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China Report

POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

PRC STATE COUNCIL BULLETIN

No. 19, 30 Aug 1984

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CHINA REPORT

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PRC STATE COUNCIL BULLETIN, No. 19, 30 Aug 1984

Beijing PRC STATE COUNCIL BULLETIN in Chinese No. 19, 30 Aug 1984

[This volume contains selected translations from the PRC STATE COUNCIL BULLETIN. Items that are cross-referenced or marked [Previously published] have appeared in other JPRS or FBIS publications.]

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STATE COUNCIL CIRCULAR ON URBAN TRAFFIC CONTROL REFORM

Beijing STATE COUNCIL BULLETIN in Chinese No 19, 30 Aug 84 p 628

[State Council Circular on the Approval and Circulation of Public Security Ministry Request on the Strengthening and Reform of Urban Traffic Control (2 August 1984)]

(Guofa [0948 4099] No 103)

[Text] The State Council has approved the Public Security Ministry's "Request on the Strengthening and Reform of Urban Traffic Control" which is now circulated to you for your consideration and action.

At present, the construction and modification of roads in many cities have failed to meet the demand for traffic development. The methods of and the equipment for traffic control are backward, resulting in congestion, disorder and an increase of accidents. It is hoped that all localities pay attention to this problem and combine urban planning with urban reform and make coordinated arrangements, tackle the problem in a comprehensive way and strive to improve the backwardness within a reasonable period of time so as to meet the needs of the four modernizations.

CSO: 4005/470

SECURITY MINISTRY REQUEST FOR REFORMING URBAN TRAFFIC CONTROL

Beijing STATE COUNCIL BULLETIN in Chinese No 19, 30 Aug 84 pp 628-631

[Public Security Ministry Request on the Strengthening and Reform of Urban Traffic Control (13 June 1984)]

[Text] We hereby submit the following report on certain outstanding problems arising from urban traffic control for your instruction:

I.

Thanks to the profound concern of the people's governments at all levels and to the support of the relevant departments, we have scored remarkable results in urban traffic control in recent years. Quite a few cities have promulgated some local regulations to strengthen traffic control. Many cities have even included the readjustment and improvement of urban traffic in the two civilization movements. The people's traffic police have played an active role in directing traffic, resulting in a better flow of traffic. At present, the major problem is that the existing backward traffic control has failed to meet the requirements of modernization in the following aspects:

First, there are many traffic congestions, disorders and accidents in urban areas. People have strong feelings about the difficulties in using the roads, commuting, driving and parking. Casualties and economic losses incurred from traffic accidents have been very serious. In 1983, there were more than 88,300 accidents in all the cities throughout the country, in which more than 8,700 people were killed and more than 67,400 were injured.

Second, the tempo of constructing and modifying urban roads has failed to cope with the increase of urban population and vehicles. For instance, bicycles and motor vehicles in Nanjing have increased 37-fold and 45-fold, respectively, during these 3 decades since liberation. Its population has increased 1.8-fold while the increase of roads is only 1.1-fold. The existing roads are often badly managed, thus affecting the traffic flow.

Third, we do not have a perfect set of traffic regulations nor do we have a scientific method of traffic control. The existing traffic regulations were made in the 1950's and 1960's and some of them can no longer cope with the new situation. Traffic control is still confined to general traffic directing. We are still unable to handle traffic control in a scientific manner.

Fourth, traffic control systems do not always work and equipment is obsolete. The systems are basically manual and the people's police on duty are not always provided with necessary equipment or means of transportation. The ways of checking vehicles are backward.

Fifth, the traffic police force is too small in number and too poor in quality to perform their duties. Urban population and number of vehicles have doubled and redoubled since the founding of the republic. However, the number of traffic police has gone up very little. In some cities, the number has even dropped. On account of the acute shortage of the traffic police force, many police boxes which are desperately needed at crossings or road sections have not yet been set up. The aging of the traffic police force is serious and its level of education is low, its efficiency and performance are poor.

II.

To improve urban traffic control and to maintain road safety and smooth traffic are among the tasks which spur the four modernizations drive and a major part in readjusting the social order. Public security departments at all levels should, under the leadership of their respective local governments, seriously put into effect the policy of comprehensive control, make plans comprehensively, attach importance to coordination work, do a good job in traffic control, strive to improve the backwardness in traffic control within a reasonable period of time, actively and systematically achieve a scientific method of traffic control, modernize the existing technical equipment, revolutionize and standardize the people's traffic police, and open up a new prospect for traffic control.

We are taking the following measures to achieve the above-mentioned objectives:

1. To perfect traffic regulations, attach importance to scientific traffic control methods and continuously improve the traffic order. We should improve step-by-step our chaotic traffic mode in which pedestrians and vehicles are in a mess. We should also diversify the traffic flow. It is necessary to strengthen the surveys on traffic flow and to make full use of existing roads. The publicity of road safety should also be strengthened through the coordination of the mass media. The security sections of all units and all security committees should look into their own staff's road safety education and maintain a check on the safety of their vehicles.
2. To cope with modern urban traffic control. The Ministry of Public Security and the Beijing and Tianjin municipal public security bureaus are setting up research institutes of traffic control. Other big cities such as Shanghai, Guangzhou, Wuhan and Chongqing will also set up research institutes or urban traffic control during the Seventh 5-Year Plan to achieve step-by-step a coordinated system of nationwide traffic control. Advanced technological devices such as computers will be widely adopted in a bid to set up a traffic communication system and a control center.
3. To put into effect the "State Council Circular on How To Divide the Work of Traffic Control Between the Public Security and Transport Departments,"

(Guofa (1983) Document No 47), and do a good job in the control of motor vehicles. Public security departments at all levels should set up vehicular control organs or perfect the existing ones. They should also pay attention to the checking of motor vehicles and the assessment of drivers. All kinds of safety measures should also be perfected. Potential cities should set up driving schools on a trial basis so as to develop professional training.

4. To speed up the construction of a revolutionized, standardized and well-equipped people's traffic police force. To inculcate the traffic police with professional morality and the idea of serving the public wholeheartedly, to strengthen their legal and public concepts, to eradicate their "special privilege" mentality, to make them control traffic in a serious manner and to treat the public politely, the people's traffic police on duty should be gradually equipped with communication apparatus, testing devices, emergency tools and weapons. The shortage of the people's traffic police should be solved by the expansion of the public security force.

III.

The following matters have to be resolved if we want to achieve comprehensive urban traffic control:

1. To strengthen the leadership of comprehensive urban traffic control. To improve urban traffic involves not only the problem of management, but city planning, road construction and modification and road safety education which cannot be resolved by public security departments and should be directed and planned in a unified manner. Beijing has set up an Urban Committee, Tianjin a Traffic Committee and Shanghai a Regular Meeting on Traffic Reorganization, each of which is headed by a municipal leading comrade and is joined by leading comrades from other departments concerned to organize and coordinate the work of urban traffic control. Such a move should be popularized. The traffic control sections of the public security departments should be assistants to the people's government and to give full play to its functions in the comprehensive control.

2. The construction and modification of city roads should be included in the overall plan for urban construction. We should be farsighted in dealing with the comprehensive control of urban traffic. The traffic control sections of the public security departments should be invited to take part in drawing up the overall plan for urban construction. The plan for urban traffic should be in line with urban development. The rational layout of roads, the improvement of the road system, the modification of roads, the modification and expansion of public parking lots should also be included in the overall plan for urban construction. In view of the current financial strain, more minor improvement or construction projects with small investment but quick results should be developed with the aim of resolving some pressing problems. In the future, appropriate car parks (garages) should be built in large structures overlooking the street, public places and large residential areas. Public security departments and other departments concerned should set the construction standard for urban car parks (garages) and submit it to the State Council for approval and implementation. The traffic control sections

of public security departments should strengthen existing traffic control and prevent illegal occupation and indiscriminate excavation of roads. All applications for temporary exclusive use or excavation of urban roads should have prior approval from urban departments and the traffic control sections of public security departments.

3. The necessary funds for urban traffic control facilities should be insured. The scope and channels of spending on urban traffic control facilities and funds for the equipment of the people's traffic police have long been unclear. In light of the country's economic construction and urban development, the scope and task of traffic control has become increasingly greater. In order to bring a quick end to the backwardness in the facilities for urban traffic control, the channels for the spending on the facilities for urban traffic control and the management of equipment should be more specific. Indispensable spending should be insured. Since the spending on urban traffic control facilities and the equipment for the people's traffic police involves various sources, such as investment on capital construction, spending on public security, urban maintenance fees, public security departments should make a proposal to determine the specific channels for funds and discuss it with departments concerned, such as the State Planning Commission, the Ministry of Finance, and the Ministry of Urban and Rural Construction and Environmental Protection, before implementation. In the future, traffic control facilities should be installed simultaneously with the construction and modification of urban roads and such programs should be incorporated in the investment plans for local fixed assets.

4. Road safety education should be strengthened in primary and secondary schools. The main reason primary or secondary students are more prone to traffic accidents is that they know nothing about traffic regulations and they are unable to self-consciously abide by traffic control provisions. Attention should, therefore, be paid to road safety education in the primary and secondary school. While they are young, students should be taught to keep traffic order. With the consent of the Ministry of Education, road safety should be put into the primary and secondary school syllabuses and should also be included in extracurricular activities.

If the above report is found to be proper, we should be grateful if you would approve it and circulate it to all departments and committees concerned for reference and implementation.

CSO: 4005/470

CIRCULAR ON POPULARIZATION OF HOTEL MANAGEMENT METHODS

Beijing STATE COUNCIL BULLETIN in Chinese No 19, 30 Aug 84 pp 638-639

[State Council Circular on the Approval and Circulation of the State Travel and Tourism Bureau Request on the Popularization of Beijing Jianguo Hotel's Management Methods (24 July 1984)]

(Guofa [0948 4099] (1984) No 100)

[Text] The "State Travel and Tourism Bureau Request on the Popularization of Beijing Jianguo Hotel's Management Methods" approved by the State Council is now circulated to you for your reference and action.

Choosing 50 hotels as experimental units for popularizing the management methods of Jianguo Hotel is one of our major reforms in hotel management. During the reform the leading groups of the hotels will be reshuffled. Cadres who are capable of contributing to the four modernizations and are able to open up a new way will be promoted to leading posts. Hotel management should be greatly improved, the quality of service upgraded and economic results enhanced. Wages and benefits should be commensurate with the achievements of hotels and the performance of individuals. The spirit of awarding the hard-working and punishing the lazy should be put into practice. It is ridiculous that wages and benefits have gone up while the quality of service still remains unchanged.

The popularization of Jianguo Hotel's management methods requires careful co-ordination. Leadership should be strengthened and experience should be summed up carefully by the localities. Departments concerned are required to give ardent support to the popularization. The State Travel and Tourism Bureau should supervise and examine it in a timely manner.

Provinces, autonomous regions, municipalities directly under the central government and departments concerned are hereby requested to consider in the light of their specific conditions the list of 50 experimental hotels suggested by the State Travel and Tourism Bureau. All comments should be sent to the State Travel and Tourism Bureau for consideration.

CSO: 4005/470

TOURISM BUREAU REQUEST FOR POPULARIZATION OF HOTEL MANAGEMENT METHODS

Beijing STATE COUNCIL BULLETIN in Chinese No 19, 30 Aug 84 pp 639-641

[Request by the State Travel and Tourism Bureau on the Popularization of Beijing Jianguo Hotel's Management Methods (9 July 1984)]

[Text] Leading comrades of the central government have recently instructed that 50 hotels in the country would be selected and that they would be managed in the same manner as Beijing Jianguo Hotel with immediate effect. In order to carry out the instructions, the State Travel and Tourism Bureau convened a symposium on popularizing Jianguo Hotel's management methods in Shijiazhuang from 23 to 25 April. Comrades from 15 provinces, autonomous regions, municipalities directly under the central government, and departments concerned of the State Council attended the symposium.

It was held that the instructions of the leading comrades of the central government in connection with adopting the management methods of the Jianguo Hotel to manage other hotels were totally correct and should be resolutely put into effect. This will have a far-reaching influence on the promotions of hotels, the reform of the entire system of tourism as well as a breakthrough in tourism. It was also held that while popularizing the Jianguo Hotel's management methods the following problems should be resolved:

I. Prerequisites of Hotels Which Adopt the Jianguo Hotel's Management Methods

Hotels which are to adopt the Jianguo Hotel's management methods should possess the following three prerequisites: 1) The hotel should have a steady inflow of guests, the management level should be relatively high, and the income should be relatively steady. It should also be able to expand its source of income and continuously increase its income. 2) It should be commercialized and enjoy needed autonomy. 3) It should have a young and energetic leading group which is knowledgeable about management, quick to accept new things and eager to reform.

II. The System of Leadership

It is necessary to change the internal multitier leadership if the Jianguo Hotel's management methods are adopted. The system under which the manager is to be responsible should be carried out. The manager's authority and

and responsibility should be expanded. A hotel should have one manager, one or two assistant managers to assist the manager, not to take charge of separate matters. An efficient, easy-to-manage, and well-coordinated system should be set up in a hotel. The Jianguo Hotel has a board of directors to whom the manager is responsible. Whether a management committee or a staff representative assembly should be set up is to be determined through practice.

III. Expand the Hotels' Autonomy

The hotels should enjoy proper autonomy in personnel, management and finance:

- 1) Regarding personnel, the manager should be appointed by the competent authorities while the assistant manager(s) should be recommended by the manager and considered and appointed by the competent authorities. Section managers or cadres below this rank will be appointed by the manager, who has the authority to award or punish his staff, including promotion and dismissal.
- 2) Regarding management, the hotel should be given more flexibility so that it can expand its scope of business, increase items of service and enhance economic results. The hotels should be allowed to provide reservations through foreign tourist agencies and also to tourists in the country.
- 3) Regarding finance, upon turning over various taxes to the state, the hotel should enjoy the autonomy of making use of the bonus fund. Departments concerned should not intervene.

IV. Duty Allowance and Professional Allowance

In order to give full play to the enthusiasm of hotel staff to continuously enhance the quality of service and to strive to enhance economic results, the staff's fringe benefits and remuneration should be steadily improved.

Bearing in mind that the wages of hotel staff are on the low side and that the labor intensity is relatively great, the following measures should be adopted:

- 1) Free meals should be provided to hotel staff. One or two meals should be provided to hotel staff, depending on the hotel's economic conditions. However, the standard of meals should not be too high.
- 2) Varied amounts of duty allowance should be given to managers, assistant managers, section managers and assistant section managers, caretakers and captains. Varied amounts of professional allowance should be given to competent engineers, assistant engineers, technicians, accountants and assistant accountants. Special duty allowance should be given to those who perform special duties.

At present, the amount of bonuses, distributed equally among hotel staff, is very small. The staff's enthusiasm cannot be given full play if the practice of "eating from the same big pot" still persists. The existing practice should be straightened out. The bonus system should be linked with the hotels' implementation of the internal responsibility system and the hotels' economic results. Bonus ceilings should be abolished. Bonuses should be divided into various grades in accordance with the Jianguo Hotel's method of giving bonuses from profits. The system of granting large bonuses and imposing heavy penalties should be introduced.

Tourism is a newly developed trade. At present, the service and facilities of hotels are relatively poor. In line with the state policy of assisting

tourism and the spirit of the minutes of the meeting of the State Council's Beijing municipal commercial reforms, it is proposed that special considerations on bonus tax should be given to experimental units which are popularizing the Jianguo Hotel's management methods. No bonus tax should be imposed on those whose annual bonuses are less than 4 months' standard wages, and the portion above that should be taxed 50 percent less than stipulated.

Please advise whether the above report is appropriate.

CSO: 4005/470

CIRCULAR ON JIANGSU PROVINCE DOCUMENT HANDLING PROPOSALS

Beijing STATE COUNCIL BULLETIN in Chinese No 19, 30 Aug 84 p 645

[State Council General Office Circular on the Circulation of Jiangsu Provincial People's Government Proposals on the Improvement of Document Handling (26 July 1984)]

(Guobafa [0948 6586 4099] No 61)

[Text] Regarding the excessive amount of documents sent to provincial people's governments, people's governments of the autonomous regions or municipalities directly under the central government by ministries of the State Council and documents which should be sent to the departments or bureaus concerned but have been sent to the local governments instead, resulting in adding an extra burden to the local governments, the General Office of the State Council on 19 August 1983 circulated the "Report on the Upsurge of Documents Sent by the Ministries and Commissions of the State Council" submitted by the General Office of Sichuan Provincial People's Government and requested all departments to correct the practice. The General Office of Jiangsu Provincial People's Government has recently raised a similar question and requested departments to pay attention to this matter and seriously improve the situation. The suggestions are considered feasible and we should be grateful if you would take action accordingly.

CSO: 4005/570

JIANGSU PROPOSALS ON IMPROVING DOCUMENT HANDLING

Beijing STATE COUNCIL BULLETIN in Chinese No 19, 30 Aug 84 pp 645-646

[Proposals by the Jiangsu Provincial People's Government on the Improvement of Document Handling (14 July 1984)]

[Text] During the first half of 1984, we received 255 circulars and letters from departments of the State Council, among which 119 (46.7 percent) concerned assignment of duties to the provincial government or requests for resolving specific problems, and 136 (53.3 percent) were related to foreign affairs and reception work. According to preliminary statistics, among the documents which concerned assignment of duties to the provincial government or requests for resolving specific problems, more than 50 required no direct action of the provincial government. For example, the "Circular on Circulating the Provisional Regulations Governing the Supply and Management of Machinery for Implementing Economic Aid Projects Under the Contract Responsibility System" dated 7 June was sent by the Ministry of Foreign Economic Relations and Trade to the provincial government for implementation. On 20 June 1984, the General Office of the Ministry of Foreign Economic Relations and Trade issued a "Circular on Soliciting and Revising 'A Collection of Important Documents on the Economy and Trade,'" requiring the General Office of the provincial government to be "responsible for soliciting, collecting and revising documents involving all units (including units at the provincial departmental level or above and units at other departmental levels or above) other than those related to the economy and trade system." A department sent a "Circular on a Film Show on Britain's Science and Technology" to the provincial government for implementation. Some departments issued circulars in which they urged the provincial government to further improve the recovery and utilization of used toothpaste tubes. Quite a few wrote to ask for professional comments and the provincial government was required to comment within a period of time. Some departments sent their documents to both the provincial government and its subordinate units. Subordinate units of some departments issued circulars directly to the provincial government to seek assistance regarding training centers for the staff of signal companies and the drafting of the plan for the application for maintenance fittings for locomotives and vehicles. Among documents regarding foreign affairs and reception work, most of them involved the plans for receiving foreign professional visitors. Most of these documents did not require the direct attention of the provincial government. Since the above-mentioned documents were sent

to the provincial government and were then forwarded to the departments concerned for action, the provincial government had to take up an undesirably additional burden in its daily routine. Such document circulation hinders administration streamlining and the enhancement of efficiency. It also contradicts the provisions of articles 9 and 11 of the "Provisional Measures Regarding the Handling of Documents in the State Administrative Departments" stipulated by the General Office of the State Council.

In order to improve the handling of documents, to cut short document circulation and to increase efficiency, we suggest the following:

1. Circulars and letters from departments of the State Council regarding assignment of duties or requests for resolving specific problems and memos seeking professional comments should, except those which are really necessary, be sent directly to provincial departments concerned for action, with copies sent to the provincial government if deemed necessary.
2. Documents from departments of the State Council regarding foreign affairs and reception work should, except those which really require a reception to be given by responsible comrades of the provincial government, be sent directly to provincial government departments in charge for action.

Please reply and advise whether the above suggestions are sound and proper.

CSO: 4005/470

REGULATIONS ON USE OF CIVIL AFFAIRS FUNDS

Beijing STATE COUNCIL BULLETIN in Chinese No 19, 30 Aug 84 pp 648-655

[Regulations on the Use of Civil Affairs Funds Promulgated by the Ministry of Civil Affairs and Ministry of Finance on 6 July 1984]

[Text] I. General Principles

A. These regulations are made in accordance with the stipulations laid down in the constitution in order to better manage and utilize civil affairs funds, guarantee the livelihood of the family members of revolutionary martyrs and relief recipients and retired personnel of the forces who have been handed over to the localities, and in order to safeguard the needs for the development of civil affairs.

B. The civil affairs funds which are included in the state budget are part of the consumption funds of the national income redistribution, it is a major financial guarantee for implementing the principles and policies of giving special care to family members of revolutionary martyrs, providing relief in disasters and promoting social welfare work. The rational utilization of these funds is of great significance in promoting the establishment of the PLA forces, social stability, socialist material and spiritual construction and reflecting the superiority of the socialist system.

C. Financial departments at all levels must, in accordance with the state's present financial system, work out budgets for civil affairs in accordance with state plans, the actual civil affairs needs and available financial resources. Simultaneously, they must exercise supervision over financial utilization and management.

D. The civil affairs departments are to be responsible for the management and utilization of the civil affairs funds in accordance with the principle of the departments bearing the responsibilities and linking power with responsibilities. Civil affairs departments at all levels must work in accordance with the principles and policies for civil affairs work and the various financial systems, strictly abide by financial and economic discipline, step up financial management and stress utilization results.

II. Principles for Utilization

A. The civil affairs funds are special state-allocated funds for civil affairs and they must be used in accordance with stipulated limits.

The special central allocation of relief funds for severe natural calamities is only for relief of victims of severe natural calamities and should not be used for other purposes.

B. All kinds of subsidies and relief funds should mainly be used in areas where standard of living of the masses is poor and where there are difficulties in giving collective economic preferences and subsidies, and for poor family members of revolutionary martyrs and relief recipients; the relief funds should mainly be used for providing relief for victims of severe natural calamities who are unable to overcome hardships by their own efforts. Equal distribution and allocation is strictly prohibited.

C. The use of the running expenses of civil affairs units and other civil affairs funds should comply with the principle of operating in an economical way; it is necessary to practice economy and oppose extravagance, and improve results of utilization. It is necessary to gradually improve the method of utilization of the running expenses of the civil affairs units and implement the system of contracting running expenses.

D. The utilization of civil affairs funds should adhere to the principle of democratic financial management. Budgeting, allocation of quotas and larger expenditures are to be determined by collective discussion of the leaders.

In the allocation of temporary allowances, relief funds and disaster relief, the mass line must be implemented and the approach of integrating criticism from the masses with approval by the leaders must be adopted.

III. Scope of Utilization

A. Funds for compensating the disabled and families of deceased:

1. The compensation fund for sacrifice and death due to natural diseases is to be used for: lump sum compensation allocated by the civil affairs departments in accordance with the regulations to family members of martyrs, sacrificed servicemen and servicemen who die of diseases (including the people's armed police force, same below), people's police, militia and laborers working on a public project during the war, and personnel of the party and government organs, democratic parties and the mass organizations.

2. The compensation fund for the disabled is to be used for: disability compensation fund allocated to disabled revolutionaries by the civil affairs departments in accordance with the regulations, subsidies of nonstaple foodstuff to disabled revolutionaries in the rural areas, nursing fees for special and first-class disabled revolutionaries who are to settle in the rural areas; fees for treating old wounds of disabled revolutionaries, installing artificial limbs and supplementary instruments; fees for exemption and reduction of treatment fees of third-class disabled revolutionaries in the rural areas.

3. The fund for allowance of living expenses of dependents of martyrs and soldiers and demobilized and retired soldiers is to be used for: allowance of living expenses of retired soldiers and fighters, subsidies of nonstaple food price and nursing fees allocated by the civil affairs departments in accordance with the regulations; regular subsidies of grain to dependents of martyrs and demobilized and retired soldiers who meet the conditions; and temporary subsidies to dependents of martyrs and demobilized and retired soldiers in the rural areas.

4. The settlement allowance of retired soldiers is to be used for: lump sum residential construction allowance allocated by the civil affairs departments to retired compulsory servicemen who have no houses to live in or who face severe housing problems and who are unable to solve these problems with their own efforts.

5. The working fund for units engaged in giving special care to disabled servicemen and to dependents of revolutionary martyrs is used for: operating expenses for sanatoriums for disabled soldiers, convalescent hospital for demobilized soldiers, mental hospitals for demobilized and retired soldiers and honor institutions run by civil affairs departments at and above county level.

6. The fund for collective-run units engaged in giving special care to disabled servicemen and to dependents of revolutionary martyrs is used for: hardship allowance for operating the honor institutions run by the collectives in the rural areas.

7. The fund for management and maintenance of commemorative buildings of martyrs is used for: management and maintenance fees of commemorative buildings which are managed by civil affairs departments at and above the county level.

B. Funds for Cadres on Convalescent Leave, Retirement and Resignation:

1. Funds for cadres on convalescent leave are for: salaries, living expense allowances and subsidies of nonstaple food prices for cadres of the forces on convalescent leave, under the management of the civil affairs departments in accordance with the regulations.

2. Funds for other expenses of cadres on convalescent leave are used for: heating allowance in the quarters of such cadres, their nursing fees, funeral allowance after their death and allowance of living expenses of their dependents, which are managed by the civil affairs departments in accordance with the regulations; welfare fund and funds for activities to be paid out from the standard expenditure.

3. The pension fund is for: pension and subsidies of nonstaple food price to be allocated to retired army cadres and retired workers of the forces who were not included in the army roll by the civil affairs departments and pension for retired personnel of localities where pension is allocated by the civil affairs departments.

4. Other funds of retired personnel are used for: heating allowance of quarters of retired personnel, nursing fees, funeral allowance after their death and allowance of living expenses of their dependents which are to be allocated by the civil affairs department, lump sum compensation for the death of retired personnel of enterprises whose pension is allocated by civil affairs departments; welfare of retired army cadres which is to be appropriated in accordance with the regulations.

5. The resignation fund is used for: allowance of living expenses and subsidies for nonstaple food prices of resigned personnel whose resignation fund is to be allocated by the civil affairs departments in accordance with the regulations.

C. Social Relief and Welfare Fund:

1. The rural social relief fund is used for: relief for households enjoying the five guarantees and poor households which still face difficulties after they have been rendered relief and subsidies by the collectives in the rural areas, and fund for assisting self-reliance through production of the poor households; relief fund for lepers.

2. The urban social relief fund is for: relief for the abandoned, aged and handicapped, and infants who do not have any sources of income and poor households which lack a permanent job or fixed income, and for assisting self-reliance through production of the poor households.

3. Relief for retired aged, weak and handicapped workers is for: relief fund of 40 percent of the original standard wage of the retired aged, weak and handicapped workers, subsidies for nonstaple food prices, two-thirds of their personal medical treatment fees and allowance for deaths and funerals; allowance for living expenses of the retired aged, weak and handicapped workers who are not entitled to relief of 40 percent of their original wage.

4. Other allowances for living expenses are for: living expenses which are to be allocated in accordance with the special policies to returned overseas Chinese and foreign nationals who do not have any sources of income, and other personnel.

5. The running fund of social welfare units is for: running expenses of social welfare units, such as the social welfare centers, children's welfare centers and welfare centers for psychiatric patients, which are run by the civil affairs departments at and above county level.

6. Subsidies for collective-run welfare units are for: subsidies for running expenses of welfare centers and centers for aged people run by urban and rural collectives.

7. Housing and repatriation funds are used for: expenses for running of housing and repatriation centers for beggars organized by the civil affairs departments at and above county level and expenses for housing and repatriating beggars outside these centers; special allocations for settling these beggars in farms.

8. The social welfare fund for the handicapped is for: allowance for publicity, educational and recreational activities, publication of special magazines of the social organizations of the blind, deaf and dumb; for sponsoring welfare and production run by social welfare and production units, urban streets and rural collectives under the organization of the civil affairs departments; sponsoring the Chinese welfare fund for the handicapped; and for the running expenses of the Chinese rehabilitation research center for the physically disabled.

9. The fund for artificial limbs is for: running expenses of the scientific research organs of artificial limbs run by the civil affairs departments and special allocations to the factories and centers for artificial limbs run by civil affairs departments above county level.

10. The fund for funeral and interment is for: allowance of the funeral and interment units run by the civil affairs department, such as crematories, and expenses for reforming publicity and scientific research in funeral and interment affairs.

D. Relief Fund for Natural Calamities:

1. The relief fund for living expenses is for: relief of living expenses of the victims of natural calamities who are unable to overcome with their own efforts the problems of food, clothing, reconstruction of houses and diseases arising from the natural calamities; under the premises of safeguarding the basic livelihood of the victims, appropriately sponsoring the expenses of the victims in launching self-reliance through production.

2. The fund for resettlement, rescue and transfer is used for: expenses for providing temporary resettlement, rescue and transfer of victims of natural calamities under emergency situations in the event of severe natural calamities.

E. Other Civil Affairs Funds:

1. The visiting fund is for: handling expenses of receiving visiting relief recipients and dependents of revolutionary martyrs by the civil affairs departments at and above county level.

2. The consolation fund is for: expenses of consolation activities organized by the civil affairs departments, such as supporting the army and giving preferential treatment to army dependents.

3. The fund for professional meetings: expenses for meetings conducted by the civil affairs departments at and above county level for recipients of preferential treatment or for advanced representatives of workers of civil affairs units, and expenses for other professional meetings on civil affairs.

4. A large sum for the printing fund: expenses of the civil affairs departments for printing documents and certificates for people enjoying preferential

treatment and relief and printing cost of other materials such as planning, finance, statistics and so on.

5. The archives fund is for: the civil affairs departments' expenses for keeping marriage records and names of martyrs and records of planning, finance, statistics and other affairs.

6. The fund for running secondary specialized schools is for: running secondary specialized schools organized by the civil affairs departments.

7. The fund for training workers is for: expenses for training workers of civil affairs units of civil affairs departments at and above county level.

8. Other funds: other essential civil affairs expenditures and allowances to subordinate units of the civil affairs departments, such as the editing and publication unit.

IV. Budget Management

A. Running expenses of the local civil affairs departments (including the running expenses allocated by the central authorities) belong to local financial expenditures and are to be included in the local budget; the running expenses of the Ministry of Civil Affairs and its direct subordinate units belong to central financial expenditures and are to be included in the central budget.

Civil affairs departments at all levels must, in accordance with work development and actual demands and with reference to the implementation in the preceding year, make budget forecasts and make these known to lower organs.

Quotas for special central allocation are to be made known after consultation of the Ministry of Civil Affairs and Ministry of Finance. Relief funds for severe natural calamities in affected areas will be allocated by the State Council with the application of the provincial people's government only when the local financial departments are unable to solve such problems. In provinces and autonomous regions where the system of contracting relief fund is trial-implemented, special allocations for use will be made by the Ministry of Civil Affairs and Ministry of Finance in accordance with the agreement.

B. Budget arrangement of civil affairs funds must observe state stipulations on fixed-amount and fixed-time allocations reimbursement according to actual expenditure, and accurately arrange for temporary allowances and relief funds of varying amounts in order to safeguard the livelihood of relief recipients and those who enjoy preferential treatment; sponsoring if possible the funds for self-reliance through production of victims of natural calamities and poor households and the social welfare production funds only after the livelihood of people who are entitled to preferential treatment and relief recipients has been guaranteed; public portions of the running expenses of the civil affairs units and other civil affairs funds must be economically used strictly within expenditure limits.

C. Civil affairs departments at all levels must make forecasts of individual items in accordance with the assigned quotas and the preceding year's balance and submit them for auditing to the local financial departments. When readjustments are warranted in the middle of the year, it is necessary to increase (reduce) the budget, when increases are to be made in the special items specified by the central government, it is necessary to implement in accordance with the assigned figure; as for items arranged by the local financial resources, it is necessary to readjust in accordance with actual needs.

Civil affairs departments at all levels must, in accordance with the approved forecast, regularly draw up plans for expenditure of funds and submit them to the financial departments at all levels so that allocation of funds can be arranged for accordingly.

D. Civil affairs departments at all levels should submit to financial departments at the same level for auditing and approval the regular accounts report and final accounts of the year made in accordance with the local regulations.

Civil affairs departments at provincial and prefectural (municipal) level should submit a report on expenditure of civil affairs items to the next higher level civil affairs departments at the end of the year.

E. The balance of the civil affairs funds which are carried forward for use in the following year are to be included in the following year's budget, but it will not be included in the assigned quotas.

F. Civil affairs funds which are for use below the county level are to be included in the financial budget at county level and are to be allocated at stipulated times by the civil affairs departments at county level. The policy of reimbursement on presentation of receipts at specified times and no presentation-no reimbursement, is implemented.

G. The running expenses of the civil affairs units are to be included in the forecasts of the civil affairs departments in charge at the same level. All units must submit to the civil affairs departments in charge proposals and forecasts and handle increases (reductions) of the forecast budget. They must also make regular accounts reports and final accounts of the fiscal year.

Civil affairs units which run with few personnel and limited running expenses can be managed in the same manner as units which can apply for reimbursement. Units run by civil affairs enterprises must submit for approval the financial plan and plan for production cost and the accounts reports.

V. Financial Management

A. Civil affairs departments at and above county level and their subordinate units must be equipped with professional accounts personnel to take charge of centralized management of financial work. Cashiers departments should be separate units. Accounts, cash and property are to be managed by different personnel.

The method of management of civil affairs funds for use below county level (not including the county level) are to be determined by the civil affairs departments and financial departments at provincial level.

B. The civil affairs funds must be separated from other funds. Separate accounting and a separate bank account is necessary.

C. Documents of payment, fund transfer and reimbursement made by the accounts personnel of the civil affairs departments must be examined and approved by the responsible person in charge of financial work of the same organ or unit.

D. The civil affairs funds must be used in a planned way in accordance with the budget, expenditure must be controlled in accordance with the expenditure plans, observing the extent of utilization and standards stipulated by the state. Regulations are to be made by the provincial organs in the absence of state rules. Essential items of work which have been excluded from the forecast can be implemented only after the sources of running expenses and the financial management method have been clarified.

E. Except for the trial-implementation of the method of "repayment for each loan" to sponsor the funds for self-reliance of the victims of natural calamities and poor households, all repayment of expenditures must offset the year's expenditure and must not be transferred as nonbudgeted capital; income of the civil affairs units must offset the running expenses of the units (except for specified income beyond the forecast); profits submitted to the state of the civil affairs enterprises can be included in nonbudgeted income; it will be mainly used in expanding production, collective staff welfare and compensation for loss, and can also be used in reconstruction of social welfare units and so on. Methods for financial management of the running expenses of the civil affairs units and nonbudgeted funds are to be determined by the civil affairs and financial departments at provincial level.

F. There must be an appropriate record and specially assigned personnel to manage the properties and materials purchased with civil affairs funds and the system of signing for receipts and dispatches must be implemented.

G. In the case of funds among the civil affairs funds which are used for sponsoring social welfare production, sponsoring self-reliance of victims of natural calamities and poor households and production capital for enterprise-type units, the method of "repayment for each loan" may be trial-implemented. The financial and accounting system for such cases is to be stipulated separately.

H. Prior to the transfer of financial and accounting personnel in charge of civil affairs funds and assistant civil affairs officers, it is necessary to complete the procedure of the handing over of accounts. The leaders in charge can approve their departure only when the replacing officers have verified the accounts.

VI. Financial Supervision

A. The utilization of civil affairs funds must be in compliance with state regulations; financial supervision must be exercised, strict abidance to financial and economic discipline and struggle against all activities which violate law and discipline.

Regarding expenditures which do not accord with the regulations, policies or system, financial and accounting personnel of the financial and civil affairs departments and the banks have the right to decline payment or reimbursement, and can reflect the truth to their superiors or the departments concerned when circumstances warrant it.

Leaders and departments concerned must strictly deal with those who take vengeance on and frame financial and accounting personnel in order to insure that the financial and accounting personnel will fulfill their tasks.

B. Civil affairs departments and financial departments at all levels should organize regular or irregular, comprehensive or special inspections on the utilization of civil affairs funds and on financial management. It is necessary to make prompt investigations to deal with activities violating law and discipline in the utilization of civil affairs funds exposed and reported by the masses.

Regarding problems exposed after investigations, it is necessary to propose management and improvement suggestions in a truth-seeking way. As soon as economic crimes and activities violating discipline are identified, those guilty must be handed over to the departments concerned for punishment in accordance with law and discipline. Stolen money and properties and expenditure incurred in violation of the regulations must be returned.

C. The civil affairs funds to be used by civil affairs departments at county level or organs below county level (including civil affairs units within the boundary) must be centrally supervised and allocated by the local agricultural banks (or credit cooperatives).

D. Documents of regular allocation approved and signed by the civil affairs departments should be submitted for re-examination to the financial department (personnel) of the same organ, payment and relevant matters are to be dealt with at specified times.

E. Allocations of relief funds for victims of natural calamities, temporary allowances, relief funds and funds for assisting self-reliance through production of the victims of natural calamities and poor households must be subject to supervision of the masses.

F. In using civil affairs funds, apart from strictly observing the financial and economic discipline stipulated by the state, it is also necessary to observe the following rules: no relief or subsidies are to be given to workers who have wage income or to their dependents (except for specially authorized cases); no individual or unit is allowed to borrow civil affairs funds in its

private capacity; civil affairs departments at all levels are prohibited from directly allocating temporary relief or subsidies in cash or in kind to individuals; personnel of the organs are not allowed to solicit for themselves or their relatives and friends relief or subsidies in cash or in kind from their subordinate civil affairs departments or the grassroots organizations; grassroots organizations are prohibited from directly providing special relief or subsidies to cadres who are still engaged in production without assessment by the masses; no unit and department is allowed to solicit by improper means civil affairs funds for expenses other than those of civil affairs.

VII. Supplementary Notes

A. Civil affairs and financial departments at provincial level can formulate, in accordance with these regulations, the detailed rules of implementation which suit the local characteristics and report to the department for record.

B. These regulations will take effect from the day of promulgation and supersede the "Method of Management and Utilization of Compensation and Relief Affairs Funds" issued by the former Ministry of the Interior and Ministry of Finance in 1962.

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