 million mu and to increase [words indistinct] paddy rice 2 billion jin by 1990. The average urban people can have 175 jin of rice every year: At the same time, the peasants' total income may reach 115 million yuan. In order to realize this goal, the provincial government set forth that we should persist in the guiding ideology of basing on water conservancy, relying on farm productive power and centering on economic results in order to fulfill the plan, to complete the construction of projects, to have sufficient construction funds and advanced cultivation techniques and to increase the production of the paddy rice. The province also defined 12 key counties to develop paddy rice, including Yushu, Denhui, Jiutai, Nongan, Yongji, Shulan, Lishu, Hailong, Huinan, Qian Gorlos, Fuyu, and Dunhua. [Text] [Changchun Jiln Provincial Service in Mandarin 2200 GMT 14 Nov 84 SK]

CSO: 4007/103

COUNTY GIVEN TREE SEEDS COLLECTED BY HU YAOBANG

SK020422 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 1 Dec 84

[Text] This morning, at a broadcast mobilization rally in Chaoyang on accelerating Chaoyang's afforestation, (Xu Hongwen), secretary of Chaoyang City CPC Committee, entrusted by Guo Feng, first secretary of the provincial CPC committee, passed on some of the tree seeds collected by Comrade Hu Yaobang and comrades working at his side to Chaoyang County CPC Committee. (Shi Hu), deputy secretary of Chaoyang County CPC Committee, read the letter of general office of the CPC Central Committee to Chaoyang County CPC Committee at the rally and opinions given by Guo Feng, first secretary of the provincial CPC committee.

The letter from the general office of the CPC Central Committee says: After visiting Chaoyang County in 1981, Comrade Yaobang has always borne the county's afforestation work in his mind. He recently ordered us to send you some of the tree seeds he and the comrades working at his side collected. We hope that you will continuously score new achievements in afforesting the dry mountainous areas and in changing their natural outlook.

Comrade Cuo Feng wrote in this letter: I hope that the Chaoyang City CPC Committee and all party comrades in Chaoyang will turn the precious gift into a force motivating afforestation of dry mountainous areas, be determined to change the natural outlook of Chaoyang, and make contributions to revitalizing Liaoning and serving the whole country.

(Ding Xiaodong), secretary of Chaoyang County CPC Committee, spoke at the rally. He siad: In the short period of 3 years, Comrade Hu Yaobang inspected Chaoyang, asked on many occasions about the development of mountainous areas in Chaoyang, entrusted the general office of the CPC Central Committee to write to the masses in reply, and sent us some of the tree seeds he and the comrades working at his side collected together. This shows his concern for and encouragement to us. The people of the country will never fail short of the ardent expectations of the leading comrades of the CPC Central Committee, and will plant trees and grass with great efforts, speed up development of mountainous areas, and cover Chaoyang with green trees at an early date.

CSO: 4007/103

BRIEFS

COTTON PRODUCTION--According to statistics released by the Liaoning Provincial Cotton and Hemp Company on 27 November, the province had procured 1.149 million dan of ginned cotton by 25 November, overfulfilling this year's quota by 129 percent and representing an increase of 186,600 dan over the same period of 1983. According to the forecast of a department concerned, the province may procure around 1.3 million dan of cotton. [Text] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 28 Nov 84 SK]

CSO: 4007/103

BRIEFS

RURAL ECONOMIC ACHIEVEMENTS--Since 1978, Nei Monggol Autonomous Region has achieved great development in the rural economy. The region's total agricultural output value increased from 3.77 billion yuan in 1978 to 5.18 billion yuan in 1983, and its total grain output from 9.9 billion jin in 1978 to 11.2 billion jin in 1983. In addition, the region has also scored achievements in developing township and town-run enterprises, specialized households, and households doing specialized jobs along with crop cultivation. At present, township and town-run enterprises throughout the region have 230,000 staff members and workers, and more than 310,000 such households have come to the fore in the region. Both have become the main force in developing commodity production in rural areas. [Excerpts] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 18 Oct 84 SK]

GRAIN PRODUCTION--Nei Monggol reaped another overall good harvest this year. The output of grain, oil-bearing seeds, and beets reached an all-time high. According to a sample survey of the regional statistical bureau, the region's total grain output reached 11.8 billion jin, the output of oil-bearing seeds 1.08 billion jin, and that of beets 2.82 billion jin, increasing by 5.4, 0.4 and 4.4 percent, respectively, over that of last year. [Excerpt] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 14 Nov 84 SK]

SUGAR OUTPUT--This year, Nei Monggol Region has reaped a bumper harvest of beets. This year's beet output is estimated at 1.3 million to 1.4 million tons. [Summary] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 20 Oct 84 SK]

BEET PROCUREMENT--Procurement of beets had been basically completed in Nei Monggol by mid-October, and a total of 1,268,000 tons had been procured. [Excerpt] [Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 27 Nov 84 SK]

INCREASED AFFORESTATION--As of 15 November, Nei Monggol Region had afforested 11.6 million mu, doubling the planned figure, an increase of 2.5 million mu over the corresponding period last year, and a record high in the region. In 1981, 1982 and 1983, the region ranked first in China in afforestation. This year, the region designated more than 21 million mu of barren land to the masses for afforestation. Now, there are about 100,000 key and specialized afforestation households in the region, and the land afforested by individuals accounts for more than 65 percent of the region's total. [Summary] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 22 Nov 84 SK]

CSO: 4007/103

NEW DEVELOPMENTS IN FARM MECHANIZATION REPORTED

Yinchuan NINGXIA RIBAO in Chinese 16 Aug 84 p 1

[Article: "There Are New Developments in Farm Mechanization in Ningxia; Based on Calculations of Horsepower Per Land Area, the Total Power of Farm Machinery Throughout Ningxia Is Higher Than Average Levels Throughout the Country"]

[Text] Since the 3d Plenary Session of the 11th party Central Committee, Ningxia's farm mechanization has developed rapidly and played a promotional role in developing rural commodity production.

Since the contracted responsibility system with remuneration linked to output has been implemented in the rural areas, corresponding reforms have been carried out in Ningxia's farm machinery management forms and administrative systems, family operated tractors now constitute 95 percent of all tractors in the rural areas, rural farm machinery stations (teams) have all established and perfected the responsibility system, and management results have markedly improved in some which have merged with small town farm machinery management stations and become farm machinery management service stations (teams). Over 80 percent of the 156 village and town farm machinery management service stations throughout the region made profits last year; all of the over 6,000 households specializing in farm machinery became rich in a year or two, and the appeal of farm machinery to the peasants is becoming progressively stronger. There has been a sharp increase in the quantity of farm machines and particularly small-scale farm machines throughout the region in the last two years. There was an increase of over 6,600 small-scale tractors throughout the region last year, and another increase of over 5,500 during the first half of this year. There are now over 38,000 farm tractors throughout the region, and total farm machinery power has reached over 1.55 million horsepower which based on calculations of horsepower per land area, is higher than average levels throughout the country. The amount of farmland worked by machines has now reached over 40 percent in the region irrigated by the Huang He, and over 25 percent throughout the region. Grain threshing and processing of grain, oil-bearing crops and feed have been basically mechanized throughout Ningxia.

Raising the level of farm mechanization has promoted the development of rural commodity production. Farm machinery has developed particularly great power in development production. Some contract households have developed over 100

or 1,000 mu of wasteland by using farm machinery for a fairly short time. Many peasant households have also used tractors for short distance transportation, enabling them to become a major means of transport for the flow of goods and materials between city and country. Over 60 percent of livestock products, potatoes, medicinal materials and mountain products in mountain areas are transported by tractor to cities and towns, and the means of production and livelihood needed in rural areas are also carried back to them from cities and towns by tractor.

12267
CSO: 4007/234

RECORD STATE FARM SUMMER GRAIN OUTPUT REPORTED

Yinchuan NINGXIA RIBAO in Chinese 17 Aug 84 p 2

[Article: "Summer Grain Output of Ningxia's Farm Cultivation System Was an All-Time High; Contract Responsibility System Stabilized and Perfected; Improvement of Scientific Farming Standards Continued"]

[Text] Ningxia's farm cultivation bureau has conscientiously carried out the spirit of Central Committee Document No 1 and conquered all kinds of natural disasters, and based on having reaped bumper summer grain harvests for four years in a row, has reaped a bumper harvest again this year with total output reaching 76 million jin, a 4 percent increase over 1983's great bumper harvest and an all-time high.

The decrease over last year in this year's area sown with summer grain on the region's state-run farms plus the continuous occurrence since the spring of natural disasters such as low temperatures, clouds, rain and frost have had an unfavorable effect on summer grain production. The farm cultivation bureau party committee organized staff members and workers throughout the system to fight the natural disasters so that the spring sowing was not affected. All state-run farms moreover further stabilized and perfected the family contract responsibility system and ran a group of family farms as an experiment. The distribution form is also now in complete transition from payment partly in kind and partly in cash and excess profits being assigned as work points to comprehensive joint production calculation of payment and wages, further arousing the production enthusiasm of staff members and workers.

Another reason why the farm cultivation system reaped a bumper summer grain harvest was that it introduced and popularized advanced technology and carried out scientific farming. Due to serious damage from wild oat grass in past years, farms with a fairly large acreage of wheat could not improve their per unit wheat output, but since they introduced the weed killers "hecaoling" from the Federal Republic of Germany and "yanmaiwei" from the United States last year on 7000 mu of experimental acreage, results have been quite good. All farms also carried out certain reforms in wheat fertilizer application methods.

The state has not been neglected in the bumper harvest, and the masses of staff members and workers on state farms are grasping the opportunity to winnow, dry in the sun, and deliver the best wheat to the state. According to statistics, 32 million jin of wheat had been sold to the state throughout the farm cultivation system by 4 August, overfulfilling the state-assigned summer grain delivery duties.

12267
CSO: 4007/234

BRIEFS

GRAIN PRODUCTION INCREASES--Qinghai Province's gross output of grain this year has reached 2.07 billion jin, an increase of 6.96 percent over last year. According to a sample investigation conducted at 2,440 points in 13 agricultural counties, 4 semiagricultural and semipastoral counties, and suburban Xining City, the areas sown to grain in the whole province this year were 6.02 million mu, 0.65 percent less than last year. The per mu yield was 344 jin, 7.8 percent more than last year. [Summary] [Xining Qinghai Provincial Service in Mandarin 1100 GMT 10 Nov 84 HK]

CSO: 4007/103

SUCCESSFUL DESERT CONTROL IN SHAANXI PROVINCE

OW041445 Beijing XINHUA in English 1311 GMT 4 Dec 84

[Text] Xian, 4 December (XINHUA)--Yulin Prefecture, Shaanxi Province, has halted desert encroachment by planting trees and grass since 1979, prefectural officials said.

Of the prefecture's 575,000 hectares of shifting sand dunes, 367,000 hectares have basically been fixed, 34,700 hectares of which have been transformed into farmland. Moreover, the desert control efforts have also earned local peasants additional incomes.

The prefecture harvested 900,000 tons of grain crops excluding rice this year--up by 20 percent over last year, and the per hectare yield of the more than 3,100 hectares of rice exceeded 5.2 tons.

Yulin is located between the northern part of the loess highlands and the southern edge of the Mu Us desert in Inner Mongolia; the great wall runs through the area.

About 1.7 million hectares of farmland in the prefecture's northern part are frequently threatened by sandstorms.

Since 1979, local authorities have given priority to planting trees and grass as an effective measure to halt the shifting sand.

Individual peasants and their families are the main force in the afforestation drive. So far, 467,000 hectares of sand dunes and sandy wasteland have [words indistinct] parcelled out among 400,000 peasant households for planting trees.

Under local government regulations, whoever plants trees and grass becomes the owner. Peasants are also given the priority in getting bank loans and guidance from technicians in the work.

There are now more than 10,000 household-based farms, each managing at least six hectares of forest or pastureland.

In all, trees and grass had been planted on 1.1 million hectares by the end of 1983. The afforested areas were 58 percent more than in 1978.

Three shelterbelts totalling 850 kilometers were also planted along the great wall. In addition, 180,000 hectares of date tree belts were added along the Yellow River and more than 11,300 hectares of apple trees were planted along roadsides.

Vegetation now covers 21 percent of the prefecture's territory, compared with only [figure indistinct] percent 35 years ago. The average wind velocity has been reduced by 49 percent.

Afforestation has also reduced the annual amount of mud washed into the Yellow River to 300 million tons from 516 million tons in the early 1950's.

According to a plan drawn up by this prefectural administrative office, the pace of desert control will be stepped up. Starting from this year, prefecture will plant 160,000 hectares of trees and 100,000 hectares of grass annually so that by 1990 the afforested area will reach 1046 million hectares and the grass acreage will reach 333,000 hectares.

CSO: 4007/103

BRIEFS

BUMPER HARVEST--This year Shanxi Province has reaped a bumper agricultural harvest. It is estimated that this year, output of grain will be 3.65 percent, output of cotton 20.1 percent, output of oil-bearing crops 15.9 percent, output of the hemp group 79.8 percent, output of beets 8.7 percent, output of tobacco 4.4 percent, output of vegetables 4.1 percent, and the output value of medicinal herbs 100.03 percent more than last year. This year the province has been hit by many kinds of natural disasters, particularly drought. The area of various crops affected by natural disasters reached some 40 million mu. [Summary] [Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 10 Nov 84 HK]

COTTON PROCUREMENT--As of 22 October, Shanxi Province had procured more than 3.64 million jin of cotton, of which, some 2.41 million jin was directly-procured ginned cotton, a 30-percent increase over the corresponding 1983 period. [Summary] [Taiyuan SHANXI RIBAO in Chinese 23 oct 84 p 1 SK]

AGRICULTURAL HARVEST--This year, Shanxi Province has reaped bumper harvests in all crops. According to an estimate, output of grain will be 16.7 billion jin, a 3.6 percent increase over last year; that of cotton, 231.02 million jin, a 20.1 percent increase; that of oil-bearing seeds, 550.07 million jin, a 15.9 percent increase; that of hemp and flax, 6.58 million jin, a 79.8 percent increase; that of beets, 559.26 million jin, an 8.1 percent increase; that of leaf tobacco, 8.01 million jin, a 4.4 percent increase; that of vegetables, 4.395 billion jin, 4.1 percent increase; and the output value of medicinal materials, 64.51 million yuan, double last year's figure. [Excerpts] [Taiyuan SHANXI RIBAO in Chinese 11 Nov 84 p 1 SK]

GRAIN DEPARTMENT BUSINESS--Through processing of grain and oil, grain departments in Shanxi Province earned 59.29 million yuan in profits from January to September, overfulfilling the state-assigned quota by 6 percent, and representing an increase of nearly 40 percent over that of the corresponding period of 1983. [Summary] [Taiyuan SHANXI RIBAO in Chinese 20 Oct 84 p 1 SK]

COTTON PROCUREMENT--According to statistics, as of 25 October, Shanxi Province had procured 22,792,600 jin of cotton. [Excerpt] [Taiyuan SHANXI RIBAO in Chinese 7 Nov 84 p 2 SK]

CSO: 4007/103

RECORD GRAIN HARVEST REPORTED FOR 1984

OW170833 Beijing XINHUA in English 0820 GMT 17 Nov 84

[Text] Chengdu, 17 November (XINHUA)--Sichuan Province, China's major grain producer, reaped a record grain harvest of 40.2 million tons this year despite the reduction of the sown area, according to the local agricultural department.

The figure is 150,000 tons more than last year. This is the eighth successive bumper harvest in the province.

Local authorities attributed the excellent harvest to the widespread use of high-yield hybrid strains and the use of greenhouses and vinyl covering to raise rice seedlings. The per-hectare yield was 315 kg more than in 1983.

At the same time, output of cotton, sugarcane, tangerines and oranges, jute and ambary, tobacco and aquatic products increased 10 to 30 percent over 1983. Increases were also registered in tea, silkworm cocoons and livestock.

Sichuan is expected to provide 2.25 million tons of pork for the market this year, 150,000 tons more than in 1983, taking the national lead. The province is already approaching its export target of 150,000 tons of pork.

CSO: 4007/103

AQUATIC PRODUCT CIRCULATION SYSTEM REFORM REPORTED

Tianjin Reforming Aquaculture Industries

Beijing JINGJI RIBAO in Chinese 23 Jul 84 p 2

/Article: "Tianjin Municipality Reforms Aquatic Product Circulation System; Production and Wholesale, Retail Marketing Unified and Management Returned"/

/Text/ Tianjin Municipality has decided to reform its aquatic product circulation system, and since June has unified produciton with wholesale and retail marketing and returned management to the aquatic product departments.

As in most large cities, production companies in Tianjin Municipality did not directly market products in the past, and aquatic product supply and marketing companies did not handle retail business, but had to distribute procured and transferred wholesale fish to retail organs of commercial departments (first delivering it to allocation centers and then to food markets). Not only did the many links increase management costs and affect quality, but many loopholes and passing through several hands often prevented the supply of fish rationed to residents at parity from being fulfilled, and the masses had many complaints.

In order to change this situation, based on thorough investigations, extensive listening to opinions and stressing of certain experiments, the municipal party committee has decided that beginning in the second half of this year, the administration of the aquatic product retail business will be returned from the Municipal No 2 Commercial Office to the Municipal Aquatic Product Office, and that production, supply and marketing will be made a coordinated process. Contract methods have been carried out for financial subsidy of the aquatic product office. After ensuring the supply of a sufficient quantity of fish at parity, other aquatic products can be sold at negotiated prices, and prices can follow the market in order to facilitate brisk prices and adequate production. The municipal party committee has asked all departments concerned to closely coordinate and to work conscientiously in line with the spirit of responsibility to work and to the masses.

Based on decisions of the municipal party committee and the municipal government, the Tianjin Municipal Aqautic Product Office has adopted specific measures. It has decided that the duty of supplying fish at parity throughout the municipality will be carried out through the respective responsibility of its

subordinate units and by dividing up the work and assigning a part to each individual or group. All units responsible for retail supply duties must improve supply methods and integrate dividing up the work and setting of places and times to dispatch vehicles to deliver goods with selling of goods by stores, in order to make it convenient for residents to purchase them. It has moreover been decided to carry out the policy of "ensure first and enliven second," i.e., to ensure that everyone is supplied with 6.5 jin of fish a year at parity (.5 jin a month plus an extra .5 jin in the spring), and the rest can be bought and sold at negotiated prices which follow the market.

Short Commentary

Beijing JINGJI RIBAO in Chinese 23 Jul 84 p 2

/Commentary: "The More Reform the Better and the More Reform the Livelier"/

/Text/ Aquatic products are a type of fresh and live product and particularly need prompt unclogging of circulation channels and guarantees of freshness in processing. But many aquatic product supply and marketing departments have carried out allocation and transfer from level to level for many years in one way; there have been many administrative levels, many links, many loopholes and large losses, and ensuring freshness in processing has been very backward; live fish thus have often become dead ones and dead fish rotten ones. It indeed will not do for this situation not to be changed and this circulation system not to be reformed.

The way to invigorate aquatic product circulation is to run things according to the law of value, to further relax procurement and marketing policies, to be determined to change the past methods of relying mainly on administrative measures to control and assign purchasing and to allocate, transfer and distribute; and to carry out relaxed management with many channels and few links. Reform of the present aquatic product management system by state-run aquatic product supply and marketing departments is an important step which should be carried out as quickly as possible. Tianjin's methods have been used as a reference by all areas.

In addition, the city should also vigorously open fresh and live aquatic product markets, trade warehouses, and business centers in order to attract fish goods into the city. In summary, more consideration should be given to the distinguishing features of aquatic products and the needs of the masses, and brains should be used and methods considered concerning the word "live." As long as state-run aquatic product supply and marketing enterprises further rectify their administrative ideology, improve their administrative style, continue to develop the scope of management, actively promote production and guide consumption, it will be entirely possible to improve their leading role in the entire field of aquatic product circulation.

12267
CSO: 4007/240

BRIEFS

TANGGU WATER--After 6 days of a test operation, the project to divert the Luan He water to Tanggu District, Tianjin Municipality, began to transmit the Luan He water to Tanggu District at 1000 on 20 November, ahead of the scheduled date. Now residents in the district are able to drink new and sweet water. According to a laboratory test made by a department concerned, the chloride contained per liter in the water provided by the Tanggu Tap Water Plant dropped from the original 1,000 milligrams to 300 milligrams. [Summary] [Tianjin City Service in Mandarin 0030 GMT 24 Nov 84 SK]

CSO: 4007/103

BRIEFS

PLA GRAIN PROCUREMENT--By 31 October, the Xiniang production and construction corps had procured some 549 million jin of grain, overfulfilling the 1984 quota for procurement by 7.7 percent. [Summary] [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 9 Nov 8 HK]

CSO: 4007/103

CANE SUGAR OUTPUT PLACES 3RD NATIONALLY

Kunming YUNNAN RIBAO in Chinese 16 Aug 84 p 2

[Article: "By Linking Grain and Sugarcane, Developing Natural Superiority, Yunnan Cane Sugar Output Places 3rd Nationally; In Addition to Satisfying Consumption Provincewide, Brown Sugar and Refined Sugar Shipped to 8 Provinces and Municipalities"]

[Text] Cane sugar production has developed rapidly in Yunnan. From 1983 to the sugar pressing season in 1984, despite low temperatures and frost, sustained dry conditions and serious blizzards, sugar output still set a new record by topping 300,000 tons. Output placed Yunnan 3rd nationally among cane sugar producing regions. In addition to supplying the people's consumption demand in this province [Yunnan], by the middle of July this year more than 158,000 tons of brown and refined sugar had been shipped to 8 provinces, municipalities and autonomous regions including Hunan, Shaanxi, Qinghai, Sichuan, Chongqing, Xizang [Tibet] and Guizhou.

In 1949, the area planted to sugarcane in Yunnan was only 180,700 mu and sugar output was 23,000 tons. At that time there were no mills in the province which employed machine processing; processing sugar depended wholly on small, indigenous, man- and ox-drawn presses. There were many impurities in the brown sugar, the quality was low and it was costly. It was most difficult for ordinary people to have brown sugar to eat, let alone refined sugar. Although there was development of cane sugar production after Liberation, the rate of progress was slow; in the 29 years to 1978 the area planted to sugarcane only increased to 634,000 mu and sugar output was 166,000 tons, still not enough to supply the demand. After the Third Plenary Session of the 11th Party Central Committee, Yunnan implemented policies to link grain and sugarcane by exchanging sugar for grain, fix a base and reward surplus output. For sugarcane sold in excess of the base there was proportionate grain awards; sugarcane growers who did not want grain were awarded the balance at the 50 percent added price for grain sales in excess of state quotas. At the same time, the sugar mills took a portion of the profits and returned it to the sugarcane growers. In this way we got rid of the troubles at home with vast numbers of sugarcane growers expanding cane sugar production, provided motivation, promoted reform of the single economy structure within agriculture and expedited scientific cultivation of sugarcane; production in established cane sugar areas was raised to an

even higher level and new cane sugar areas sprung up like mushrooms after a rain. At present, annual sugar production is already more than 10,000 tons for the 10 counties and cities of Mile, Kaiyuan, Jianshui, Yuanjiang, Xinping, Baoshan, Changning, Luxi, Longchuan and Yingjiang, and they have become cane sugar bases for the province. Concurrently, there was a linking up of sugar mill construction with sugarcane production in the various localities. Twenty new sugar mills were constructed over and above the original 28 and both brown and refined sugar production was mechanized. From 1983 to the sugar pressing season in 1984 the planted area expanded to 895,000 mu, a 41 percent increase over 1978; sugar output reached 307,000 tons, an 84.9 percent increase. Production of cane sugar presents a flourishing scene throughout the province.

Cane sugar production has now become a dominant factor in the economy of Yunnan, bringing various benefits. In each of the last two years the state took in more than 70 million yuan in taxes from the cane sugar industry; last year the sugar mills made more than 20 million yuan in profits; the mass of sugarcane growers benefitted even more as there has appeared a group of newly well-off "10,000 yuan households." Consumers have also benefitted; starting with 1982, brown and refined sugar has been in open-ended supply throughout the province. After Dehong Dai-Jingpo Autonomous Prefecture developed into a new cane sugar producing region the overall economy was enlivened.

12513
CSO: 4007/231

RENMIN RIBAO ON YUNNAN COUNTIES OPENING TIMBER MARKET

HK051236 Beijing RENMIN RIBAO in Chinese 1 Dec 84 p 2

[Report: "Yunnan's Tonghai and Chengjiang Counties Open Timber Market"]

[Text] On the basis of earnestly strengthening forestry management, Tonghai and Chengjiang counties of Yuxi Prefecture, Yunnan Province, have opened the timber market. This has benefited the peasants who develop forestry and their enthusiasm in the work of afforestation has been further aroused.

In accordance with the decision of the provincial CPC committee and the provincial government, Tonghai and Chengjiang counties have opened the timber market in 14 country fairs since the beginning of this year. In order to improve work in this aspect, the two counties have organized work teams consisting of more than 300 people to publicize forestry policy among the masses from one commune to another. Then, adhering to the principle of keeping the cutting lower than growth, they started the "one investigation and three fixes" activities--investigating into the amount of standing timber reserves, fixing the cutting of timber each year, fixing the amount of timber to be distributed by the state, and fixing the amount of timber to be retained. These amounts are concretely set for each commune and each household, and they will not change in 5 years. Each county government selected some cadres from the forestry, industrial, commercial and taxation departments to form a leading group for market management. It is also stipulated that on the premise of observing state policy, cutting according to plans, and ensuring the fulfillment of tasks of handing over to the state timber under its monopoly, all timber retained by the collectives, timber which has been cut from places where transportation is extremely difficult and which has been verified as such, small-diameter timber, timber obtained from thinning forests under cultivation, timber from hills for commune members' private use, and products and semi-finished products of such timber can be sold at timber fairs on showing certificates issued by the township government. Results of this practice are as follows:

1. Forestry policy has been implemented. The peasants have been benefited and their enthusiasm in planting trees has been aroused. In the past it was difficult to assign tasks of planting trees and growing saplings in some villages and communes in Chengjiang County. This year the masses voluntarily went to forestry departments to buy seeds and saplings and dug holes and leveled ground for planting trees.

2. The black market for trading timber has been eliminated, thus ensuring the legitimate rights of the peasants and the consumer. In the past, illegally felling trees was serious when timber was not allowed to be sold in the market. With permission to trade timber on showing relevant certificates and fixing prices according to quality in a fair way, cases of illegally felling trees have greatly dropped. Tiezuo Township of Digu District, Chengjiang County, which originally planned to cut 210 cubic meters of timber this year has volunteered to reduce its cutting after its cadres discovered that some of the trees were not big enough and it did not pay to cut them. The phenomenon of indiscriminately felling trees has disappeared in these two counties since the opening of the timber market.

3. Tensions of excess and shortage have been eased, thus making up for the state supply. For lack of quotas for purchasing timber from the forestry departments, the masses in 63 townships and 4 towns of Tonghai County have been unable to buy any timber the past 3 years. Several years ago an earthquake hit and about 10 percent of the houses in these localities have not been completely restored. With the opening of the timber market, the masses can now buy what they need from the market to solve their problems.

CSO: 4007/103

GRAIN OUTPUT EXPECTED TO TOP 20 BILLION JIN

HK090559 Kunming YUNNAN RIBAO in Chinese 26 Oct 84 p 1

[Report: "The Province's Total Grain Output Is Expected To Top 20 Billion Jin"]

[Text] According to statistics announced by the provincial department of agriculture, animal husbandry, and fishery on 20 October, this province had gathered in spring-sown crops from 23.14 million mu of farm land, accounting for 66.1 percent of the total area sown. Judging by the harvest yield so are, the total grain output this year is expected to top 20 billion jin and exceed last year's record output of 19.1 billion jin.

This year, this province will record its fifth straight bumper harvest year since the 3d Plenary Session of the 11th CPC Central Committee. The output of crops reaped in the early summer this year decreased slightly against last year, but the increase in the output of crops reaped in autumn is unexpectedly substantial. An important reason is that in the implementation of central document No 1, 99.9 percent of agricultural production cooperatives in this province extended the length of land contracts and further improved the household contract system. This greatly aroused the enthusiasm of the peasant masses for developing commodity production. The peasants of all nationalities have actively studied and applied scientific farming techniques. Through the province, the area of rice seedling beds covered with thin film increased from 156,000 mu last year to 216,000 mu this year; the area sown with improved varieties of rice and maize is more than double that last year; in particular, the area sown with hybrid rice and maize increased by more than 200 percent, with per-mu yield increasing by more than 100 jin; the planting or transplanting of 70 percent of grain crops was conducted in the best and most suitable season; and the use of chemical fertilizer and herbicide in the growing of upland rice has been developed from two or three prefectures in the past to all 11 prefectures this year. Moreover, peasants in all parts of the province have taken active precautions against floods, hail, insect pests, plant diseases and other natural disasters. In many areas, farm land has gradually come into the hands of farming experts, and a number of households specialized in growing grain have developed.

CSO: 4007/103

PROVINCIAL STATISTICS BUREAU ANNOUNCES RECORD PEASANT INCOME

Kunming YUNNAN RIBAO in Chinese 10 Aug 84 p 1

[Article: "Provincial Statistics Bureau Survey of 610 Households Indicates Peasant Per Capita Cash Income in First Quarter This Year [1984] Was an All-time High"]

[Text] The Provincial Statistics Bureau's most recently published continuing permanent places survey of 610 households in 28 counties in Yunnan indicates that in the first quarter of this year peasant per capita cash income topped 50 yuan, an all-time high.

The first quarter of this year was the first time that the per capita cash income of these 610 commune member households topped 50 yuan, reaching 55 yuan 3 jiao. Compared to the 43 yuan 3 jiao for the same period the previous year, this was an increase of 12 yuan, a 27.7 percent rise. This signifies that economic diversification and commodity production in the rural areas has entered a new stage. The situation where there are off seasons and peak periods in peasant income is gradually disappearing, tending toward a balanced income in all quarters.

Rapid economic diversification is the chief source of increases in the cash income of the peasants. Cash income from the peasants selling farm sideline products and engaging in productive labor and business reached 32 yuan 6 jiao, 59 percent of the cash income for the quarter. Compared to the 24 yuan 9 jiao for the same period the previous year, this was an increase of 7 yuan 7 jiao. At the end of the first quarter this year, per capita cash on hand and deposits in banks and credit cooperatives reached 40 yuan 2 jiao, which was 13 yuan 3 jiao more than the 26 yuan 9 jiao for the same period the previous year, an increase of 49.4 percent. There was a further increase in the purchasing power of the peasants and a demand for more and better commodities. According to reports, the means of agricultural production, such as chemical fertilizers, are somewhat scarce in many areas at present, with some construction materials also being in rather short supply; although the peasants have money, they cannot purchase these things.

12513
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