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China Report

ECONOMIC AFFAIRS

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CHINA REPORT

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PROVINCIAL WORK REPORTS

SHANGHAI MAYOR'S GOVERNMENT WORK REPORT

OW142124 Shanghai JIEFANG RIBAO in Chinese 1 Apr 84 p 1

[Government work report delivered by Wang Daohan, mayor of Shanghai at Second Session of the Eighth Shanghai Municipal People's Congress on 25 March 1984--passages within slantlines published in boldface]

[Text] Fellow Deputies,

Entrusted by the Shanghai Municipal People's Government, I now submit a report on the work of the government for examination and approval by the current session.

1. Work in 1983

The year 1983 was the first year in creating a new situation in all fields of socialist modernization. Under the guidance of the spirit of the 12th CPC National Congress and in accordance with the tasks formulated by the First Session of the Eighth Shanghai Municipal People's Congress, all fronts in Shanghai worked hard, made steady advances, and scored fairly good achievements as seen from the sustained growth in industrial and agricultural production, thriving market, improved livelihood of the people, notable change for the better in prevailing social customs and public order, and intensified building in socialist spiritual civilization. As in the country as a whole, the political and economic situation in the country as a whole, the political and economic situation in Shanghai is becoming better and better. The broad masses of the people realized from their personal experience that the situation in the past year was the best since the 3d Plenary Session of the 11th CPC Central Committee was convened.

In accordance with the State Council's unified arrangements, Shanghai did a tremendous job in 1983 in ensuring construction of key projects while continuing projects already under construction; in readjusting product mix to develop marketable goods while raising product quality; in expanding commodity circulation to enliven the market while stabilizing prices; in introducing the system of substituting taxes for profit delivery in state-run enterprises while further popularizing the system of contracted responsibilities with remuneration linked to output in agriculture; and in reinforcing financial supervision and conducting financial inspection in order to stop deficits, raise profits, increase revenues, and cut down expenditures. The

total industrial output value reached 67.9 billion yuan, topping the previous year by 6.6 percent and overfulfilling the plan. The targets for conserving coal, electricity, and fuel were all fulfilled; energy sources conserved was equivalent to 640,000 tons of standard coal. The comprehensive energy consumption for industrial output value was down by more than 3 percent. In agriculture, due to the decrease in sown areas of some crops caused by natural calamities, the output of grain, cotton, and rapeseed dropped. Owing to the efforts of the broad masses of peasants in combating the calamities and ensuring production by vigorously developing industrial and subsidiary production, the total agricultural output value reached 4.1 billion yuan, an increase of 5.5 percent over 1982. The plan to produce and supply major nonstaple foods was overfulfilled. The total output value of industry run by communes, towns, and production brigades rose by 19 percent over the previous year. There was progress in state farms and farm and land reclamation bureaus, and departments stopped deficits and started to earn profits. The transport plan was overfulfilled with increases in the volume of freight, passengers, and cargo loaded and unloaded at harbors. The total investment in fixed assets reached 6.17 billion yuan, topping the previous year by 4.4 percent and fulfilling the state plan. Local investments through various channels were all under the limit of the state plan. The total volume of commodities purchased by commercial departments increased by 4.1 percent and of those delivered to other localities by 4.3 percent over the previous year, while the total volume of retail sales increased by 10.3 percent. Total exports rose by 4.6 percent. Local financial revenues reached 15.3 billion yuan, overfulfilling the readjusted state plan by 0.8 percent.

In the course of implementing the policy of readjusting, restructuring, consolidating, and improving in the past year, we have taken on the new task of promoting foreign trade, cooperating with various units, and transforming and developing various enterprises. Through constant exploration and practice, we have achieved progress at varying degrees.

In developing economic relations and trade with foreign countries, we have made significant progress. Foreign trade has promoted the integration of industrial, technological, and trade work and of import and export work. The foreign trade and industrial departments have jointly held trade fairs in Shanghai and Hong Kong and increased a number of new customers. We have imported technology and equipment in two groups according to the requirements of various trades, signing 262 contracts amounting to a total of \$216 million. In utilizing foreign capital, we have signed contracts for four joint ventures and 15 other contracts on cooperative operation, rental, and compensatory trade. We have further developed labor cooperation and signed contracts for building construction projects for foreign countries. We have strengthened the training of personnel for foreign trade work and implemented the system of inviting applications for jobs on a trial basis. We have also expanded contacts and exchanges with foreign countries in economic, scientific and technological, cultural, and sports fields. The number of people who visited Shanghai increased by 18.6 percent as compared with that of the previous year. Shanghai and the Philippines' Manila established sister city ties last year. Shanghai has so far established

friendly ties with 10 foreign cities. As a correlation of the implementation of the policy of opening our door to foreign countries, we have strengthened economic and technical cooperation with foreign countries through friendly contacts.

In strengthening economic and technical cooperation at home, various units have promoted fine methods and reduced weak points through cooperation, implemented the principle of making improvements together, and developed the range and quality of cooperation through voluntary cooperation in the spirit of mutual benefit. Guided by the State Council and the planning office for the Shanghai economic zone, fraternal provinces and the municipality have established statistics and economic, investment, and rural information networks to provide services for the economic development of the zone. Some trades have set up joint meetings and planning teams to exchange information and coordinate cooperation work. Enterprises in the processing industry have set up a number of integrated production units. Shanghai, Ningbo, Zhangjiagang, and Nantong have established links in port administration to promote the flow of transit goods. Shanghai has expanded cooperation with fraternal provinces and autonomous regions in developing and utilizing natural resources. In 1983, Shanghai invested a total of 200 million yuan in this respect, an increase of 540 percent as compared with that of the previous year, of which 86 percent went toward increasing the production of industrial materials and fuel. Various trades in Shanghai have provided 511 kinds of technical services to fraternal provinces and regions, an increase of 100 percent as compared with the previous year. The various schools of higher learning in Shanghai have taken on 344 technical cooperation projects including scientific research, trial production of new products, and technological transfer to fraternal provinces and regions, an increase of 33 percent as compared with the previous year. In Shanghai, through readjustment and reorganization in various trades, cooperation has expanded between industry and commerce, between industrial and trade units, between industry and agriculture, between scientific research units and production units, and between various departments in the industrial field. The horizontal cooperation among various economic departments is being strengthened.

With regard to the transformation of old urban areas and enterprises, last year we concentrated our efforts on grasping overall urban planning and planning for various trades. An overall urban plan was worked out. Soong Ching Ling's statue, an object of historical commemoration, was erected, and her tomb was built. In addition, the tomb of Xu Guangqi and the stone-tablet gallery commemorating him were renovated. The Zuibai chi [pond] in Songjiang was rebuilt, and a new public park, the Dongan Park, was built. The reinstated and newly opened greenery-covered areas totaled 1,170 mu. This added to the places where the masses can go on excursion. There were much more school buildings, movie theaters, hospitals, sanatoriums, and other installations than several years ago. In municipal engineering projects, work quotas were overfulfilled. Main projects completed were the widening and reconstruction of 20 streets, the resurfacing of roads totalling 2 million square meters, the completion 1 year ahead of schedule of 20 kilometers of main sewage pipelines in the southern area, and the completion of four water drainage projects on Longhua and Sanmen Roads and at other

places, thus improving the condition of 21 areas prone to flooding. Construction work on people's air defense was also strengthened. As for the transformation of old enterprises, the municipal government put emphasis on the planning work for 22 different trades. Most of the plans were initially examined. Comparatively clear orientations were set for metallurgical, chemical, and pharmaceutical industries. Investments in replacing old equipment and in transformation measures totaled 1.74 billion yuan, or 21 percent more than the preceding year. New production lines for washing machines, color film, and ceramic sanitary equipment have been put into production and have already produced their expected results.

Positive efforts have been made to explore new areas in developing the economy, science, technology, and other construction work. Advances in varying degrees were made in fulfilling the key development work projected last year in the fields of energy resources, transport, raw and semi-finished materials, electronic instruments, machine-building, food, light, and textile industries, agriculture, and urban and rural construction. More new industrial products were developed than in the previous years. One thousand nine hundred kinds of new products were produced, and their output value accounted for 6 percent of the gross industrial production value of the municipality. Oriented toward economic construction, scientific research units achieved fruitful results in more than 700 major science and technology projects. Among them 20 projects won state invention awards. About 50 percent of the research results have been popularized for application as against 30 percent or so in the past. Factories and other enterprises have made positive efforts to apply the results of scientific and technological research. More than 130 different new technologies have been applied in production in a drive to popularize new key technologies in the municipality. Initial statistics covering 70 such new technological projects show that in the first year after being put into use, they can produce an additional output value of 160 million yuan and raise profits by 40 million yuan, which is equivalent to threefold the investment in these projects. With a view to transforming industrial technologies, the scientific research departments have cooperated to solve key problems, and more than 40 of their research projects have yielded useful results. New steps have been made in municipal construction. Work has started on the fundamental project to develop the new Minhang District. The newly built Shanghai Guest House and the Shanghai swimming pool and water sports facility have been put into use.

Relatively big progress has been made in education work to meet the needs of the four modernizations. Last year saw the completion of popularizing primary education in the municipality. The No 1 Central Primary School of Jingan District conducted a successful experiment in reforming the teaching method by opening a "second session" [di er tang ke 4574 0059 1016 6143]. The original simple system of secondary education has been changed by adjusting the emphasis on various high school courses. There has been rather quick development in various kinds of vocational and technical education, including secondary vocational schools, technical schools, and vocational training classes. Institutions of higher education have gradually been restructured, additional courses in liberal arts and administration have been established, and the Shanghai University and other

professional training colleges have been set up. Certain experimental reforms in administration, enrollment and distribution of students, and teaching have been carried out at various institutions of higher education, and fruitful results have been achieved by Jiaotong University in restructuring its administration. General schools of higher education enrolled 24,000 new students, topping that of the previous year by 23 percent, and graduated over 29,000 students. During 1982 and 1983, 2,300 students received their master's degrees. For the first time, seven students received their doctorate degrees last year. Thanks to the common efforts exerted by factories, rural areas, shops, schools, trade unions, CYL organs, women's federations, scientific and technological associations, industrial and commercial federations, and democratic parties, adult education has been promoted in one way or another, thus giving a powerful impetus to studying among the people in Shanghai. Among young and middle-aged workers who needed extended education or technical training, 40 percent of them completed their courses. Enrollment at sparetime high schools for workers and peasants reached 160,000 people, over 40,000 students enrolled in various vocational training schools, and as many as 690,000 people took part in centralized high school-level proficiency tests. All types of sparetime college courses for workers, televised university courses, university correspondence courses, and evening college courses have continued to grow. Branch stations set up in 10 suburban counties and Wusong District have started televised university courses, and 89,000 people, who studied on their own, took part in college-level proficiency tests. During the past year, the living standard of people living in cities and rural areas has continued to improve. Staff members and workers of various institutions and enterprises have obtained pay raises. The total pay for staff members and workers in Shanghai increased 3.8 percent over the previous year, and a worker's average pay increase was 1.6 percent higher than the previous year. In the rural areas, a peasant's average per capita income from collective undertakings was 368 yuan, topping that of the previous year by 7.9 percent. The sum reached 440 yuan if income from household sideline occupation was also included. The amount of savings by people residing in urban and rural areas increased dramatically. By the end of the year, their savings reached 4.6 billion yuan, or 21.2 percent higher than that registered at the end of 1982. Coupons are no longer necessary to purchase certain goods. After 30 years, coupons to purchase cotton cloth have been suspended. Sales of medium-grade and high-grade commodities were brisk. Supply of vegetables was steady the whole year round. During the spring festival this year, the people were generally satisfied with the plentiful supply of food and other goods on the market. The distribution of urban housing last year helped over 68,000 families solve their housing problems. Last year, new houses with a total of 4.06 million square meters of floor space were completed in Shanghai, making 1983 the year with the greatest number of living quarters built since liberation. The supply capacity of coal gas increased by 140,000 cubic meters daily, enabling 32,000 additional families to use coal gas. Twenty-nine roads were newly built or extended and 267 additional buses were put into service. By expanding all channels of employment, 159,000 people were given jobs, and jobless youths in cities and towns were basically settled. With the establishment of over 200 new nurseries, as well as other measures to tap potentials and expand services,

childcare services have become available to over 20,000 additional children. The quality of childcare service has also been improved. Medical services have also been improved with the availability of 1,400 additional hospital beds and additional family-sponsored sickrooms.

In the past year, while promoting material civilization, we made achievements in building socialist spiritual civilization. The campaign for the "five stresses, four beauties, and three warm loves" continued to develop in depth, and education in patriotic, collectivist, socialist, and communist ideologies, and in morality, was conducted extensively. Activities to emulate heroes and models were organized. Press, publications, radio broadcasts, and television played an active role in publicizing the party's line, principles, and policies, in reporting the new advances in socialist construction, in commending advanced individuals, in carrying forward advanced thinking, and in resisting spiritual pollution. A number of fine works, reflecting real life, and dealing with historical themes, such as "Our Niu Baisui," "Under the Big Bridge," "A New Biography of Ahun," "A Spark in the Corner," "A Deep Love," and "Gan Luo Became an Envoy at the Age of 12," emerged as movies, drama, music, dance, or folk songs. Good results were achieved in holding the Second Shanghai Theatrical Festival and the Amateur Theatrical Festival. Preparations were completed for the inauguration of the Shanghai Hall of Historical Relics. A number of relics, dating from the Neolithic Age to the Western Han Dynasty, were unearthed in the archeological excavation on Fuquan Shan at Zhonggu Town in Qingpu County. These relics are of vital significance to the study of the history of Shanghai. Ninety-nine cultural centers were established in the suburban counties, achieving, ahead of schedule, the objective that every county has a cultural hall and a library, and every township a cultural center, set in the Sixth 5-Year Plan. At the same time, a "rejuvenating China" reading and speech campaign developed vigorously in the municipality. In this campaign, more than 44,000 reading groups were formed, with 660,000 people taking part. Shanghai was responsible for the various aspects of preparatory work for the Fifth National Games, and this was successfully fulfilled, thanks to efforts by all municipal departments concerned. In the games, the Shanghai team ranked first in the total number of medals awarded and total points scored. It won the second largest number of gold medals and broke a world record and 11 national records, achieving a better result than in any of the previous national games. In addition efforts were made to develop the "three goods and one learning" campaign [campaign for promoting good service, bringing about good order, creating a good environment, and learning from Lei Feng and other advanced individuals] and to promote the work of doing away with "filth, disorder, and unsightly scenes" in breadth and in depth.

In the third quarter of last year, we implemented the "Resolution on Giving Hard Punishment to Those Criminals Who Have Seriously Endangered Social Security" and the "Resolution on Procedures for Prompt Trials of Those Criminals Who Have Endangered Social Security," adopted at the Second Session of the Standing Committee of the Sixth National People's Congress. Working in close coordination with the court, the procuratorate, and other departments concerned, the public security and judicial administrative departments achieved great success in dealing hard blows at criminal offenses, bringing

about a conspicuous turn for the better in our public security. Wide-scale propaganda and education on the Constitution and the legal system were carried out in the municipality, while a variety of measures for improving public security were put into practice. A public security responsibility system was instituted in most units on various fronts. Activities to strike at serious economic crimes were continually deepened. The broad masses were mobilized to engage in these activities. They dared to strike at, and control, the criminal elements, while giving patient assistance and education to those young people who had erred. The crime rate between September and December last year was down by 36.1 percent compared with the preceding 4 months, and was 45.4 percent less than the same period in the previous year. The masses of people are satisfied with the improvement in our social security, and the elevation of standards in social ethics.

All these achievements resulted from the implementation of the correct principles and policies of the party Central Committee and the State Council. They were also a result of the active support given by the various departments of the State Council and other provinces, municipalities, and autonomous regions, and the common efforts of all people, professions, and cadres at all levels in the municipality, and by the broad masses of commanders and fighters of the PLA units stationed in Shanghai. Looking back at the year 1983, however, we feel deeply that, in leading the work, the municipal people's government failed to make a profound study of the new situation and questions, thus being unable to meet the needs of development. It lacked a sufficiently emancipated mind to do the work of opening to the outside world and enlivening the domestic economy. Regarding the method of leadership, it failed to centralize leadership, or give certain authority to those at the lower level, as it should have done. Inadequate work was done to combine the strategies, operations, and tactics for economic and social development, and systematic organization and powerful command were lacking. In the style of work, some measures were not sound enough, some work was not grasped thoroughly, and there was a lack of supervision and examination. On some specific questions, there was bad coordination, the problem of haggling on trifles was not promptly corrected, and work efficiency was rather low. In sum, our work was far from meeting the needs of our country's program for the four modernizations, and fell far short of the expectations of the people throughout the municipality. In view of this, we must not only carry forward our achievements, but also overcome our shortcomings, and strive hard to take new steps and score new accomplishments on the road of advance.

2. Current Situation and Requirements

Fellow Deputies:

Although Shanghai achieved progress in various fields of work in the past year, it is necessary to continue the efforts for laying the foundations of building the four modernizations, and seek more methods for the many construction projects which have just started.

Not long ago, central leading comrades visited Shanghai and gave us important instructions: Shanghai should play the role of an "important base" and "peace-settler" in the modernization drive, and concentrate on modernization; Shanghai should bring into full play the advantages of existing economic and technical foundations as a port city, and be more flexible, both in thought and action, in opening to the outside world, and in absorbing foreign capital; Shanghai should contribute to the new world technological revolution; Shanghai should speed up its urban reconstruction and construction; and so forth. These instructions, which embody the requirements for the development of the situation, are also the common aspirations of the people of the whole municipality. We must conscientiously implement the instruction guidelines, respond to the call by the municipal party committee earlier this year for a clear understanding of the situation, a heightening of spirit, prompt decisions, and hard work, speed up the pace of reform, and live up to the expectations of the country and the people.

The development of the situation has produced new requirements in various fields. We must carefully study, and earnestly solve, fresh problems in the new situation.

1. The unprecedentedly thriving domestic market, great expansion of purchasing power in the rural areas, and recovery on the international market require us to swiftly enhance our adaptability and competitiveness by manufacturing better quality industrial goods with new designs. However, Shanghai's manufactured goods are either in short supply or in short demand. Especially, the management level is lagging behind the technical work. Economic efficiency is not ideal, because of fuel supply and the fluctuation in the price of processed goods. The increase of industrial taxes and profits is slower than the growth in production. In view of all this, we must resolutely center the entire economic work around the raising of economic efficiency, in accordance with state arrangements. It is necessary to pay keen attention to restructuring and reorganizing industry, and conduct an overall consolidation of enterprises by strengthening basic management in various fields and making solid progress in raising product quality, increasing variety and lowering consumption, so that production, taxes, profits, and financial revenue can basically grow at the same rate.

2. It is necessary to mainly rely on science and technological progress in raising economic efficiency. The new world technological revolution is an opportunity, as well as a challenge, to our modernization drive. Although we have a certain scientific and technical foundation, it is based on traditional technology, obsolete equipment, and backward technique, producing outdated products. Therefore, we should earnestly study new countermeasures, and do a good job in importing and assimilating technology, by combining the economy with science and technology. It is necessary to take a long-range view, start with a short-term plan, and concentrate efforts on a selected subject for a fixed period, in order to achieve a breakthrough in developing new industries, technologies, and techniques for technical transformation, and catch up with the advanced world level of the 1980's faster.

3. In order to further achieve coordinated development in economic and social construction, it is necessary to enhance the comprehensive role of cities by strengthening urban construction and management, while promoting socialist spiritual civilization. There are quite a few long-standing problems left over from the unreasonable distribution of the old city of Shanghai. Despite some remodeling and construction work in recent years, the outlook of the old city remains mostly unchanged, as reflected by housing shortages, congested traffic, inadequate public facilities, and serious pollution. There is an absence of sound rules and regulations, and a lack of modern facilities for urban management. There has been a noticeable, but not fundamental, change for the better in public order and prevailing social customs. All these require us to continue to pay keen attention to urban reconstruction and construction, by solving some long-standing problems in a planned and systematic manner, in order to gradually exercise modernized urban management. At the same time, it is necessary to intensify the building of spiritual civilization, and unfold joint activities to build civilized units, creating a favorable environment and social conditions for the people of Shanghai to carry out the modernization program.

4. It is necessary to attach great importance to the development of intellectual resources as a large number of specialized personnel in various trades and professions are urgently needed in the modernization drive. Currently, both in quality and quantity, scientists, technicians and managerial personnel are lagging far behind the demand for the development of the situation, and the educational system and training of skilled personnel is also incompatible with the four modernizations. For this reason, we should regard the development of intellectual resources as a fundamental measure for raising the quality in various fields, rationally utilize talented personnel, accelerate the training of specialized personnel needed in various fields in the modernization drive, and continually update knowledge to promote progress in modern technology and management. Giving full play to the role of intellectuals is an important task in developing intellectual resources. According to a plan by the central authorities, we should, in the first half of this year, reexamine the work of implementing the policy on intellectuals, and continue to solve the problems encountered, with particular attention to actual problems concerning middle-aged intellectuals, women scientists and technicians. We should let our present scientists, technicians, and managerial personnel have power, as well as a function, at their respective work posts. The problem of one's profession not corresponding with one's specialty of study, and the problem of expertise not being utilized still exist in numerous departments, and should be corrected as soon as possible. Work should be done to promote the interchange of scientific and technical personnel between different units.

In sum, the situation is pressing, and the tasks before us are quite arduous. We should make firm efforts to achieve the great objective of "quadrupling the gross annual value of industrial and agricultural production by the end of this century," and meet the requirement of creating a new situation in all fields of socialist modernization set by the 12th CPC National Congress. We should continue to implement the principle of readjusting, restructuring, consolidating, and improving the national economy, and

explore new ways to expand foreign trade, promote cooperation among domestic enterprises, and make reforms and developments to bring Shanghai's role into full play as a major economic, scientific, technological, and cultural center. We should strive to act as a trail blazer in the drive for the four modernizations, and should take up the heavy tasks the state and people have placed on our shoulders.

In the new year, we must advance determinedly and continually in the course of steady development. In all fields of work, we must proceed from, and put emphasis on, this: strive to create a new situation, actively transform the old outlook, raise the quality of work, and create a reserve for future work. To this end, we should do the following: With the municipal government taking the lead, efforts should be made to oppose arrogance and complacency in a down-to-earth way, boldly find out what is hindering the development of our productivity, and make reforms as appropriate. It is necessary to create a new situation on every front and in every field of work. Each year, we should do solid work to complete several tasks, make real and effective efforts to solve a number of problems, and see to it that our products, our enterprises, our work in all trades, and the outlook for our urban areas are continually improved. At the same time, it is imperative to raise the ideological level, and improve the educational background, of our staff members, workers, and cadre ranks, to raise the effectiveness, efficiency, and beneficial results of all units, work, increase the capability and creativity of all professions and trades, and improve the quality of work in various ways. We should bring about a more harmonious state in our economic and social development by proper readjustment of economic work. We should not only ensure a certain production growth rate, but also attain a higher level of economic benefit, and create a new reserve technological force. The purpose of meeting all these requirements is, not only to achieve the objective of effecting a fundamental turn for the better in our financial and economic situation, in our social security, and in the general mood of our society, as set in the 12th CPC National Congress, but also to create conditions, and provide strength for, the work of the Seventh 5-Year Plan, and for economic prosperity in the 1990's.

3. The Principal Tasks in 1984

In view of the above-mentioned situation and requirements, and in accordance with the progress of the Shanghai Sixth 5-Year Plan, we have planned our work for 1984. The following is a report on the principal tasks on all fronts:

1. Industry

The plan for this year's total industrial output value is an increase of 4 percent over last year, and to strive for greater overfulfillment of quotas. This is a plan leaving room for an increase. Faced with great purchasing power at home, we may have a big increase in production. The question is to maintain the balance between supply, production and marketing, and coordinate the speed of increase with economic results, so that we can strive for a solid increase, while guaranteeing state revenues as a prerequisite.

/Planning Production According to Social Needs./

Regarding light industrial products, textiles, chemical industrial products for daily use, electrical appliances for household use, medical industrial, and other industrial, products, it is necessary to greatly increase the production of products in great demand, and famous brand products, according to the needs on the market, and develop new products welcomed by the market. In this regard, it is necessary to keep to the principle of "six priorities," namely, supply of raw and other materials and energy resources, bank loans, technical transformation, capital construction, transport, use of foreign exchange, and the import of technology. Regarding the machine-building, electrical equipment, electronics, instrument and meter, and other industries, it is necessary to concentrate our major efforts on making new products and eliminating outmoded ones, improve the production of complete sets of products, and seriation of products, give priority to the production of complete sets of equipment for key state construction projects, and supply all trades in all areas with advanced technology and equipment for technical transformation, and do technical service work well. Metallurgical, chemical, building material and other industries must take the initiative in supplying the equipment, consumer goods, agriculture, and building industries, and scientific research units with new materials needed. In line with the principle of integrating military with civil production, the defense industry must fully tap its potential to greatly increase production of civil products welcomed by the market, while guaranteeing fulfillment of the tasks for scientific research in national defense, and the production of military industry. After readjustment and restructuring, enterprises of the three small industries must take the initiative in accepting the task of producing products ordered by all departments, spare no efforts to surmount difficulties, and strive to eliminate deficits and increase profits within this year. Township and neighborhood industries must continue to carry out "one township, one product," "one neighborhood, one product," and "one plant, one product" activities. They must develop their characteristic "a small boat is quick to turn," offer processing service for large industrial enterprises, and go all out to produce labor-intensive products needed on the market, local traditional products and products which make good omissions and deficiencies.

/Developing the Variety of Products and Improving the Quality of Products./

In face of new challenges on the domestic and international markets, all industrial departments must separately compare their trades and products with their counterparts at home and abroad, and see where they lag behind. After readjustment, reorganization, and restructuring, these industrial departments must adopt administrative support and economic measures, and let the more advanced bring along the less advanced. They must make joint efforts to greatly develop production of fine-quality famous brand and new products, seriously implement the State Council's directives on strengthening quality control and Shanghai's decisions on strengthening quality control in industrial production, and conscientiously improve product quality. All major products must catch up with advanced domestic and international levels. It is necessary to produce famous brand products, and strive to

produce fine quality products. The Shanghai Municipal Government has decided to consolidate the three "500 products," namely, improving the quality of products, making new, and eliminating outmoded, products for the first 500 key products, and striving to fulfill 40 percent of the task within this year, developing the second 500 key products, with the quality of 50 of them reaching world advanced level by the end of this year, and beginning mass production as soon as possible for the third 500 key new products, which have been successfully trial-produced.

/Accelerating the Pace of Transforming Old Enterprises./

The task of technical transformation for various industrial enterprises and trades is very heavy. This year, their task is to grasp construction, or the continued construction, of 342 projects, and they are required to complete 100 projects and put them into production during this year. In the technology field, they should complete the work of constructing, or installing, 200 to 250 projects this year, import technology and equipment of advanced world standard at the end of the 1970's and the beginning of the 1980's, do a good job in absorbing imported technology, so it can be applied in a very short time; they should pay attention to nationalizing production of spare parts, and blazing a new trail in this area in order to strengthen their self-reliance. The prerequisite for carrying out technical transformation is working a plan. Overall planning and proper arrangements should be made for technical transformation items in accordance with the development plan of a trade, so that key technology items may be used to promote technical progress for the entire trade and better economic results may be achieved with economical investment. There are more than 140 trades in our city. Drafting plans for the various trades should be continued, with emphasis on specialized and other related companies and enterprises in each trade. These plans should be made the main content of the Seventh 5-Year Plan. As drafting plans for various trades involves the economy, technology, and management, as well as the distribution of all trades in the country, it is necessary to organize personnel in the social and natural sciences to participate in analysis, discussion, and consultation in policy matters during the entire process of drafting plans in order to ensure that they are scientific, progressive, and feasible.

At the same time, all trades and enterprises in the municipality should vigorously support key state construction projects, such as the Baoshan Iron and Steel Complex, the Shanghai General Petrochemical Plant, and other important major projects, so that their construction may proceed according to the state plan.

/Further Consolidating the Enterprises in a Comprehensive Manner./

This year, 213 large and medium-sized key enterprises have been included in the overall state consolidation plan. Efforts should be made to basically check, and accept, them as consolidated enterprises in the first half of this year, in accordance with the requirements of overall planning, strengthening leadership, ensuring quality, and checking and accepting them in groups; as the consolidation of small and medium-sized enterprises owned

by the people has been under way in a comprehensive way, efforts should be made to have about 70 percent of them checked and accepted as consolidated enterprises. After their leading bodies have been readjusted, all enterprises should pay attention to grasping market investigations and forecasts, improving the economic responsibility system, promoting progress in science and technology, carrying out ideological and political work, and improving enterprise management to a new level. It is necessary to strengthen basic management and improve the scientific and technological archives, information data system, quota and measuring standards, primitive recording and other data systems, and further practice modern management methods, such as network planning, target management, and value engineering. This is a necessary preparation for popularizing the application of computers in enterprise management. It is necessary to raise utilization rates of raw and semifinished materials and energy, and heighten the profit, quality and grade of products, and make this the main content for mass activities; it is necessary to effectively cut down waste, reduce consumption, and strive to increase production, and raise economic results through conservation.

/Carrying Out Transformation Actively and Steadily./

It is necessary to give enterprises greater operational power, in order to make them carry out their economic responsibility in a better way and also to increase the pressure, motive force and vitality in them. It is necessary to readjust the structure of trades and enterprises, organize trans-departmental trade associations and consolidate and develop scientific and technological production associations. Under the guidance of the state plan, it is necessary to develop the individual and collective economy, in order to make them a necessary supplement to the state-run economy. Efforts should be made to carry out reform in the management system and the distribution methods, in order to overcome the practice of equalitarianism, change the phenomenon of "eating from the same big pot," and invigorate production and operations.

2. Agriculture

Recently, the Shanghai Municipal Party Committee and municipal government called a rural work meeting to arrange this year's work. The meeting called on the suburban counties to support and serve the city, and nurture the economy to enable the peasants to prosper. It also called for a 5.6 percent projected increase in the total value of agricultural output this year, and 12 months' prefulfillment of the annual output projected at the end of the Sixth 5-Year Plan.

/Taking a Firm Grip of Grain, Cotton and Rapeseed Production./

It is necessary to firmly foster the thinking of taking agriculture as the foundation, continue to stabilize, and improve, the contracted responsibility system, with remuneration linked to output, harness the enthusiasm of both centralized and decentralized management, actively develop key and specialized households, and offer effective technical guidance and services in mechanized farming, seed selection, and plant protection. It is also necessary to intensify capital construction of water conservancy works on farmland,

stabilize and raise the output of agricultural crops, vigorously develop commodity production, and, at the same time, reclaim farmland from seashore and marshes.

/Consolidating and Developing Nonstaple Food Production Bases in the Suburban Counties./

This year, it is necessary to stabilize production of vegetables and hogs, develop production of poultry and eggs, and increase production of milk and fish. In growing vegetables, it is necessary to concentrate efforts on technical innovations in the following five fields: cultivation of fine seeds and seedlings in factories, standardization of ground sheets and small, medium-size and large sheds for crop cultivation, irrigation in open and underground ditches, and with sprinklers, mechanization of plowing, and raking, ridging, ditching, fertilizing and plant protection, and cleaning and packing vegetables, vacuum packing of products, their storage and transportation. In milk production, it is necessary to build milch cow production bases, centered on state-run pasturelands, assist collectively-run dairy farms and households specializing in milk production, set up technical training centers for raising milch cows, and develop a dairy industry. In freshwater fish production, it is necessary to set up three commercial fish bases in Qingpu, Chongming, and the beach between Nanhui and Fengxian, popularize scientific aquatic breeding, and raise per-unit yield of intensive piscaries and fish breeding in rivers, ditches, lakes, and ponds.

/Promoting the Fertilizer, Feed Processing and Food Industries./

In developing commodity production of agriculture, forestry, animal husbandry, fishery, and sideline production, it is necessary to gradually mechanize and industrialize production. Currently, efforts must be concentrated on developing the fertilizer, feed processing and food industries, actively planning production of compound fertilizers and mixed feeds, and promoting plant cultivation, animal husbandry, and agriculture. On the basis of developing agriculture, forestry, animal husbandry, fishery and sideline production, efforts must also be made to develop the food processing industry at various levels, in order to raise the economic efficiency of agriculture. It is necessary to build a number of stable and special bases, providing raw materials for the food industry, speed up technical transformation of feed processing and food industries, and adopt advanced technology to intensify the degree of processing of farm and subsidiary products.

/Actively Developing Industry Run by Towns and Townships./

In line with the principle of developing agriculture, sideline production, and industry in a coordinated manner, it is necessary to combine urban with rural areas, and industry with agriculture, in continually exploring new sources of production. Through readjustment and consolidation, industry run by towns and townships must, in addition to developing the fertilizer, feed processing and food industries, coordinate with large industrial plants in processing, serve transportation and agriculture, and develop the

construction and building materials industries accordingly. All economic departments concerned should actively support, and guide, development of industry run by towns and townships, and strengthen supervision over them. State farms should reform their operations in comprehensive management in order to bring into full play their production potential, and gradually build themselves into agricultural and industrial bases.

/Urban Trades and Industries Should Support Rural Areas./

Industrial departments should produce more small, suitable farm machines and conveyances, and increase production of quality fertilizer and farm chemicals. Scientific and technological departments should popularize new technologies for improving varieties by selection, applying fertilizer, and preventing plant diseases and insect pests. Commercial departments should expand channels of circulation and supply, and marketing cooperatives should turn themselves into rural general service centers to stimulate the rural economy and solve the peasants' marketing problems. Colleges and key secondary schools, which have the necessary conditions, should be encouraged to run, or jointly run, schools or short-term training courses of all kinds in suburban counties to train rural scientific and technological personnel, and new-type peasants. Urban scientific and technological personnel, teachers and doctors are encouraged to go to the countryside and, if they do so, their urban residence registration will be retained, and they will be entitled to economic benefits.

3. Domestic and Foreign Trade, Banking, Finance

Commercial departments and banks should pay more attention to the analysis and forecast of market information, and provide better consultation services to production departments. They should continue to reform the commercial system, open up markets on their own, and blaze trails for developing production. Active efforts should be made to develop integrated complexes, combining commerce with industry and agriculture, and set up transregional joint ventures among commercial departments to support and promote industrial and agricultural production.

/Make Adequate Arrangements for Market Supply./

It is necessary to enrich the market and increase the supply of famous-brand, quality new industrial products, as well as readily marketable products needed by the masses in their daily life. In improving the supply of staple and nonstaple foods, it is necessary to implement the guideline of "first, guarantee; second, stimulate and third, manage," that is, maintain the present level of supply of staple and nonstaple foods essential to the masses' livelihood, and guarantee their supply at parity prices; state-run commerce should stimulate the economy and participate in market regulation by absorbing surplus products and pouring out goods in short supply to stabilize market prices; strengthen market and price management to prevent fraudulent purchases, resale of goods at a profit and price increases.

/Make Things Convenient for the Masses' Livelihood./

The vast number of staff members and workers in commercial units should earnestly improve their service attitude, upgrade quality and improve methods. Efforts should be made to promote good services, a civilized way of doing business, and politeness to customers, to make things convenient for the masses. It is necessary to organize the supply of small commodities and light refreshments well, restore all kinds of traditional foods noted for their distinguishing characteristics, and develop instant-food restaurants, packed and prepared foods. It is necessary to set up additional commercial and service networks in new residential areas, and gradually develop new commercial streets and markets. Continued efforts should be made to develop cooperatives, individually-run commerce and service trades, especially those trades whose services are in short supply.

/Do a Good Job in Foreign Trade./

Efforts should be made to bring into full play the positive role of Shanghai as a port under centralized and unified guidance. It is necessary to actively improve management, attach importance to quality commodities, give priority to some areas and to customers, improve price competitiveness and pay attention to the timing of marketing. It is necessary to keep good commercial reputation and honor one's contracts. Efforts should be made to reduce commodities in stock, speed up capital turnover, put an end to waste and loss, and reduce selling costs. It is necessary to strengthen the combination of trade, industry, and technology, make imports promote exports, develop a barter trade, undertake foreign construction projects and labor service cooperation, and develop other methods. Practice has shown that the combination of industry and trade is one of the basic links in developing foreign trade. Industrial and trade departments should closely cooperate with one another from drafting a trade plan, developing products which can find a ready market to holding trade talks with foreign businessmen, conducting surveys and investigations, arranging production and honoring contract obligations. At the same time, Shanghai should also cooperate with other fraternal provinces and cities to jointly conclude transactions, set up joint operations or factories, or act as an export agent for them to bring into play the pivotal role of Shanghai Port.

/The Banks' Economic Leverage Should Be Brought into Play./

Banks should strictly enforce their credit control, accelerate capital flow, and support production and distribution in order to enhance economic performance. To promote technical reform and development of new products, banks should assist enterprises in flexibly managing their funds to develop production, and improve their credit and repayment measures. They should also expand their operations to encourage savings and carry out trial measures, by which people can save or borrow money to buy their own houses. Banks should also establish a social insurance program, so that the livelihood of workers in collectively-owned enterprises would be protected after retirement. An experimental insurance program should also be set up in the rural areas, to protect animal husbandry production.

/Intensify Financial and Taxation Operations./ This year's revenue is planned to increase 3.5 percent over last year's actual revenue, and efforts are being exerted to make production growth compatible with revenue increase. Financial and taxation departments must actively assist enterprises in tapping their potential, in developing production, in streamlining operations and administration, in improving various regulations and rules, and in lowering production costs. They should, in accordance with the state's centralized plan, work out a second-stage reform program, substituting profits for taxes. Financial and taxation departments must also give play to their supervisory role in enforcing financial and economic discipline, and intensify their inspection and administration to check all forms of tax evasion or fraud, and attain the goal of increasing revenue and cutting expenditure.

4. Energy, Communications and Telecommunications

Following Shanghai's economic and social development, the need for solutions to its energy and communications problems has become even more pressing. In the field of energy, attention has been paid to both conservation and development, with greater emphasis on conservation. Administration of communications must be intensified, the root causes and symptoms of communications problems must be dealt with simultaneously, an overall plan must be drawn up, and construction will be carried out, stage by stage.

/Conservation of Energy./

According to plan, energy resources equivalent to 500,000 metric tons of standard coal will be conserved this year. The principal conservation measures include: actively popularizing new scientific and technological knowhow on energy conservation; striving to complete the remodelling of boilers, ventilators and water pumps within 2 to 3 years; accelerating the process of placing energy-wasting with energy-saving machinery and electric products; and continuing to promote central heating systems and multipurpose use of energy. A municipal energy group has been established to strengthen leadership over energy conservation, development and research. The 13 principal bureaus and 20 major energy consuming companies, as well as all their affiliated enterprises, each of which consumes 10,000 metric tons of standard coal or more every year, must establish, or improve, their energy conservation organs, and strictly enforce energy conservation measures.

/Energy Construction./

Shanghai's power supply will be even more strained when the first-stage construction of the Baoshan Iron and Steel Complex and the second-stage construction of the Shanghai Petrochemical Plant are put into operation in 1985 and 1986. The state has drawn up plans for a number of major projects to accommodate future needs. These projects include the construction of alternating power transmission projects and substations to transmit power generated in Huainan and Xuzhou into Shanghai, and the project of transmitting direct current from Gezhouba to Shanghai. Of these projects, the construction of the Nanqiao and Huangdu substations, and the erection of power

transmission cables in Shanghai will be borne by Shanghai. It is expected that these projects will be put into operation in 1987. The installation of two generator units of the Minhang Power Plant, each of which has a capacity of generating 125,000 kilowatts of electricity, will be completed in 1985 and 1986. Piling will begin this year for first-stage construction of the Shidongkou Power Plant, whose first 300,000-kilowatt generator unit will be completed by the end of 1987. The first 50,000-kilowatt generator unit of the reconstructed Nanshi Power Plant will be put into operation next year, along with the project of supplying heat to more than 200 enterprises. In accelerating the construction project for transmitting 220,000 volts of high-voltage power into Shanghai, and in rebuilding the power network in the urban areas, the construction of six 35,000-volt substations--Yanji, Xianxia, Hutai, Tianmu, Lishan, and Xinfu--will be completed this year. When complete, they will increase Shanghai's power supply by 100,000 kilovolt-ampere (KVA). Regarding the use of nuclear energy, efforts are being exerted in trial manufacturing equipment for nuclear power plants, and in assessing the economic value of large nuclear power plants. The municipal energy group will continue to organize personnel to speed up development and utilization of unconventional energy resources, such as marsh gas, wind and solar energy.

/Transportation and Communications Projects./

In harbor construction, we shall build eight ship's berths in Boshan working district, the Zhujiamen Coal Wharf, and the Wusongkou International Passenger Terminal this year. During this year and next, we plan to complete preparatory work for 20 ship's berths at Luoqing. We shall continue to study the engineering and technical feasibility of the Jinshanzui New Harbor District. The Shanghai Harbor passenger terminal ticket building will be completed this year. In railway construction, we shall complete preparatory work for the construction of a new passenger station, start construction this year, and strive for completion in 1987. Construction of the Nanxiang Marshalling Yard and the double-tracking of the Shanghai-Hangzhou Railroad are in process, and we are striving for their completion in 1990. This year, we will complete expansion of the Hongqiao Airfield passenger building, by adding 8,500 square meters of steel-frame assembled buildings to its north and south wings. We shall also complete preparatory work for construction of a new passenger building, and its auxiliary facilities. In post and telecommunications, we shall accelerate construction of the telecommunications building, the postal parcel processing center, and five additional urban telephone offices, gradually adopt program-controlled exchange equipment and optical fiber cable techniques, and provide telecommunications transmission for gradually popularized microprocessors.

/Urban Transportation./

This year, we plan to broaden, or rebuild, six roads--Jinling Road, Kangding Road, Wuning Road, Yixian Road, Humin Road and Pudong Boulevard. We shall complete five pedestrian overpasses at Xujiahui, Wuning Road, Kongjiang Road, Tianmu Road and Tilanqiao. We shall complete five pedestrian overpasses across railroads at Wuning Road, Baoshan Road, Kongjiang Road, Caoyang Road,

and Guangxin Road. We shall start construction of two overpasses across railroads for Zhongshan North Road-Jiaotong Road, and Zhenbei Road. We shall accelerate construction of the under-river tunnel on Yanan East Road. We shall inaugurate, extend, or readjust 28 bus routes, and add 40 buses and taxis to public transportation. We shall acquire 400 motor vehicles for urban cargo transport, and actively develop well-organized, specialized transport and container transport, under capable leadership. We shall augment the ferry capability on the Huangpu Jiang, and speed up transformation of the municipal ferry service on the Zhou-Jiang route and the Shang-Ding route. We will make full use of inland rivers, accelerate construction of small boat landings on the Dingpuhe, and develop inland river transport. In order to improve transportation between the urban area and Jinshan, Baoshan, and other satellite cities, we plan to build a rapid transit railroad, about 100 kilometers long, running from north to south.

5. Urban Construction

The general urban construction plan for Shanghai Municipality has been examined and adopted by the municipal people's congress standing committee, and submitted to the State Council. After approval, we shall give it wide publicity, so that an idea of a "people's city being loved, built and managed by the people" will be deeply rooted in the hearts of the people. At the same time, we shall strengthen our leadership over the planning, construction, and management of both urban and rural areas, prepare district and detailed plans, formulate measures for implementing the urban construction plan, and thus provide a basis for all urban construction projects. This year, we shall concentrate on the following:

/Housing/ We plan to complete 4 million square meters of housing projects, of which 1 million will be funded by local governments, and 3 million by various departments and organizations. At the same time, we shall bring into play the initiative of various districts striving to build more houses. We shall resolutely adhere to state regulations, and strictly control the size of houses. However, we shall further emancipate our minds in housing design, and display new architectural features with fresh designs and models. We shall accelerate construction of high-rise apartment buildings in order to gain more floor space, and we have selected Changfeng and Pengpu Villas as pilot projects. We shall make bigger strides in commercializing houses, and sell 5 percent of new houses, about 200,000 square meters in total floor space, to individuals this year.

We shall promote joint housing construction with public assistance [lian jian gong zhu 5114 1696 0361 0504], and rebuild old private houses. We shall experiment with signing contracts for the construction of new housing areas. The contract should bind contractors, as well as construction teams, groups and workers regarding size, building time, quality and building price for the project. After a new housing area is completed, the housing management department and the building organization should seriously do a good job in housing allocation, allocate the limited number of houses to persons needing houses the most, and gradually solve the people's housing problem.

This year, we shall strive to solve the housing problem for the majority of those enjoying priority in housing allocation, according to our policy; and strive to solve the housing problem for the rest next year.

/Hotels/ The number of hotel beds is far from being adequate to accommodate the needs of guests and travellers from various places. To meet the needs arising from opening up to the outside world, enlivening the domestic economy and developing tourism, a number of hotels and apartments must be built. Construction of the Huating Guest House, the Hongqiao Guest House, the Jinjiang Guest House Annex, the Jianguo Hotel, the Xinwan Hotel, the Chengqiao Guest House, and seven other first class or second class hotels, which have either been approved, or are already under construction, must be expedited to accommodate the needs of guests and travellers from other parts of the country and from abroad. Construction of approximately 10 additional first or second class hotels, apartments and office buildings is also being planned. In a way appropriate to local conditions, all districts and counties should speed up building a number of small hotels.

/Architectural Complexes/ Architectural complexes presently under construction include: The expansion project of the Shanghai Exhibition Hall, which will become a multipurpose exhibition center for promoting international economic and trade relations, and technical exchanges. Its early-stage expansion project must be intensified this year. The value of building such architectural complexes as the buildings of the standing committee of the municipal people's congress, the municipal government and the municipal CPPCC committee, is being assessed. A number of high-rise buildings will be built on Tianmu Road and Hengfeng Road, Zhaojiabin Road and North Caoxi Road, and along Siping Road. Construction of these buildings should begin as soon as possible, wherever conditions permit. Currently, a total of 120 buildings, each of which is at least 24 meters tall, are being built. Since the beginning of this year, construction of 89 of these projects has already started. While construction of these projects must be expedited, their quality must not be ignored. Urban construction should be relatively concentrated. This means that, instead of building many small buildings, we should build a few big, multipurpose high-rise buildings which can be used as living quarters, offices and shopping centers. Not only will this facilitate work and living, it is also good for changing the outlook of our urban areas.

/Minhang, Hongqiao New Districts/ Construction of urban facilities is in full swing in the Minhang New District, where land is available for construction of factories of joint ventures and enterprises financed by foreign capital. Planning for the development of Hongqiao New District has been completed, and construction sites will be available this year. The Minhang-Hongqiao Development Company must develop into a business firm. It should take active steps to emulate fraternal districts' successful development experiences, and adopt preferential and flexible measures to absorb foreign capital to accelerate the construction of these two new districts.

/Urban Public Facilities/ Construction of two waterworks has been intensified this year. Construction of the Yangsi Waterworks will be completed, and they

will put into operation before the summer, the peak season for water consumption; and construction of the Minhang Waterworks will be started before the end of the year. With the renovation of certain water supply stations, tap water has been piped into 30,000 additional houses. Construction of the Pudong Gas Plant has been accelerated, the first-stage expansion project to increase the Shanghai Coking Plant's daily gas output by 390,000 cubic meters has been completed, and supply of coal gas is available to 60,000 additional households this year. Efforts are being exerted to consolidate Shanghai's flood-prevention embankments to protect the city from flooding during the flood-danger season.

The projects mentioned above show that efforts are being concentrated on building several major construction projects, organizing construction of several architectural complexes, rebuilding several major neighborhoods, developing several new industrial zones and residential areas, giving impetus to the construction of satellite cities and towns, and achieving a conspicuous change in the outlook of our urban areas over a number of years. This is a gigantic, systematic engineering project, requiring us to mobilize forces from all quarters to do a good job in planning, assessing, requisitioning land, relocating buildings, designing, and constructing; and be well prepared, in terms of machinery and other needed equipment, materials, and management. To expedite construction, we must freely utilize foreign capital and technology, actively adopt advanced domestic and foreign experiences in urban construction and architectural development, and reinforce our construction teams with advanced technology and equipment, so that our construction trade will be gradually modernized. We must also increase our efficiency by means of public bidding for construction designs, engineering work, and construction contracts.

6. Environmental Construction

Economic, urban, rural, and environmental construction must be planned in an overall manner, so that their development will be compatible. We shall, within a short period, take positive steps to control pollution, and continue to exert efforts to improve the situation.

/Controlling and Harnessing Pollution Caused by the Three Wastes [waste gas, waste water and slag]./ Within the next 2 to 3 years, we shall strive to make a success of the following four projects: 1) Elevate the inlet of fresh water to a higher catchment, in order to obtain drinking water of better quality, and set aside a reserve in the upper reaches of the catchment. No pollution-causing factories will be permitted within the reserve. At present, control of serious pollution, caused by 10 units, has been carried out simultaneously with the project for elevating the water inlet. 2) Control pollution of the vegetable growing areas. Along with the building of irrigation works, efforts are being made to guard the vegetable growing areas from contamination by polluted water, and to pipe in unpolluted water to irrigate the vegetable plots. Within the vegetable growing areas, the operation of a plant will be licensed, only when it has met the pollution-control requirements, otherwise it will be closed down, suspended, merged with another plant, or converted to produce other goods. 3) Gradually

achieve a basically smoke-free urban area. Before the end of the year, 3,000 stoves and 500 small boilers will be rebuilt. Putuo, Xuhui, Luwan and Huangpu will be the first four basically smoke-free districts in Shanghai.

4) Reduce noise pollution caused by automobiles and ships. Automobiles will be equipped with muffled horns, and motorized sailing boats will be equipped with mufflers. Traffic control will be intensified, and automobiles and ships will not be permitted to blow horns or sirens in controlled areas. Pollution of 15 of the 17 polluted canals in Shanghai is under control. The problems of the remaining two will be resolved before the end of the year. The pollution-control projects of the 306 factories, whose three wastes have created sharp disputes among the local residents, will be accomplished according to plan. Research to utilize waste matter discarded by the Shanghai Alcohol Plant and the Shanghai Solvent Plant must be intensified, so that problems can be dealt with as soon as possible.

/Improvement of Environmental Sanitation./ Thanks to carrying out the "regulations for Maintaining Shanghai's Appearance and Environmental Sanitation (for Trial Implementation)," the city's cleanliness has been maintained. Sewage disposal projects for this year include the completion of the Quyang Sewage Disposal Plant, which is capable of treating 75,000 metric tons of sewage daily; construction of the Tianshan Sewage Disposal Plant, which can also treat 75,000 metric tons of sewage daily, and the Longhua Sewage Disposal Plant, which can treat 105,000 metric tons of sewage daily; expansion of the Caoyang Sewage Disposal Plant, which can treat 10,000 metric tons of sewage daily; and planning, and early-stage preparations, for the construction of the Lanhua Sewage Disposal Plant. Construction of public facilities in new housing areas, where public facilities are inadequate, must be promptly carried out. Construction of public facilities in Quyang and Hutai, two new housing districts, must be completed before the end of the year. Garbage disposal projects must be expedited, and research on harmless disposal of garbage will be carried out. Construction of two wharves for garbage collection, and reconstruction of another two, will begin this year. Also scheduled to be built this year will be four temporary garbage collection yards, each of which can handle 1,300 metric tons of garbage daily. Fifty nightsoil storages with a total capacity of 25,000 metric tons will be built in the outskirts. The project to install covers on all garbage collecting trucks in Shanghai will be completed within 2 years.

/Voluntary Afforestation Campaigns Will Continue./ According to plan, 8.3 million trees and bushes, and 400,000 hedgegroves will be planted this year. Some 1,300 mu of green plots along streets, gardens and green fields for special purposes will be developed or redeveloped. Construction of the Lanxi, Neijiang, and Pengpu parks will be completed; expansion of the Caoxi, Dongan and Huilongtan parks will be started, and development of the 1,900-mu Sanchagang Nursery will begin this year. Development of the Dingshanhu sightseeing district and the Gongqing Forest Park will continue.

7. Science and Technology

The primary current task in our scientific and technological work is to develop new technology, transform traditional technology, and promote modernization.

/To Formulate Long-Term Scientific and Technological Development Plan/ Since the second half of last year, we have organized 1,500 experts from the scientific and technological, economic and information departments to formulate Shanghai's 15-year (1986-2000) long-term scientific and technological development plan. In addition, we have organized some 80 experts to study the trends in the new technological revolution in the world, and the way to deal with the trend. The experts have now put forward a tentative general idea for Shanghai's scientific and technological development strategy. They are working on concrete strategic principles, objectives and emphases, important technological policies, and feasible implementation plans. The long-term scientific and technological development plan will be formulated in connection with the Seventh 5-Year Economic Development Plan and the development plans of various trades and professions, so that the economy, science and technology, and society will develop in a coordinated way.

/To Strengthen Social Scientific Research/ We should closely integrate social with natural sciences, combine theory with practice, and scientifically study and answer theoretical and practical questions concerning Shanghai's four modernizations. In 1983, this municipality, for the first time, held a meeting on philosophical and social scientific research plans, worked out a sixth 5-Year Plan, assumed 37 major national research projects, and laid down 48 major municipal research subjects. We shall strive to make achievements in them, and formulate the Seventh 5-Year Plan.

/To Develop New Technology/ Shanghai's research and development in new technology will stress microelectronics, new materials, optical fiber communications, lasers, biological and engineering, robots, and marine engineering. We shall strive to make a breakthrough in microelectronics, and speed up the establishment and development of new industries. During this year and next, we plan to develop 230 integrated circuits, which are the basis for microelectronics. Of the 230 integrated circuits, 30 will be large. During the year, we shall use microcomputers in 27 projects, on an experimental basis, to help in design and management, controlling the production process, and producing sensible products. The municipal working group on electronic computers and large integrated circuits is planning to form five associations to deal with scientific research and production of integrated circuits, microcomputers, magnetic disks, silicon materials and special optical instruments. It is also planning to set up a microelectronics industrial zone in Caohejing District as soon as possible. National organizations, such as the biological engineering experimental base, the new materials research base, the laser techniques development and application center, and the optical fiber communications technical center, set up in Shanghai by the departments concerned under the State Council, should actively promote their work.

/To Transform Traditional Technology/ We shall rely on traditional, to develop new, technology, and use new technology to "abrade" and upgrade old technology. In formulating development plans for various trades and professions, we should study how to create conditions for adopting new technology, overstep the development stage of certain traditional technology, and catch up with, at maximum speed, the technological level in the world of the 1980's.

/To Tackle Technological Problems and Popularize Technological Achievements/ This year, we shall concentrate on 10 of the 22 major scientific and technological problems we have organized personnel to tackle. The 10 problems are comprehensive, concerning various departments, trades and professions, and we can anticipate their solution in the near future. We demand good results in their solution. We shall popularize, and apply, 90 items from our major scientific and technological achievements in 1983 urgently needed in production, and yielding good economic results. Of the 151 items popularized in recent years, at least 50 will effectively yield results this year. We shall seriously implement the Patent Law and practice a scheme of royalties for scientific and technological achievements.

/To Combine Scientific Research With Production/ Great efforts should be made to have scientific research units and higher educational institutions forge ties with related enterprises, to conduct technological cooperation or joint technological projects, either in a single field or comprehensively. They should establish a long-term fixed relationship of cooperation. In addition, with the scientific research units of various companies as a foundation, technological development centers for different trades should be established on a trial basis. These technological development centers should function as "links" in developing cooperation between various trades and the scientific and technological forces in society, and as "connecting points" in using being employed by various trades.

/To Attach Great Importance to Mass Scientific and Technological Activities/ We should do well in popularizing scientific knowledge, and give full play to the role of scientific and technological promotion stations, technological cooperation committees in enterprises, and science popularization associations in the countryside. It is necessary to promote mass activities to make technological innovations, and to offer proposals for the rationalization of operations. Small inventions, innovations, renovations, designs, and suggestions should also be encouraged.

8. Education, Public Health, and Physical Culture

In recent years, our budgets for education, public health, and physical culture expenses have increased annually, and our work in these fields has advanced considerably. We should make still greater efforts this year.

/School Education/ Education work should be oriented towards modernization, the world, and the future. It is necessary to speed up the pace of reform, improve the quality of education, and train more competent people. This year, we should complete a survey of the current situation of people in

various specialized fields, estimate the requirements in various trades and professions for persons specializing in natural and social sciences, and work out a plan for training such people. In developing higher education, we should continue to readjust regular courses versus professional training, increase the emphasis on vocational courses and liberal arts as appropriate, and strengthen teaching and research work on interdisciplinary and borderline subjects. In addition, we should develop higher educational correspondence courses, night colleges, and radio and TV universities, hold college entrance examinations for self-taught students, and see to it that the number of college students increases with each passing year. Regarding secondary education, continued efforts should be made to increase the emphasis on professional and technical education, and set up a professional education system parallel to that of regular education. We should try to see to it that, by 1985, all our junior middle school graduates in urban areas will be admitted to senior middle schools, secondary vocational and technical schools, or other professional training schools. Secondary vocational schools, and various types of professional and technical education, should also be developed in suburban counties. Primary and middle schools should reform their present teaching systems and methods, overcome one-sidedness in seeking a high rate of students admitted to schools at a higher level, and actively develop "second session" activities. Work should be done to promote a three-in-one education, combining school, family, and social education, and to achieve comprehensive development of the students morally, intellectually, and physically. As for popularization of electronic computers, the work should be started with children. Primary and secondary school students should be given as many opportunities as possible to touch electronic computers, increase their basic knowledge of modern science and technology, improve their ability to think, and raise their creativity. Numerous methods should be applied to developing the work of infant care and education. These include facilities for infant care and education run by the public, by the people, and by individuals. Scientific child care centers should be established, and more attention should be given to the nutrition and health care of infants, and to training teachers required in this field.

/Adult Education/ Enterprise managers and plant directors should take part in the state-sponsored unified examination, group after group, at different times to raise the quality of leading bodies. Incumbent cadres should undertake training in rotation. Cadres with a certain level of practical experience should be selected and sent to higher educational institutions for further education, to train a number of senior personnel with professional expertise in economic management, foreign trade, financial and economic affairs, law, and accounting. In the overall consolidation of enterprises, it is necessary to carry out a training program covering all personnel, with a view to raising the quality of all staff and workers. Continued attention should be paid to running supplemental classes for young and middle-aged staff members and workers, to improve their general educational background and their technological skills. Facilities of secondary vocational education for staff members and workers, including spare-time night schools, should be developed, to train competent personnel at the medium level in various specialized fields. Every enterprise should train

a certain number of its primary workers as medium-level workers each year. For those trades and types of work where conditions permit, active efforts should be made to train senior technical workers on a trial basis.

/Medical Work and Public Health/ We shall continue to rectify and reform various medical management systems, and build more medical and public health facilities in both urban and rural areas. This year, we shall have 3,000 additional full-time medical personnel and 1,000 additional hospital beds, and shall set up more sickbeds in private households. We shall bring into play medical personnel's initiative, promote civilized medical practice, and improve the quality of medical care and the efficiency of medical work. In order to enhance the skill level of grassroots medical personnel, we shall hire incumbent senior doctors to serve as advisors, on a trial basis, at the next subordinate medical organization. We shall seriously implement the policy concerning traditional Chinese medicine, step up the work of systematizing and inheriting the experience of veteran doctors of traditional Chinese medicine, and pay more attention to scientific research in traditional Chinese medicine, and in combining traditional Chinese medicine with western medicine. We shall adhere to the principle of putting prevention first, launch patriotic health campaigns in a widespread and deep-going way, improve food hygiene, and control, and reduce, various infectious diseases. In the rural areas, we shall improve the quality of drinking water, and strive to wipe out snail fever this year. We shall improve the care of women and children, and take various protective measures for them. At present, Shanghai is still at a peak in the total number of births. We should never slacken our efforts in family planning, even slightly. We shall continue to advocate late marriage, late childbirth, fewer births and eugenic efforts, and strive to keep this year's natural population growth rate under 12 per thousand.

/Physical Culture/ We shall speed up the training of athletes to greet the national youth athletic meeting, the Sixth National Game, and the Olympics. Athletic teams should be like schools, and rapidly make athletic training scientific. We shall strive to raise our level in various sports, and set new records to win honor for our country. We shall step up the training of reserve athletes, and attach particular importance to promoting physical culture and sports among youth and children. We shall persistently promote mass physical culture and sports to improve the people's physique.

9. Propaganda, Culture, and Publication

The propaganda, culture, and publishing departments, shouldering the important responsibility of building socialist spiritual civilization, should uphold the four cardinal principles, implement the party's correct line, principles, and policies, seriously follow the instruction that "the ideological front should not be spiritually polluted," and play a positive role in the four modernizations.

/Press, Publication, Radio and Television/ We shall persistently propagate Marxism-Leninism-Mao Zedong Thought, carry out comprehensive and thorough ideological education in patriotism, collectivism, socialism, and communism, commend advanced persons and their deeds on various fronts, and arouse enthusiasm among the people for undertaking the four modernizations. We shall publish more original and translated works. During the year, we shall publish 2,700 types of publication, with a total publication output of 500 million copies. We shall pay attention to the publication of books on political affairs, books for popularizing science and technology, and children's readers. We shall ensure publication of serialized books and encyclopedias, as scheduled, and attach importance to systematizing and collating ancient books and historical files. In publication work, we shall make efforts to introduce new books and provide reading guidance, in active support of the "China Revitalization" book-reading campaign.

/Culture and Art/ We shall persistently serve the people and socialism, and adhere to the policy of letting a hundred flowers blossom and a hundred schools of thought contend. We shall constantly enhance the ideological and artistic values of literary and art works and performances, promote cultural prosperity, and enrich the people's cultural life. The 35th anniversary of the liberation of Shanghai falls in May this year, and the 35th anniversary of the founding of the People's Republic falls in October. Literary and art workers should strive to create a number of good works reflecting the greatness of our motherland and our era. We plan to sponsor "Mass Music and Dance Activities to Celebrate the 35th Anniversary of Shanghai's Liberation," "Shanghai October Songfest" and the 11th "Spring of Shanghai," in order to add splendor to the socialist literary and art stage. We shall encourage writers and artists to plunge into the thick of life. We shall improve the quality of playwrights, support the creation of modern theatrical work, and make good preparations for the Third Shanghai Theatrical Festival. In film-making, we shall improve the ideological, artistic, and technical quality of films, and produce more films reflecting a great deal about real life, and portray the image of socialist new persons. During the year, we plan to make 16 feature films, 32 cartoons, 105 science education films, and 300 dubbed films.

/Cultural Facilities/ This year, three motion picture theaters and one culture hall were built, providing over 4,400 more seats; construction of five more motion picture theaters and four more culture halls began; construction of a central motion picture theater has been stepped up; and plans to remodel the culture square have been mapped out. A new broadcasting center was built for the broadcasting station, a (?frequency-modulating stereophonic frequency) [tiao pin li ti sheng pin lu 6148 7340 4539 7555 5116 7340] was added to the station, and plans to build a second transmitting station have been mapped out. An animated film plant was built for the television station; channel 26 was added to the station, and will be put into use next year. At the same time, plans are being mapped out to expand the broadcasting and television stations, and to build a new television tower and television programming center. Construction of the Shanghai Arts Exhibition Hall has been stepped up; and plans are being mapped out to expand the Shanghai Library, to build archives and to remodel the Shanghai Museum and

the Natural History Museum. Plans are also being mapped out to build the Shanghai Longhua Memorial Mausoleum for Revolutionary Martyrs and the Memorial Revolutionary History Hall. Renovation and protection of surface cultural relics, ancient architecture and revolutionary ruins will be strengthened. The Shanghai Historical and Cultural Relics Exhibition Hall will be officially opened for visitors, and it will hold exhibitions of Shanghai's unearthed cultural relics.

10. Social Work

With the development of socialist material civilization, we should strengthen spiritual civilization, and positively carry out the various aspects of social work.

/Continue to Carry Out the "Five Stresses, Four Beauties, and Three Warm Loves" Activities/ Build various civilized units, in both urban and suburban areas, in a universal and down-to-earth way. Popularize the experiences of joint actions between the army and people, police and people, workers and peasants, and plants and neighborhoods, in building such units; and create more civilized plants, stores, schools, neighborhoods, lanes and alleys, townships and villages, as well as five-good families, to perpetuate and systemize the "five stresses, four beauties, and three warm loves" activities, and implement socialist spiritual civilization down to the grassroots' levels. Strengthen communist ideological and ethical education; mobilize the broad masses of people to formulate and revise civilization pacts and rules, to establish civilized work style at plants, stores, schools, stations, and in families, and to carry forward the new socialist practices of cementing unity and friendship, and helping and accommodating each other. Strengthen education in social ethics, to include family harmony, neighborhood unity, respect for the aged, love for the young, civility and courtesy; and resolutely protect the lawful rights of old people, women, and children.

/Strengthen Construction of Urban and Suburban Grassroots-level Organizations/ Neighborhoods, lanes, and alleys are living areas for the broad masses of residents. They are the grassroots-level organizations in the city, and are also important places for building socialist spiritual civilization. Disregarding pain and toil, the broad masses of cadres, activists, resigned and retired cadres, retired staff members, and workers in the neighborhoods, lanes, and alleys have worked hard and created extraordinary achievements in their ordinary work. Last year, consolidation of residents' committees was carried out, and those reelected for experimental purposes will be established, by stages and in groups. Experiments will be completed next year. It is necessary to encourage retired staff members and workers, who are physically healthy, to actively take part in the work of the residents' committees. Establish grassroots-level organizations for new residential areas, and strengthen the various aspects of social work. The separation of government administration from commune management for counties on the outskirts has been completed throughout Jiading County, and such separation work will be completed in other counties within the next 6 months. At the same time, it is necessary to practically strengthen the building of residents' committees.

/Organize Various Social Welfare Activities/ Mobilize forces from all circles to adopt various measures to provide convenient and helpful service for the people, such as: Expanding kindergartens and child-care centers, and raising their child protection and educational quality; doing a good job in running messhalls and minors' dinner tables, and showing concern for "latch-key" children [gua yao chi 2171 7011 0555]; developing social welfare undertakings in urban and suburban areas; taking care of the lonely, the aged, and families of martyrs and armymen; making good arrangements for disabled personnel; planting trees and carrying out greening activities; preserving the city's decent appearance and sanitation; and assisting the people's police in maintaining traffic order. It is also necessary to popularize the establishment of household affairs service agencies to relieve the broad masses of staff members and workers of worries about their families; to show concern for the livelihood of retired staff members and workers by running activity rooms for them, and organizing them to take part in various cultural amusement and physical culture activities, to make them happy in their declining years.

/Continue to Strike Relentless Blows at Serious Crime/ Public security and judicial departments should take the initiative to closely coordinate with the court, the procuratorate, and other departments concerned, in continuing to strike relentless blows at various criminal offenders and economic crimes seriously endangering public order. It is necessary to coordinate the efforts of all quarters concerned, by conducting extensive publicity on socialist democracy and the legal system, strengthening education among young people on abiding by the law and discipline, reinforcing education on discipline among workers and staff members, bringing into full play the role of the public security committee, mediation committee, joint teams to ensure public security and prevent crimes, workers' pickets, and neighborhood and alley security posts, and mediating and handling, in good time, disputes between neighbors, and family problems. It is also necessary to intensify the building of the contingent of personnel in public security and procuratorial and judicial affairs, strengthen people's armed police and militia work, perfect the security responsibility system in factories and enterprises, mobilize the masses of people to combat crime and further improve public order, to ensure and promote smooth progress in economic construction.

4. Improvement and Strengthening of the Government's Work

Fellow deputies:

To ensure fulfillment of the various tasks in building socialist material and spiritual civilization in 1984, so that the work in all fields can advance along the direction indicated by the 12th CPC National Congress, we must, in the coming year, implement the guidelines of current party rectification, by persistently correcting mistakes in the course of rectification, resolutely checking those seeking personal gain by taking advantage of their power and position, opposing the bureaucratic attitude of not holding oneself responsible to the party and the people, earnestly improving leadership method and style, and raising work efficiency, by going deep into reality, instead of just attending meetings and reviewing documents.

/Continue to Restructure Government Organizations/ In accordance with the municipal party committee's unified arrangements last year, we first completed readjustment of leading bodies at commission, office and bureau levels in the municipal government. Then, after soliciting opinions from various circles, and holding repeated discussions and study, we formulated, in accordance with the principles of eliminating duplicate organizations, reinforcing comprehensive administrative departments, and gradually separating government from enterprises, delegating more power to enterprises, defining responsibilities and streamlining the government, a plan on restructuring government, which has already been submitted to the party Central Committee and State Council. We trial-merged an office and two bureaus in the department of foreign economic relations and trade, by abolishing the export and import office, foreign trade bureau and bureau for foreign economic relations, and setting up the commission on foreign economic relations and trade. In reinforcing comprehensive administrative departments, we decided to establish a commission on urban and town planning and an audit bureau. We also completed surveys, study, and preparations for restructuring other organizations. In order to strengthen contacts between various departments and enterprises at the same level, we organized several work groups under the current administrative system to reduce disputes over trifles, strengthen cooperation, and promote key projects. In line with the requirement for separating government from enterprises this year, we plan to set up corporations in order to systematically expand the power of enterprises in management and operations, and enable government departments to free themselves from routine work, concentrate on implementing principles and policies, mapping out plans, coordinating work, and developing key projects, effectively perform administrative functions, and assist and support the development of enterprises. Along with the progress in separating government from enterprises, we shall reform and streamline government organizations accordingly.

/Establish and Improve the System of Personal Responsibility/ In establishing and improving the system of personal responsibility, all departments and units should, instead of following a fixed pattern, proceed from reality, and continually perfect the system practically. After the responsibilities and duties of an organization are clearly defined, they must be carried out by the leading cadres and staff members from top to bottom. In instituting the system of personal responsibility, it is necessary to combine the system with the evaluation of performance, rewards and punishments, and reform of the personnel system and, on the basis of evaluation, mete out proper rewards and punishments, and promote and demote accordingly. The system of responsibility for each separate item, which was introduced last year, should be continued. The selection of persons for each item is very important. They must be given power corresponding to their position, capable of fulfilling the tasks and imbued with the spirit of action. To outstandingly fulfill the tasks at each post, under the new historical conditions, cadres assigned to various posts, leading cadres in particular, must renew their study efforts in order to raise their awareness. On the one hand, they must diligently study and grasp the theory of Marxism-Leninism-Mao Zedong Thought and, on the other, study modern science, technology, and management knowledge, and master advanced techniques, methods, and modern management systems.

/Use Consultation and Information Service to Raise the Level of Policy Decisions/ We already have a number of consultation and information organizations and professional personnel in these fields. However, they are neither well organized nor adequately utilized, and their role has not yet been brought into full play. This year we expect to establish several consultation and information centers in the municipality, dealing respectively with questions on economics, science and technology, social development, and international affairs. These centers should gradually commercialize their consultation and information service, actively serve the needs of various units, and act as the government's advisory organizations. In the meantime, we welcome members of the CPPCC Committee, democratic parties, and academic societies as well as experts in various fields to assist the government in developing consultation work. Every department of the municipal government should set up scientific procedures for making policy decisions and work rules. In studying and deciding upon important matters, it is necessary to make full use of the information service and the results of consultations so as to make up for the inadequacy of knowledge and to help make correct judgments and choose the best decision--or, in other words, to be resourceful and good at making decisions. Leaders of all commissions, offices, bureaus and their subordinate units should do two tasks. They should not only excel in directing the work on the first line of production and construction, but should also be responsible for overall planning and be adept at using information and consultations in making plans and policy decision. From a long-term point of view, the latter task--that is, the work on the second line--is of great importance. Each unit should assign a responsible comrade in charge of this task and organize a task force to investigate and study those matters which are of an overall, long-term, and policy nature, to analyze the developments and current trends of the situation, to forecast the direction of the developments, and to set up major work targets. The purpose is to make better and more farsighted planning and to avoid arbitrariness and perfunctoriness.

/Organize Several Campaigns to Improve the Overall Situation/ This year every front is faced with numerous heavy tasks. While ensuring the fulfillment of the above-mentioned plans, all departments should decide on the emphasis of their work from the overall point of view and effectively focus their efforts on several key campaigns. Development of these campaigns will also be a process for educating, training, selecting, and tempering the cadres and improving the quality of the cadre ranks. Our initial plan for this year is to launch six campaigns, which will be carried out under the unified planning and command of the municipality. Some of these campaigns will be completed within this year; others will take several years to complete but will yield certain results this year. The objectives of these campaigns are:

1. To change the look of our products. In an effort to upgrade old products, develop new ones, and achieve the three "500 products" targets, industrial departments should create 200 fine-quality famous-brand products during this year. They should see to it that the product quality is top grade, their technological and economic norms achieve advanced levels, and the products are competitive in both domestic and international markets.

As for township and neighborhood industries, each township and neighborhood should try to have a product or a technological process with unique features in carrying out the activities of "one township, one product," "one neighborhood, one product," and "one plant, one product."

2. To change the city's appearance. We will carry out systematic urban planning and construction covering an area from west to east, which includes the Hongqiao Airport, Hongqiao New District, the buildings near the Jingan Guesthouse, the building of the Shanghai Exhibition Hall, the buildings near the Jinjiang Hotel, the buildings on the people's square, and the bund. This will bring about a change in the looks of the old central area in the municipality. We expect to complete the first-stage project of Hongqiao Airport in September and the groundwork for construction of Hongqiao New District within the year. Design and preparatory work for the exhibition hall expansion project should also be completed within the year. By the end of this year we should also make plans, assign responsible persons, and start preliminary work on the other projects.

3. To take new steps to promote domestic cooperation. To meet the requirements to make more fine-quality famous-brand products and integrate the supply, production, and marketing work, we should take administrative and economic measures to promote cooperation within each trade, cooperation between different trades and departments, and in particular, we should attach importance to cooperation between Shanghai and other provinces and municipalities. This year we should start with cooperation in the production of bicycles, television sets, and washing machines as experimental projects to open the work on this endeavor.

4. To make new advances in opening to the outside world. We should speed up the work of using foreign funds in renovating the Minhang and Hongqiao districts. We should make proper arrangements for projects which use foreign funds and try to start on several construction projects within the year. Persons should be assigned responsibility for the projects, and measures should be worked out covering ventures with single or joint investments.

5. To make breakthroughs in developing new technologies. By the end of this year we should establish five microelectronics industry complexes, and two bases and one center for developing other new technologies. First of all, we should solve the problem of how to popularize the use of micro-computers, and carry out experimental work in 27 fields, including the design and management of auxiliary equipment, production control, and the manufacture of sophisticated products. We should try to acquire experience in software design, personnel training, and the application and maintenance of equipment.

6. To make a big effort to promote enterprise-type operations of companies, with the goal of organizational restructuring. This year we should conduct experiments on promoting enterprise-type operations in metallurgical and textile industries and in the garment export corporation and the joint electric appliances corporation. We should give them more power of decision with regard to personnel, financial affairs, property, supply, production,

and sales so as to gain experience to be used in gradually disengaging the government from enterprise operations.

Among the tasks for this year, I would like to point out, in particular, 15 projects which are closely concerned with the people's daily life: 1) New housing units with a total floor space of 4 million square meters will be completed. 2) Five overhead bridges downtown and five overhead bridges over the railways will be completed. 3) Six transformer station projects will be completed. This will increase the power supply capacity by 100,000 KVA. 4) Quyang sewage treatment plant with a daily capacity of 75,000 metric tons will be completed. 5) Measures will be taken to basically eliminate smoke pollution in four urban districts. 6) An additional 60,000 households will be supplied with coal gas. 7) An additional 30,000 households will have running water. 8) Steady supply of vegetables will be ensured five kinds of vegetable production bases will be built. Two production brigades of Hongqiao Commune will be selected as experimental units to improve vegetable supply this year. 9) Milk supply will be increased from 570,000 to 780,000 bottles per day. 10) Production of freshwater fish will reach 500,000 dan, and efforts will be made to surpass this target. 11) Hospital beds will be increased by 1,000. 12) A new frequency will be added to the fm stereo radio broadcast, and a new channel will be added to the television station. 13) Three movie theaters and a cultural hall will be constructed. 14) Three new public parks will be built, and three existing parks will be expanded. 15) Scientific childcare centers focusing on the nutrition and health care of children and the training of teachers will be established. These 15 projects must be completed this year.

In order to fulfill the tasks for 1984 and strive to create a new situation, it is necessary to further mobilize the people in the whole municipality and unify their thinking and their actions. We must take the situation as a whole into consideration, discuss important matters together, polish our own professional skills, and, regarding the reinvigoration of the Chinese nation as one's own task, combine the implementation of the guidelines of the 12th CPC National Congress with the work of each department and unit by concentrating on the modernization drive and going all out to push the national economy forward. We must, on the basis of developing production and in accordance with our needs and capabilities, make overall arrangements for various construction projects and the people's livelihood in the order of importance and urgency in order to ensure key construction projects on the basis of a comprehensive balance. To achieve greater results with less funds, we must pay keen attention to doing a solid, penetrating and meticulous job in all fields of work by conserving manpower and material and financial resources, making careful calculations and budgeting strictly, overcoming waste and stressing efficiency and results. On the basis of steady progress, we must constantly bring forth new ideas and reform links incompatible with production relations and the superstructure in order to fully mobilize the enthusiasm of the broad masses of workers and staff members. We must also continuously strengthen the ideological and political work; correctly handle the relations between the whole and its parts and among the state, the collective and the individual; assume a correct attitude toward temporary difficulties and problems; and carry forward the

revolutionary spirit of building enterprises through arduous efforts. After the completion of a campaign, we must make sure that we have achieved some progress and that the quality of the ranks has been raised and, at the same time, make preparations for next campaign, thus quickening the pace of the work in all fields in Shanghai in a solid manner.

Fellow deputies: The people of the whole municipality fervently hope that the economic, scientific and technical, and social development of Shanghai will speed up. We are convinced that, by relying on the broad masses of workers, peasants, intellectuals and cadres at various levels in the whole municipality, hard work and unity under the guidance of the spirit of the 12th CPC National Congress; under the correct leadership of the party Central Committee and State Council; with the enthusiastic assistance from all State Council departments and fraternal provinces, municipalities and autonomous regions; and with warm support from the people of all nationalities in Shanghai, democratic parties, people's mass organizations, personages from various circles and PLA commanders and fighters, we will certainly be able to triumphantly fulfill all the tasks for 1984 and create a new situation in socialist modernization in Shanghai.

CSO: 4006/449

ECONOMIC PLANNING

GOVERNMENT ARRANGES SECOND QUARTER INDUSTRY

HK070558 Changsha Hunan Provincial Service in Mandarin 2310 GMT 6 Apr 84

[Text] Vice Governor Yu Haichao stressed at a meeting of responsible persons of industrial departments and bureaus convened on 6 April by the provincial government: At present the industry and communications must take advantage of the favorable opportunity provided by ample electric power to get a good grasp of industrial and communications production in connection with party rectification during the second quarter, and strive for a rise of more than 10 percent in output compared with the same quarter last year.

Vice Governor Yu Haichao said: Rain has fallen throughout the province since late March, and there has been a big rise in hydroelectricity output. Hence all industry and communications departments, bureaus, and enterprises must have a sense of urgency for getting on with production. Growth during the second quarter must not be lower than the level for the whole country last year. All enterprises must correct their guiding ideology for running industry and put job responsibility systems on a sound basis. There must be relative stability among the leaders organizing production. There must also be clear divisions of work. The sections and offices of the departments and bureaus must specify their responsibilities and assign people to handle problems to the end, when they occur.

Vice Governor Yu Haichao demanded that the production, materials, and commerce departments establish the overall concept. They should not stress their own difficulties. It is also necessary to pay attention to production safety, make good arrangements for the workers' daily life, and ensure that they have ample energy for production.

(Dong Liangli), vice chairman of the provincial economics committee, suggested that during the second quarter all departments, bureaus, and enterprises get a good grasp of both party rectification and production and ensure that the former stimulates the latter.

CSO: 4006/450

ECONOMIC PLANNING

CONFERENCE OPENS ON MINORITY-NATIONALITY ECONOMY

HK111339 Changsha Hunan Provincial Service in Mandarin 1100 GMT 9 Apr 84

[Excerpts] This morning, at the provincial conference on production and livelihood in the minority-nationality areas, Vice Governor Cao Wenju emphatically pointed out: We must further relax policies and must develop the economy in the minority-nationality areas. All places, government at all levels, and all relevant departments must do work in a down-to-earth manner to develop production and improve the masses' livelihood in the minority-nationality areas.

Comrade Cao Wenju said: Our province is a province which has 39 minority nationalities and 2.42 million people of minority nationalities, which account for 4.4 percent of the total population of the whole province. Since liberation, under the leadership and concern of the party and people's government, the economy in the minority-nationality areas has greatly developed and the livelihood of people of all nationalities has been obviously improved and enhanced. However, due to various reasons, many difficulties and problems still exist in production and livelihood in the minority-nationality areas in our province. With a view to helping the minority-nationality areas to develop production and constantly improve the masses' livelihood, the provincial government has decided to further relax the policies on forestry production and trade. Subsidies must increase and aid funds must be issued.

The provincial conference on production and livelihood in the minority-nationality areas throughout the province opened in Changsha yesterday. Attending the conference are representatives from all prefectures, autonomous prefectures, cities, and counties and from relevant units at the provincial level, totaling 170 people.

CSO: 4006/450

ECONOMIC MANAGEMENT

NOTED ECONOMIST SPEAKS TO REGIONAL CADRES

HK090544 Nanning Guangxi Regional Service in Mandarin 1130 GMT 7 Apr 84

[Text] On 4 April, Comrade Yu Guangyuan, a well-known economist, delivered a report to the cadres of the regional organs on the problem of speeding up economic development. In his report, Comrade Yu Guangyuan said: In order to speed up economic development, it is first necessary to have the desire to speed it up. One cannot always fall behind others. The key to speeding up economic construction lies not in high quotas, but in the measures really for speeding it up. Speed is increased not for the sake of figures, but for meeting the actual needs of society and for improving the people's living standard.

Comrade Yu Guangyuan emphatically said: In speeding up economic development, it is first necessary to rely on the policies. The power of a policy is unlimited. It can arouse people's enthusiasm to the greatest extent. The party's policy since the 3d Plenary Session of its 11th Central Committee is a policy to make the people rich. It is necessary to regard whether or not the people have become rich as the criterion for judging what is correct and what is not within the party. Those things which are not in keeping with the policy of making the people rich should be resolutely changed.

Second, it is necessary to rely on science. Here, science refers not to a particular science, but to science in general. The present problem is to make our work scientific. The mistakes we made in the past were the result of an absence of science. The development of science requires money and knowledge. However, what is even more important is ideology. That means, it is necessary to emancipate our thinking.

Third, it is necessary to rely on education. One of the weaknesses of our present education is that schools are not established according to the structure of knowledge but according to the kinds of schools which have existed in history. There should be a set of flexible and varied methods in education. Also, it is necessary to eliminate the unitary educational system. At the same time, it is necessary to make a success of adult education. In order to exploit the intellectual resources, it is first necessary to exploit the intellectual resources among the cadres, particularly the leading cadres.

Finally, Comrade Yu Guangyuan said happily: There is a scene of reinvigoration in Guangxi and it has a bright future. Guangxi can certainly make a success of economic construction and it will not disappoint General Secretary Hu Yaobang's expectations.

At the report meeting, Comrade Qiao Xiaoguang, first secretary of the regional CPC committee, said: Comrade Yu Guangyuan's report is very helpful to us. We are studying and solving the problem of speeding up economic development.

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ECONOMIC MANAGEMENT

LI SHUKAI SPEAKS AT ECONOMIC CONFERENCE

SK030535 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 2 Apr 84

[Text] The provincial conference on the economic, scientific, and technological work opened yesterday in Shenyang. On behalf of the provincial people's government, Comrade Li Shukai, chairman of the provincial economic commission, called on workers and staff members on the provincial economic, scientific and technological fronts to emancipate the mind and persistently carry out reforms so as to create a new situation in raising our province's economic results.

Comrade Li Shukai said: To create a new situation in raising our province's economic results, we must develop a series of work to improve enterprise quality, readjust various professions and trades, and strengthen the broad economic management. Efforts should be made to emancipate the mind, uphold reforms, gradually bring relations between various economic sectors into better balance, and modernize enterprise technology, management, and worker ranks in a planned and step by step manner. This year, in line with the general goal of vitalizing Liaoning and serving the whole country, great efforts should be made to increase production, tax, and profit and revenue simultaneously.

The main subject of this conference held by the provincial people's government is to implement the guidelines of the national economic, scientific, and technological work conference, sum up the 1983 work, and plan for the 1984 work, centering on raising economic results.

In order to create a new situation in raising economic results, Comrade Li Shukai called for paying attention to eight items of work this year, which involves organizing production on schedule, renewing and upgrading products, continually halting deficits and increasing profits, carrying out enterprise consolidation, popularizing modernized management, raising enterprise quality, carrying out experiments for reorganizing trades and professions in an effort to promote integration, producing quality and brand-name products, strengthening the ideological and political work among workers and staff members, persistently carrying out reforms, and enlivening the economy.

Comrade Li Shukai also set forth 10 specific policies for enlivening the economy which will be implemented after being discussed and adopted by the meeting.

At yesterday's meeting, Comrades (Jin Yiping) and (Ji Zhong) respectively spoke on the scientific and technological work and on enterprise's political work.

CSO: 4006/450

ECONOMIC MANAGEMENT

LI RUIHUAN ON INDUSTRIAL, AGRICULTURAL TASKS

HK120257 Tianjin City Service in Mandarin 2330 GMT 3 Apr 84

[Text] In his government work report delivered to the 2d session of the 10th municipal people's congress, Tianjin Mayor Li Ruihuan said when speaking on creating a new situation in improving economic results this year: In light of the actual conditions of Tianjin, we should make relatively great progress this year in improving economic results in at least the following four aspects:

1. Solve the problem of changing the ideology. In all economic work, we must ensure that improving economic results is treated as the central task, and that the quality of economic results is regarded as the main hallmark for judging the performance of the economic departments and the enterprises.
2. Improve the operational, management, technological, and personnel quality of the enterprises, and change the enterprises from production to production operations. We must raise their adaptability and competitiveness.
3. The products of the enterprises must meet the needs of society and succeed through superior quality. They must meet market needs and be produced and sold in large numbers.
4. Reduce human labor input and material input to the minimum, to bring the major economic and technical indices up to the demands of the state plan. More enterprises should achieve synchronous growth of production, profits and taxes, and financial turnover to the state.

By making progress in these four aspects, our economy will have taken an important stride forward and the foundation will have been laid for achieving a benign cycle in economic construction.

Mayor Li Ruihuan said: In order to achieve these goals, we must be resolved to carry out readjustments. We must change the idea, which has prevailed for a long time, of seeking a full range of industrial categories. In accordance with market needs and production characteristics, we must get a good grasp of planning the different trades and sectors and carry out readjustment, reorganization, and transformation according to trades and sectors.

We must work hard to consolidate the enterprises. This work must be launched in an all-round way in all enterprises in the municipality this year, and all must strive to meet the acceptance demands.

We must work hard at relying on technological progress. We must apply new techniques, skills, equipment, and materials to transform old enterprises and products, introduce new generations of products, and improve product competitiveness in the markets.

We must make great efforts to enliven circulation. We must do a good job in organizing and coordinating the production and circulation fields. The industrial departments must attach importance to the markets and truly organize production according to social needs. The commercial, foreign trade, material supply, and other departments must actively expand the circulation channels, support and spur industrial production, and integrate supply, production, sales, and transport, so as to turn product superiority into commodity superiority and then into superiority in economic results.

Mayor Li Ruihuan said that there should be relatively great development of rural commodity production in Tianjin's suburban counties this year. He said: The central document No 1 of 1984 points out that the stress in rural work this year is, on the basis of stabilizing and perfecting the production responsibility systems, to raise the level of the productive forces, clear the circulation channels, and develop commodity production. This instruction fully suits the actual conditions of Tianjin and must be seriously implemented. We must speed up the development of the new situation already created in the municipality's rural areas.

Mayor Li Ruihuan said: There must be further development this year in agriculture, forestry, animal husbandry, sideline occupations, and fisheries in the suburban counties. We must give priority to the production of nonstaple foodstuffs for the urban areas. In vegetable production, while ensuring supplies of the popular varieties, we must promote balanced supply of all varieties, raise the output of expensive varieties, and improve the quality of supply. There should be big increases in production and marketing of meat, eggs, poultry, milk, fish, and fruit. We should strive for a relatively great increase in grain output, on the basis of raising yields.

There should be new developments in township and town industries. There should be a marked rise in the commodity rate in all agricultural production. We must further perfect the responsibility system with payment linked to output.

The specialized households and households doing specialized jobs are new things that have emerged in the process of practicing the contract responsibility system. They are of extremely important significance in developing commodity production. We must resolutely protect and fully support them. At the same time, we must encourage the development of economic combines of all types.

We must devote the greatest efforts to clearing the circulation channels and doing a good job in service work of all types. We must actively develop township and town industry, with the focus on the fodder and foodstuff industries, the processing of agricultural and sideline products, traditional handicrafts, and the building and building materials industries, and let them play the role of filling in gaps in the municipality's industry and of cooperating and coordinating with it.

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ECONOMIC MANAGEMENT

EDITORIAL ON RAISING ECONOMIC RESULTS

SK090631 Shenyang LIAONING RIBAO in Chinese 18 Mar 84 p 1

[Editorial: "Be Determined To Carry Out Reform and Raise Economic Results"]

[Excerpts] Our province made great progress in economic work in the past year. Our economy is developing well now. In this excellent situation, we should stay sober-minded, eliminate the idea of being unrealistically optimistic, overcome the state of fearing difficulties and being dispirited, conscientiously sum up our last year's experience and lessons in economic work, correctly understand our province's economic work, implement the guidelines of the national economic work conference, be inspired with enthusiasm, go all out, capture a new victory in this year's industrial and agricultural output, and create a new situation in raising our province's economic results.

In order to implement the guidelines of the national economic work conference, we must conscientiously sum up our past year's economic work. In 1983, under the guidance of the spirit of the 12th Party Congress, the people of the whole province unswervingly implemented the principle of readjusting, restructuring, consolidating, and improving, concentrated on raising economic results, were united as one, went all out to make the country strong, and worked hard. Therefore, a new breakthrough and progress were made in economic work and a new situation in the economic work of Liaoning was created. Marked achievements are as follows: 1) We reaped bumper agricultural harvests with grain output surpassing 27 billion jin; 2) our total industrial output value surpassed 50 billion yuan; and 3) we changed the situation in which our revenue progressively decreased in 3 successive years and overfulfilled the state-assigned revenue plan. Since the beginning of this year, our economic situation has been good. In January and February, the total industrial output value of the province showed substantial increases over the corresponding period of last year and surpassed the average growth rate of the whole country.

The better the economic situation, the more we should stay sober-minded and the more we should conscientiously seek truth from facts to check and sum up the 1983 economic work. We should summarize and analyze how we made the achievements in 1983, fully estimate our objective favorable conditions, correctly estimate our subjective role, get rid of blindness, and strengthen our consciousness. Our great agricultural harvests in 1983 are the result

of good policy, heaven's support, and people's efforts. However, the results of good policy and heaven's support were obvious, because our province has no strong ability to defend against natural disasters, and, to a certain extent, we rely on weather conditions. The growth of industrial speed and economic results depends to a larger extent on the expansion of key projects and the expansion of market capacity. Many problems exist in our economic work. For example, we do not have good economic results, and our profit level is low. The quality of some industrial products, especially light industrial products, is low, and the prices of these products are high. Industrial, especially light industrial fronts lag behind in producing marketable products or have no strong competitiveness. Their business and management level is low, and their consumption and cost are high. We lag behind in conducting technological transformations and reforming the economic system.

Through the study of party rectification documents, we should make leading cadres at all levels and the people of the province energetic, foster in them an idea of being determined to carry out reform and bravely creating a new situation, and make them have a cautious and conscious attitude toward work and have an indomitable and brave spirit to improve our province's economic work as soon as possible and to create a new situation in our province's economic work.

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ECONOMIC MANAGEMENT

SHAANXI APPROVES ECONOMIC IMPROVEMENT PROPOSALS

HK120352 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 11 Apr 84

[Text] During the provincial economic work conference, the provincial CPC committee and government approved 10 proposals put forward by the departments concerned on enlivening the economy, expanding enterprise decisionmaking powers, and strengthening the economic responsibility systems. The 10 proposals are as follows:

1. Expand the powers of factory managers to appoint and dismiss cadres [passage indistinct]. Factory managers should have the power to hire specialized cadres and to dismiss incompetent personnel in accordance with the regulations on reward and punishment for staff and workers and on contracts.
2. Abolish the lifelong tenure system for cadres. Factory managers should have the power to select and employ cadres from among an enterprise's workers, in accordance with requirements. When these are not required any more or are unsuitable, they should revert to being workers without retaining their cadre status. They should truly be able to go either up or down and act as both cadres and workers.
3. Excess profits made by profit-making enterprises should be apportioned out. Loss-making enterprises should institute a contract responsibility system for losses, with rewards and punishments.
4. Large and medium enterprises that have already turned from deficit to profit and whose profits exceed a reasonable amount for retention should in principle switch from profit delivery to tax payment. Certain enterprises in difficulties can be taken care of for 1 more year and practice responsibility for profit or loss or else turn a certain amount of profit over to the state. The part of profit made by enterprises running at great profit that exceeds a reasonable amount for retention should be apportioned out, most of it being retained in the enterprise.
5. Expand the power of control over wages and bonuses. Bonuses should be linked to taxes and profits, and float according to the rise or fall of taxes and profits, with no set ceiling or floor. Enterprises can use bonus funds to institute duty and job subsidies, floating grades, and floating wages.

6. Enterprises should reach agreement through consultation with the prefectures and cities and the departments and bureaus in charge regarding projects involving the use of their own capital in technical transformation in accordance with state demands, where investment is below 500,000 yuan.

7. Institute contract responsibility systems for technical transformation projects, and sign contracts for them.

8. Institute single-item rewards for outstanding products.

9. Small state-owned enterprises should adopt the methods of being owned by the whole people and operated by the collective, with the state levying the taxes, and themselves holding sole responsibility for their own profit or loss. The enterprises should themselves decide on operational methods, wage distribution, product varieties, and so on.

10. A certain proportion of products covered by the state plans can, with approval, be sold by the enterprises themselves, in accordance with the regulations.

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ECONOMIC MANAGEMENT

HEBEI SEEKS WAYS TO SOLVE ECONOMIC PROBLEMS

HK101042 Shijiazhuang Hebei Provincial Service in Mandarin 0430 GMT 4 Apr 84

[Text] By applying the method of combining efforts of leaders with those of the masses and efforts of party members with those of nonparty members, and centering around the general tasks and objectives set by the 12th CPC National Congress, the party group of the provincial economic committee has, since the second half of February, held repeated discussions to analyze problems in the province's industrial production and reasons for them and worked out ways to create a new situation in this field.

Through full discussions, all party group members pointed out that the major problems existing in the province's industrial production at present can be categorized as follows: Conservative management, outmoded equipment, low level of technology, poor properties and quality of products, lack of variety, low rate of growth, poor economic results, and noncompetitive markets. The evident causes of the appearance of this situation are: Inadequate efforts in carrying out the party's line, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee; restrained efforts in setting things right; and insufficient efforts in eradicating leftist influences. The visible manifestations of these problems are:

1. Wavering in readjustment of industry, failure to take the problem of readjusting industry into consideration as a whole, failure to take effective and resolute measures to rebuild the structure of large enterprises, and failure to check with main strength the blind trend of building new redundant enterprises. In the past few years, more than 2,100 industrial enterprises have been shut down, or their operations suspended, amalgamated with other enterprises, or switched to the manufacture of other products. But on the other hand, more than 1,460 new enterprises have been built.
2. Lack of spirit in blazing new trails, being satisfied with the existing state of affairs, and being inured to beaten tracks.
3. Poor quality of leading bodies, lack of determination to solve knotty problems of long standing, poor quality of workers and staff members, and low level of management.

To deal with these problems, the provincial economic committee has initially pointed out focal points of the 1984 work.

1. Make continued efforts to carry out readjustment of industry. Efforts must be made first to seek unity of thinking, to change the situation in which departmental management is separated from regional management and each does things his own way, to give full play to the role of key cities, and to restructure and combine enterprises in line with the principle of promoting coordination among specialized enterprises.
2. Improve enterprise management and follow a more flexible policy toward collectively-run enterprises and small state-run enterprises. The principle of running business independently, electing directors in a democratic way, recruiting workers openly, and establishing the system of floating wages should be carried out in collectively-run enterprises, while small state-owned enterprises should be based on ownership by the whole people and collective management, changing the situation of "eating from the same big pot," and making continuous efforts to establish different forms of the responsibility system so that the remuneration of workers and staff members can be closely linked with the fruit of their labor according to the principle of more pay for more work.
3. Do a good job in carrying out the all-round enterprise consolidation. Some restructured leading bodies should be reinforced and consolidated if they have insufficient cadres in a specific field. After leading bodies of enterprises are restructured, priority should be given to enterprise consolidation and management work and efforts should be made to offer workers and staff members technical and vocational training, to promote modern management methods, and to enhance enterprise quality.
4. Achieve greater progress in the technical field. The main tasks this year are to straighten out economic relations, to lay a sound foundation, to work out practical plans, and to stress the essentials. For example, the textile industry should improve work in printing, dyeing, producing more finished cloth, and increasing designs, colors, and varieties so as to be able to meet the needs of market at any time. Meanwhile, the pharmaceutical industry should be geared to the needs of world markets, increase technical facilities, and develop new products. We must work hard to attain the goal of increasing gross output value of industrial production by 6 percent, taxes and profits by 7 percent, and that part of taxes and profits turned over to the state, by 8 percent.

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ECONOMIC MANAGEMENT

HUBEI RADIO ON DISINTEGRATION OF ECONOMIC GROUP

HK120630 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 10 Apr 84

[Station "short" commentary: "This Should Not Be Taken As a Precedent"]

[Text] In view of the disintegration of the Yu Chunqiao economic combination, the Xiaogan Prefectural CPC Committee formulated six regulations on the development of economic combinations. These regulations will protect the initiative of the peasants in getting rich through labor and enable them to freely promote production and increase income and to gradually get rid of poverty. The disintegration of the economic combination shows that in the current development of rural commodity production, it is necessary to continue to eliminate the influence of the leftist ideology. There were two reasons for the disintegration of the Yu Chunqiao economic combination; one was that the three brigade leaders wanted to exercise control of the combination, and the other was that some other cadres outside took advantage of their positions and power to assign their relatives to the combination. The old conventions these cadres stuck to hampered the initiative of the peasants in getting rich through labor and voluntary combination and greatly obstructed the development of rural commodity production.

The disintegration of the economic combination also shows that in the countryside, especially in the economic combinations, it is necessary to oppose egalitarianism and prevent such phenomenon as everybody eating from the same big pot in a collective unit. It is necessary to pay equal attention to dispelling the misgivings of some peasants who are afraid of becoming rich and to preventing egalitarianism when some peasants have become rich. It is necessary to do our best to encourage some peasants to get rich before the others so that they can become examples for others. It is necessary to work out regulations to support and develop economic combinations. Such cases as putting pressure on the economic combinations and forcing them to break up should never be repeated.

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ECONOMIC MANAGEMENT

HUBEI ADOPTS MEASURES TO SUPPORT ECONOMIC GROUPS

HK120619 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 10 Apr 84

[Text] The Yu Chunqiao economic combination disintegrated due to administrative interference. In view of this, the Xiaogan Prefectural CPC Committee formulated six regulations at the beginning of April to support the development of economic combinations. The regulations emphasize that economic combinations are independent organizations of the cooperative economy, enjoying equal rights with other forms of economic organizations. No unit or individual is allowed to arbitrarily interfere in the affairs of these organizations, whether in their personnel, financial, or business affairs, or to embarrass them under any pretext, such as forcing them to help households in difficulty and so forth.

Yu Chunqiao was a young party member in Jingji township, Hanchuan County, who was a sponsor of an economic combination, including two processing factories, one for green fodder, and the other for prefabricated components. In 1981, the average income of the seven members of the economic combination was 3,000 yuan. In 1982, five brigade leaders successively put their children and relatives into this economic combination. This year, a deputy secretary of the township CPC committee, whose family does not live in this township, also made his son a shareholder of this combination. Thus, up to this year, there were already 25 households in this combination. However, some grassroots cadres urged them to carry forward good traditions and help other specialized households and economic combinations. They had no choice but to lend some 4,700 yuan to those households and combinations, despite their own difficulty of lacking production funds. On the other hand, three brigade cadres, who are also members of the economic combination felt that they did not have control of the personnel and financial powers, and spread the rumor that the combination would be taken back by the production brigade. Under such circumstances, the Yu Chunqiao economic combination was forced to break up. The Hanchuan County CPC Committee and the Xiaogan Prefectural CPC Committee attached great importance to this case and sent an investigation team to this township to handle the case and help Yu Chunqiao organize a new economic combination.

In light of the existing problems in the development of economic combinations, the Xiaogan Prefectural CPC Committee recently formulated six regulations

on strengthening leadership over the economic combinations, respecting their decision-making power, further promoting their healthy development, and so forth, requiring that leading cadres of various counties and cities go deep into realities and carry out an examination of the economic combinations so as to discover and solve problems in good time.

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ECONOMIC MANAGEMENT

OBJECTIVE BASIS FOR FLOATING WAGE SYSTEM STUDIED

HK170942 Beijing JINGJI GUANLI in Chinese No 2, 5 Feb 84 pp 16-20, 15

[Article by He Tianzhong [6320 1131 0022]: "Objective Basis and Theoretical Foundation for the Floating Wage System"]

[Text] Editor's note: The reform of the wage system is an important aspect of the restructuring of the economy. How should China's wage system be reformed? Can some of the methods for floating the wage tried out in different places be taken as the principle and orientation for designing a new wage system? Opinions are still divided. This article and the following one represent two diametrically opposed views. It is hoped that our readers will express their opinions on this question so that we can probe into it in greater depth. [End editor's note]

The 3d Plenary Session of the 11th CPC Central Committee put forward the historic task of restructuring the economy. In his report on the work of the government delivered at the first session of the Sixth NPC, Comrade Zhao Ziyang also made the reform of the wage system a key task in the all-round restructuring of the economy. With a view to promoting research in this connection, some scholars and comrades engaged in wage work have, since 1983, been voicing their opinions for or against linking up the wages of the workers and staff members with the fruits of enterprise operation, the floating of total wages under contract, and the introduction of the floating wage system. Taking a close look at different views is both necessary and useful for mapping out programs and plans for wage reform and for preventing errors. I think that practice over the 3 decades and more since the founding of the PRC and the objective demand for achieving better economic results both point to the need to introduce a floating wage system which links the wages for the workers and staff members with the fruits of enterprise operation. In this article, I shall say a few words on the objective basis and theoretical foundation for the floating wage system in the hope that they will lead to more indepth discussions.

A Major Drawback of the Present Wage System Is That the Wages of the Workers and Staff Members Are Not Linked With the Fruits of Enterprise Operation

Differences in opinion on the wage reform have their roots in people's understanding of the problems with the present wage system. Some comrades consider the unreasonable wage scale and the lack of correspondence between

duties and work, on the one hand, and wages, on the other, to be the major drawback of the present wage system. Others see the lack of correspondence between the wages of workers and staff members and the fruits of enterprise operation as the main drawback. I think the first problem does exist and that there is quite a powerful voice among the workers and staff members demanding its solution. However, if we get to the root of the matter, we shall see that although mistakes in our macroeconomic policies at one time did account for our slow rate of wage increase and the fact that there had been no promotions for quite some time, that remuneration and work do not match, that grades and duties do not correspond, and that wages for middle-aged intellectuals were too low, it was chiefly because of poor economic results that the state found itself without the necessary financial and material resources to increase wages. An important cause of poor economic results is that the wages of workers and staff members are not linked with the fruits of enterprise operation, that is, the role of wages as an economic lever has not been brought into play.

The fundamental criterion for judging the soundness of a wage system is to see whether the principle of to each according to his work has been truly carried out. The implementation of this principle involves two key questions: How to scientifically evaluate "labor" and how to pay the right amount of "remuneration." Thus, in the reform of the wage system, the central issue is to properly handle the relationship between "labor" and "remuneration" so as to promote the development of production.

Before laborers enter the processes of production or of work, there is a disparity among their potential capacities for labor (both intellectual and physical) or the qualities of labor. After entering the process of production, the effectiveness of a person's labor varies according to the requirements of different posts. Marx said: "While the laborer is at work, his labor constantly undergoes a transformation. From being motion, it becomes an object without motion; from being the laborer working, it becomes the thing produced." ("Das Kapital," Vol 1, p 214) In this passage, he was referring to the interrelationship between the fluid and the materialized forms of labor and their effectiveness. In view of this situation, when we carry out distribution according to work, we must first of all correctly work out how we are going to reflect the disparity between one's capacities for labor and actual labor before deciding on the wages for workers and staff members. Should we take the potential capacities for labor and the fluid form of labor as the principal basis for working out wages for workers and staff members, or should we take the materialized (congealed [ning jie 0413 4814]) form of labor as the principal basis? If we take the materialized form of labor as the principal basis, there is the question of what is the most important factor in determining the wage income of a worker or staff member: The fruits of his own labor or the fruits of enterprise operation? Opinions on these questions of theory are always varied.

The 1956 wage reform merely transplanted a wage system from another country. The main feature of this system was that a system of wage grades was taken as the basis for carrying out distribution according to work. Wages for workers and staff members were chiefly governed by wage grades and promotions

which reflected their potential capacities for labor and changes in these capacities. Although materialized (congealed) labor was sometimes taken into consideration, it was merely limited to the fruits of one's labor and had nothing to do with the fruits of enterprise operation. Therein lies the crux of the problem. Engels said that distribution should be decided by the amount of products to be distributed. The situation before the 3d Plenary Session of the 11th CPC Central Committee was not that we were without a standard for wages. What was wrong was that there were disproportions between accumulation and consumption funds in society and between the two major branches of production, and economic results were poor. There was a lack of consumption funds for making wage adjustments, and there were not that many consumer goods for distribution either. This had a lot to do with the defects in our wage system.

In the past, total wages and the level of wages were determined by the state. They were based on the total volume of materialized labor of the whole country and on its form of value, that is, on the gross output value of industry and agriculture and national income. Distribution according to labor in the potential or fluid form, on the other hand, was carried out directly by the state and not by the local authorities or departments. In particular, distribution was not carried out by the enterprises--economic entities where material wealth is created and output value realized. Although the state assigned tasks to the enterprises by dictating production, technical, and financial plans to them, the localities, departments, and enterprises could only receive in distribution fixed sums for defraying expenditure and wage payment according to a fixed state plan for total wages and a unified system, regardless of how well or poorly they implemented these plans, how good or bad were their economic results, how much value-realizable goods they furnished, or how much taxes and profits they handed over. Workers and staff members could receive wages according to the standard wage scale stipulated by the state, could be promoted, and could receive above-quota piece wage after fulfilling the quotas, even if the goods produced by their enterprises were long kept in stock and unmarketable and their enterprises had to cease operation. In other words, the enterprises and their workers and staff members did not have to assume economic responsibility for the fruits of operation in paying or receiving wages. Thus, there was no inner organic link between the state's unified arrangements for income from production and for wage payments. Because of this, wage funds for unified payment by the state did not have a reliable material guarantee.

Practice over the years shows that in the distribution of gross social products and national income, we did not have a relatively stable ratio which could, on the whole, reasonably reflect the interests of the state, the enterprises, and the workers and staff members. Neither did we have clear-cut provisions concerning responsibility, power, and interests. The enterprises and the workers and staff members did not play any part in formulating policies for the distribution of wealth (net value) created by themselves. If we cling to the method of letting the enterprises all "eat from the same big pot" of the state and letting the workers and staff members all "eat from the same big pot" of their enterprise, and if we do not give the working

class a chance to play a better role as masters in the economic field, we will never be able to fully arouse the enthusiasm of the masses, achieve better economic results, create more wealth, and fundamentally solve the problem of the discrepancy or widening gap between "labor" and "remuneration." This system of wage distribution did not take into account the wealth created by the enterprises and their workers and staff members. Those at the lower levels always asked for more but the small annual increase in the wage funds of the state was hardly able to satisfy the demands of the grass-roots units. Such a system encouraged the enterprises and the workers and staff members to rely solely on the state when they should be paying more attention to their production and operation and to their economic results. The enterprises and the workers and staff members also found that they no longer had any inner motivation and pressure where material interests were concerned. Thus, whether or not wages for workers and staff members should be linked with the fruits of enterprise operation is not merely a question about the specific method of wage distribution. It is an important issue about whether or not we should implement a system of economic responsibility characterized by the combination of responsibility, power, and interests in the operation and management of enterprises, whether or not we can set free the potentially inexhaustible energy of the enterprises and the workers and staff members and achieve better economic results quickly.

The Floating Wage System Is a Breakthrough in Wage Reform

The state made five upward adjustments in wages in the years between the downfall of the "gang of four" and 1982. Whether it was unified promotion across the board or promotion for particular departments and regions, the approach was basically the same as before, that is, unified payment from state revenues (with the enterprises listed as cost). The principle of unified promotion prescribed by the state basically does not involve the results of the operations of the enterprises. The workers and staff members were not properly assessed. More often than not, everyone got his promotion. This method of promotion basically does not involve the materialized labor of the workers and staff members and the fruits of enterprise operation (and is also incompatible with the potential and fluid forms of labor). As a result of these upward adjustments, the state must now spend huge sums of money on wages each year. Although the livelihood of the workers and staff members has been improved and the contradiction over the discrepancy between the wages and the duties and work of the workers and staff members eased as a result, they have not truly encouraged the workers and staff members to raise their technical level and the enterprises to improve their economic results as they should have.

The true breakthrough in wage reform in recent years came chiefly with the introduction of different forms of the floating wage system, which links part of the wage income of the workers and staff members with the fruits of enterprise operation, when experiments in extending the decisionmaking power of enterprises were carried out in Sichuan and then in other places and a system of economic responsibility was subsequently implemented. The potential and fluid forms of labor formerly constituted the principal basis on which the wages for the workers and staff members of enterprises were

distributed. The factor of congealed form of labor was added to the wage distribution. It may even be said that things are changing in the direction of taking congealed labor as the principal factor. In 1980, a total of 6,000 large and medium-sized industrial enterprises were given greater decisionmaking power on a trial basis and, in the following year, more than 36,000 enterprises were working on profit contracts. In these units, at least the bonuses were tied to the fruits of enterprise operation. Quite a number of enterprises, particularly those chosen as pilots for instituting a system of taxation instead of delivery of profits to the state, have adopted different forms of the floating wage system. They have moved their workers and staff members to higher grades (some are even regular promotions) and have even reformed the wage system at their own expense. Although cases of unfair treatment and the random offering of rewards in cash and in kind have been reported, these units have, on the whole, achieved better economic results and have given due consideration to the interests of the state, the enterprise, and the workers and staff members. What they have done is conducive to increasing production and revenue. Their experience is successful on the whole.

The Floating of Total Wages Under Contract and the Floating Wage System Should Not Be Rashly Rejected

Some comrades reject the floating of total wages under contract, and even say that the floating wage system is not suitable for state enterprises. They are in favor of achieving a planned growth of total wages and of putting the stress on adjusting the standard wage and on promoting people to higher grades in the reform of the wage system. This point is open to question.

The central idea of the floating of total wages under contract is to allow total wages to move upward or downward according to the fruits of production or operation while adhering to the planned and proportionate arrangement of the socialist economy. In other words, for those units which have over-fulfilled the state plans and have achieved good economic results, total wages may be increased by a certain percentage; for those units which have not fulfilled the state plans and whose economic results are poor, total wages will be reduced by a certain percentage; for those enterprises which have deficits due to poor operation, part of the basic wages will be reduced after checking. Excessive increases may be prevented by setting some kind of ceiling or checked by introducing a progressive consumption funds regulation tax. After implementing the system of the floating of total wages under contract, an enterprise has more freedom to make the best use of its total wages in developing production and operation so long as it does not draw more than it should. This method will strengthen rather than weaken the state's macrocontrol over wage distribution. Contracts are signed so that in drawing wage funds, the localities, departments, and enterprises must bear relevant and basic economic responsibilities. The state must reap actual economic results for paying wages. What we mean by floating is that wages may be increased or decreased by different percentages according to the situation in different departments or enterprises and the degree of difficulty involved in production and in reaping profits. This is in line with the spirit of ensuring the leading role of the planned economy and is the embodiment of the law of the planned and proportionate growth of the socialist economy in wage distribution. This method can truly and effectively overcome egalitarianism, with enterprises "eating from the same

"big pot" of the state. It can ensure effective control over the macroeconomy, reward the hardworking while punishing the lazy, and give full scope to the role of wages in promoting production and improving economic results.

The general proposition of "achieving a planned growth of total wages" is that "total wages must grow in a planned way with the development of production and the increase of labor productivity." However, its specific meaning is not very clear. Does it mean that the state should formulate a 1-year or period (5 years) plan for the growth of total wages and should not make any changes in that year or period no matter how well or poorly the plan was implemented and how the economic results turned out to be or does it mean that the planned figures may be proportionally increased or decreased according to how the plan was implemented and how the economic results turned out to be? If the former is the case, it means basically maintaining the present system of planned wages. If the latter is the case, it is very much the same as the system of the floating of total wages under contract. Those who advocate "achieving a planned growth of total wages" have made it quite clear that the total wages of regions and departments should not be tied to economic results, that the total wages of state enterprises should only be increased and should never be decreased, and that only bonus payment after taxes should be tied to the fruits of enterprise operation. The present system of planned wages is that the plans of various departments and regions for total wages fixed figures. This makes it very difficult to make upward or downward adjustments in wages according to the success or failure of enterprise operation. At the most, we can only make some adjustments in bonus payments once every 2 months on average. Those who advocate "achieving a planned growth of total wages" insist that standard wages must not be made to float with the economic results of the enterprises. In this way, 80 to 90 percent of the income of workers and staff members will be guaranteed against all odds. Since they insist that there must be no tie at all between total wages and economic results, it is quite impossible to do away with the phenomenon of egalitarianism with the enterprises "all eating from the same big pot" of the state on wage matters (unless, of course, we change the wage structure by reducing standard wages to such a level that only a bare existence can be guaranteed and by prescribing a larger proportion for flexible wages). Comrade Deng Xiaoping said in his article "Uphold the Principle of To Each According To His Work": "In Romania, it has recently been decided that factories, cadres, and workers which have done a good job should be paid more, and those doing poorly should be paid less. This is another example of being clear and fair in meting out rewards and punishments." ("Selected Works of Deng Xiaoping," p 99) We should also adhere to this spirit in our reform of the wage system.

The Theoretical Foundation for the Floating Wage System

Some comrades who think that it is wrong for large and medium-sized state enterprises to implement the system of the floating of total wages under contract and the floating wage system chiefly base their arguments on the following points: First, state enterprises owned by the whole people must practice equal pay for equal work on a national scale. Second, the value of the means of livelihood, or V, which sustains the simple reproduction of

the labor force and replaces consumed labor, stands as a fixed quantum at a given historical period and must not be made to float. Third, the result of operation of the enterprises is affected by many nonlabor factors (such as unreasonable prices) which have nothing to do with the labor of the workers and staff members. Fourth, whether or not the large and medium-sized state enterprises are operated well and making money chiefly depends on the leadership and not on ordinary workers and staff members. For this reason, the income of the workers and staff members should be left alone.

The first point is chiefly a matter of how should equal pay for equal work be understood. At present, we have different economic forms coexisting in our country. Although the extent and degree of the state's planned management (including the regulation and control of distribution) in enterprise under different ownership differ, all publicly owned enterprises of the whole people and collective enterprises must implement the principle of to each according to this work in a unified way and must practice equal pay for equal work within the bounds of the whole society. This is required by the objective economic law. What is equal pay for equal work? As I understand it, what Marx meant by equal pay for equal work was chiefly "the exchange of equal amounts of labor." Some comrades emphasized the need to fix a unified standard wage scale for workers and staff members engaged in the same trade but in different enterprises and doing the same kind of work but not sharing the same technical and vocational proficiency. At the most, this can only be the basis of one facet of equal pay for equal work, for it cannot sum up the whole idea of equal pay for equal work. Marx said that "the exchange of equal amounts of labor" was "the same in principle as the regulation of commodity exchange (insofar as the exchange of equal values is concerned)." Thus, the source of the wages for workers and staff members is in fact a part of the net value achieved by the enterprises through the exchange of products at equal values. In the sphere of commodity circulation, the exchange of equal amounts of labor is exchange within the bounds of the whole society, with no dividing line between the whole people and the collective. An enterprise which consumes less labor than the average in society in producing goods earns more. Accordingly, the income of its workers and staff members should be appropriately increased. In the reverse case, income should be reduced. It is not the full embodiment of the principle of equal pay for equal work if wages are paid simply in accordance with the standard wage and subsidy scale fixed in a unified manner by the state regardless of the level of labor efficiency and material consumption of the enterprises.

As to the second point, my opinion is that in a socialist society, how the formulas of C, V, and M with which Marx analyzed capitalism are to be quoted ought to be studied in the light of the nature of the socialist relations of production. In his book "Economic Problems of Socialism in the USSR," Stalin favored discarding some of the notions taken from "Das Kapital," a special analysis of capitalism by Marx, notions imposed on the socialist relations in our country. He said that Marx' analysis of capitalism was aimed at proving the source of exploitation of the working class, that is, surplus value, and it would be very strange to use these concepts when the working class was exercising political power and was in possession of the means of production. We should consider the reasonable elements in these

arguments by Stalin. Although Marx had said that it was somehow always possible to distinguish between the two types of labor in any social production, the fact is that V and M relations present in a capitalist society cannot be found in a socialist society. In a capitalist society, wages are converted forms of the price of labor. They have their source in capital paid in advance by the capitalists for the purpose of extorting surplus value. Workers only sell their labor. They do not take part in the distribution of M. V and M are opposites. As one grows, the other declines. They reflect the pronounced class antagonism between the workers and the capitalists. Thus, it is simply impermissible to confuse the two. This kind of antagonistic and alienating relationship between V and M cannot be found in a socialist society. Socialist wages are the payment for labor to the workers and staff members. They have their source in wealth created by the workers and staff members and the enterprises, that is, national income (to the enterprises, this is net value). Socialist wages as well as profits and taxes, both of which are old names, fall in the category of the distribution of national income. The relations of wages to profits and taxes reflect the relationship between the state, the enterprise, and the workers and staff members, not the relationship between variable capital and surplus value. Marx said that after the abolition of the capitalist mode of production, "necessary labor time would extend its limits because, on the one hand, the notion of means of subsistence would considerably expand and the laborer would lay claim to an altogether different standard of life and, on the other hand, because a part of what is now surplus labor would then count as necessary labor." ("Das Kapital," Vol 1, p 478) Under socialism, the amounts of consumer goods distributed to the workers and staff members according to the principle of the exchange of equal amounts of labor is more than just necessary labor needed by the worker and his descendants to maintain a bare existence. Rather, they are personal consumer goods distributed by the state in accordance with the basic economic law of socialism to satisfy the needs of the workers and staff members to the maximum. Although we are objectively required to draw a clear dividing line between V and M, we must proceed from the nature of the problem. In capitalist societies, "bonuses" paid by capitalists to workers actually fall into the "V" category. In a socialist society, the income of workers and staff members, whether it is paid out of the portion of profits retained by the enterprise or deducted from cost, also falls into the "V" category. One part of the profits retained by the enterprise forms the accumulation fund; the other part forms the consumption fund. Actually, Marx had set an example for us by using different concepts in his discussion of capitalist wages and the distribution of socialist personal consumer goods. For example, in his analysis of capitalist wages, he used the concept of variable capital and put forward the formula of "C plus V plus M." In his discussion on the distribution of socialist personal consumer goods in "Critique of the Gotha Program," he was referring to the distribution of gross social product and national income between society and the laborers. In the course of socialist construction in our country in the past decades, particularly in the course of extending the decisionmaking power of the enterprises and implementing the system of economic responsibility in recent years, the enterprises paid for the labor of the workers and staff members according to the principle of to each according to his work. Whether such payment came from cost or from the percentage of profits retained, it was used under overall planning. A few

years ago, bonuses paid by the enterprises sometimes came from cost and sometimes came from the percentage of profits retained. Money for regular or irregular promotions at the enterprise's own expense also came from profits retained. After the institution of a system of taxation instead of the delivery of profits to the state, bonuses and above-quota piece wage will also be paid out of the percentage of profits retained by the enterprises. This is not going to change the intrinsic retained by the enterprises. This is not going to change the intrinsic nature of bonuses and piece wage as something belonging to the "V" category and the consumption fund. In 1955, the State Council had this to say about the provisional regulations of the State Statistical Bureau concerning the component of total wages: "Remuneration in cash or in kind paid by enterprises, establishments, institutions, and organizations for the work performed by workers and staff members, as well as subsidies in the nature of wages paid in accordance with legal provisions, are to be included in the total wages, no matter where the funds come from." In implementing the principle of to each according to his work, the total earnings of the workers and staff members are subject to reasonable and unified planning. Since this is a general practice which meets past and present requirements and is welcomed by the enterprises and the workers and staff members alike, there is no need to change past formulas and concepts unless new problems and drawbacks have been discovered. Apart from this, some comrades are not very clear about the expositions on V and M. For example, according to Marx, variable capital referred to the entire capital paid in advance by the capitalists for the purchase of labor. Marx said: "All that the working class buys is equal to the sum total of its wages and is also equal to the sum total of the variable capital advanced by the entire capitalist class." ("Das Kapital," Vol 2, p 386) "Variable capital: This capital, so far as its value is concerned, is equal to the value of the social labor power employed in this branch of production; in other words, it is equal to the sum of the wages paid for this labor power." (Ibid, Vol 2, p 439) However, V is now interpreted as standard wages (called "the standard wages of workers and staff members (V)). The meaning of total wages is not clear. In September 1980, the State Statistical Bureau again specified that total wages include all kinds of regular and lump sum bonuses from various funds, including enterprise funds and the percentage of profits retained (rewards fund of enterprises). This makes it easier for the state to make reasonable arrangements for the interests of the state, the enterprises, and the workers and staff members from the angle of macroeconomics, and to understand the relationship between the level of the total income of workers and staff members and other targets of the national economy. This also makes it easier for the enterprises to make overall planning for the reasonable use of funds and to implement the principle of to each according to his work. Some comrades did not include bonuses, which form part of the unified income of the workers and staff members, in the total wages but listed them separately according to their sources of funds. However, in their analysis of the payment of bonuses, they included bonuses in the total wages and criticized that things had gone out of control. They interpreted the same economic term differently. This is hardly conducive to actual work.

Third, with price and value moving in different directions as they do now, it is indeed a very difficult and complicated task to assess the success or failure of enterprise operation and to single out the external factors that are likely to affect the economic results (such as differential earnings) in our endeavor to tie wages to economic results. However, the success or failure of enterprise operation and economic results are objective facts. The principal tasks of our economic work also have the solution of these problems as their objectives. If we can make a comparison between countries, it is naturally possible to make a comparison between regions, between departments, and between enterprises. Even if we have not yet established a reasonable price system, we are not totally at our wit's end. We may solve these problems by fixing different tax rates and percentages for profit retention through the setting up of a reasonable target assessment system (the economic results of an enterprise should not be assessed simply on the basis of profits). We may introduce tax adjustments or think of other, better ways, such as fixing a quota for net output value and a ratio for its distribution, fixing the wage content and norm for the products and work volume of different units, and so on. If we think that it is impossible to tell whether or not an enterprise is running successfully, what will happen after the institution of a tax system in the place of the delivery of profits to the state, when enterprises are allowed to retain part of the profits to establish rewards fund and pay bonuses? Is this not a question which also has something to do with the success or failure of enterprise operation?

Finally, what merits attention is that the saying that many of the factors affecting the success or failure of enterprise operation and the fruits of their operation have nothing to do with the labor of the workers and staff members is itself open to question. The socialist character of the enterprises determines the position of the working class in their management. The workers and staff members take part in and supervise the management and operation of the enterprises. Thus, every one of them is responsible, either directly or indirectly, for the fruits of operation of the enterprises. In the past, we did not pay too much attention to this fact. This is a major flaw in our enterprise management. We must not take this as the point of departure in the handling of problems in the future. The improvement of enterprise management is essentially a question of improving the quality of the enterprises and using the least amount of materialized and live labor to create more and better use value and exchange value. We do not deny the importance of the leaders of enterprises, but the vast numbers of workers and staff members are the ones who play a direct part in economizing on all labor. Good enterprise management is also impossible without the collective wisdom and efforts of the workers and staff members. If the wages of ordinary workers and staff members will not be affected whether an enterprise is making money or is running at a loss, why some comrades should advocate retaining a certain percentage of the profits for profit payment is difficult to understand, for it means that there is no theoretical foundation for the assertion that the income of the workers and staff members is closely related to social economic results and the success or failure of enterprise operation.

ECONOMIC MANAGEMENT

BRIEFS

QINGHAI SAMPLING INVESTIGATION TEAMS--To do a good job in statistical investigation work, Qinghai Province has recently set up a rural sampling investigation team and an urban sampling investigation team. These teams comprise 250 people and will investigate the output of grain and social economic activities in rural areas and will investigate the situation of workers' families and market commodity prices in urban areas. [Summary] [Xining Qinghai Provincial Service in Mandarin 1100 GMT 28 Mar 84]

CSO: 4006/450

FINANCE AND BANKING

AGRICULTURAL BANK OF CHINA SUPPORTS COMMODITY PRODUCTION

Harbin HEILONGJIANG RIBAO in Chinese 20 Feb 84 p 1

[Article by Wang Muji [3769 1970 1376] and Fang Peien [2455 1014 1869]:
"Provincial Agricultural Bank Gives Special Loans; Supports Grain and Pig Raising by Specialized Households to Develop Commodity Production; Grassroots Credit Departments Can Lend to the Extent of Their Deposits, Without 'Quota' Restrictions; Interregional Funds Can Regulate Themselves, Need Not be Submitted to Higher Levels for Examination and Approval"]

[Text] The Agricultural Bank of China, Heilongjiang Branch, has decided to lend 325 million yuan of this year's total agricultural loans for use in supporting developmental production of grain and pig raising by specialized households.

This decision was announced not long ago at a meeting of all provincial bank presidents.

Of this loan sum, 150 million yuan will be lent to 400,000 grain producing specialized households to support their production of 6 billion jin of commodity grain. Twenty million yuan will be lent to 150,000 pig raising specialized households to support their providing of 700,000 commodity pigs. Fifty million yuan will be used to support the developmental production and rural commodity economic services of specialized organizations and households. At the same time, a certain amount of the loan will support 10 priority grain producing counties to assist these places in implementing crucial production technology measures, with the aim of having overall production top 10 billion jin. It is also stipulated that interest rates on loans used for grains, pig raising and developmental production will be lower than the basic interest rate.

The Provincial Agricultural Bank also reformed two credit management methods in order to fully use idle rural capital for the urgent needs of commodity production. One is that, last year the amount released [for loans] depended upon receipts; while this year, more or less can be deposited and lent without necessarily being restricted by "quotas." The other is that funds can be flexibly regulated by each area on its own according to differences of production projects, seasons and regions, and examination and approval from higher levels need not necessarily be made.

DOMESTIC TRADE

UNIMPEDED COMMODITY CIRCULATION URGED

Jinan DAZHONG RIBAO in Chinese 29 Feb 84 p 1

[Article: "Open Up Circulation Channels; Ensure Unimpeded Flow of Goods"]

[Text] Ever since numerous rural areas commonly implemented the output-linked contract responsibility system that is based upon household enterprises, various types of specialized and priority households have sprung up in large numbers. This has caused rural commodity production to flourish on a scale unseen before; the situation is totally gratifying. The spirit of the Party Central Committee 1983 Document Number 1 is being earnestly implemented everywhere throughout our province to adapt to this new situation. Some reforms have been carried out with respect to the system of rural commercial supply and marketing and the policy of commodity buying and selling. Each department has done quite a bit of work in the realm of circulation which has had a definite effect upon the development of commodity production. However, because the momentum of rural commodity production has been swift and violent, the reform spirit of commercial and supply and marketing departments has not been great. Old management methods have not been sufficiently destroyed. There are still many management ideology and style problems. Added to this are insufficient basic facilities and other reasons, and the realm of circulation problems is still one of the principal contradictions influencing the development of commodity production. Peasants still are having problems with things being "hard to buy" and "hard to sell" in many places. How to further ensure that goods will circulate unimpededly, adopting measures and opening up circulation channels well, achieving production promotion via circulation, has now become a major question in rural work. This is a requirement of large scale commodity production development. It is also an urgent need of numerous peasants, especially various types of specialized and priority households.

To develop commodity production, the basic problem is adept application of the law of value and utilization of the circulation mechanisms to transform products into commodities. Generally speaking, production determines circulation. If, however, products cannot be transformed into commodities, then the value brought about by the peasants' assiduous labor cannot be realized. Resource consumption then becomes a great waste and it is difficult to develop commodity production. In this sense, if there is no circulation then there is no commodity production. The more developed commodity production is, the greater its degree of dependence upon commodity circulation. When a

channel is clear, running water flows. If circulation channels are obstructed, production either does not circulate or circulation is impeded. Either can stifle production. Thus viewed, since open circulation channels and achievement of goods flowing unimpeded are requirements for the development of commodity production, they are also beneficial to peasants and urban consumers. Common benefit to workers and peasants, to city and township, lies here. Every level of leadership, and comrades of departments in the realm of circulation in particular, must gain a clear idea of circulation's tremendous significance and do a good job of applying it to developing commodity production. Circulation links must be made into major links in this chain of the commodity production process. They must be truly highly regarded. The leadership must take a personal interest in problems within the realm of circulation, indulge in less idle talk and engage in more practice. Departments concerned must reform boldly, develop functional applications realistically, and conscientiously carry out relevant policies that the Central Committee has already decided. In sum, all levels of leadership and all comrades engaged in economic work definitely must highly regard circulation's counteraction to production, seeing it from the viewpoint of treasuring and protecting the initiative of numerous peasants to develop commodity production. They must liberate their thinking further, insist on reform, adopt even more powerful measures and enliven the realm of rural circulation by every possible means. Only then can rural commodity production be developed on an even greater scale.

The present characteristics of rural commodity production are: the overwhelming majority of producers and processors are household units, since the household output-linked contract system of job responsibility is practiced; management is decentralized; the kinds of operations are varied; and production is very seasonal in nature. Many products must be kept fresh or alive. Commodity circulation work must uphold the policy of giving priority to a planned economy, make market adjustments subsidiary, increase channels and reduce links to be suited to these needs. Toward this end, rural commercial supply and marketing system reform should be further done well and supply and marketing cooperatives used as major channels in the realm of rural circulation should be fully developed. After having passed through systemic reforms, supply and marketing cooperatives should resume their mass cooperative system of organization as soon as possible and really be turned into centers for cooperative commerce and comprehensive rural services collectively owned by the peasant masses. They should join with the peasants to create communities for economic advantage and become integrated links with the state and the peasants. They must master the use of economic measures in specific management activities, utilizing laws of value and doing business with peasants on an equal status. The style of official channels must definitely be eliminated; effort should be made to upgrade service quality. At the same time that collective commerce is being energetically developed, individual commerce should also continue to develop as appropriate, to achieve multi-channel coordination, emphasize strong points to offset weaknesses and coordinate motions. Peasants must be allowed to enter the realm of circulation in groups or individually. The entrance of individual commodity-transport-for-sale households into the market is an essential supplement to state-run commercial channels. They have the advantages of being able to go from county fair to fair and village to village and making things convenient for the people. They are greatly advantageous to enlivening the rural economy.

Some worry that this can foster capitalism, that it will influence the planned economy and wreak havoc upon the economic order. This is not necessarily so. The facts that the number and variety of our province's products in city and township trade fairs have greatly increased in the past few years and that every year the state's purchase plan quota for principal farm produce and sideline products has been overfulfilled prove that allowing a number of rural people to engage in commerce and legitimate transport of goods for sale causes the surplus labor force to be properly provided for. Not only can this not adversely influence agricultural production but it has a powerful effect upon altering the backwardness of rural areas and developing city and township economies. Market management should be earnestly strengthened in the work of energetically developing individual industrial and commercial households. These households should be taught to be law-abiding in management, civilized in business, top quality in service and to ensure fulfillment of the state's purchase and sale plans. In addition, rural land and water communications and transportation services are to be energetically developed, actively solving problems in the transportation and sale of farm produce and sideline products. State-run communications and transportation departments must tap latent transportation potential in order to promote its contributory strength to large-scale rural commercial product development.

The opening up of circulation channels is a rather complicated problem. It touches upon a broad range of things. Since it involves administrative management systems, pricing systems and financial subsidies it also relates to the readjustment and reform of the entire national economy. These problems cannot be solved by one area or one department. They require close coordination and joint effort vertically and horizontally, in every walk of life. To this end, every level of party and government leadership must assume overall responsibility for the situation, energetically strengthen the leadership in developing a commodity economy and achieve simultaneous emphasis on both circulation and production. All departments concerned are to be organized to conscientiously do well all the service work required before and after production. Methods for relying on state, collective and individual resource pools are to be adopted. Transportation, communications, storage and other basic facilities needed in commodity circulation are to be built with fine service in information, pricing, tax revenue, credit, storage, transport and all other aspects. Effort is to be made to adapt to the needs of rural economic development, allowing an even greater scale of commodity production to arise.

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TRANSPORTATION

REPORT ON RAILROAD CONSTRUCTION

Beijing DILI ZHISHI [GEOGRAPHICAL KNOWLEDGE] in Chinese No 1, 7 Jan 84 pp 2-4

[Article by Lu Shi [5684 1102]: "Achievements and Prospects of Our Railroad Construction"]

[Text] During the 73 years from 1876, when we began to build our very first railroad, to 1949, when New China was established, we built only some 21,000 km of railroad. For historical reasons, the railroads open to traffic during the early days after the establishment of our state totaled only 11,000 km and these not only had old equipment, were backward in technical conditions and varied in standards but also irrational in their deployment, as most of them were concentrated in the coastal plain east of the Beijing-Guangzhou line and in the Northeast Region.

After the founding of New China, the party and the government paid extraordinary attention to railroad construction; while restoring all the original railroads in a short period, they at the same time embarked upon the layout of a railroad network, beginning to build railroads in the provinces and hilly areas where transportation used to be blocked out. During the 33 years from the founding of New China to the end of 1982, altogether more than 28,000 km of railroads were constructed and more than 7,000 km were restored. Today, the country's state-run railroads amount to 50,000 km (not including those in Taiwan Province). The ratio of railroads deployed west of the Beijing-Guangzhou line has increased from 19.5 percent at the beginning of liberation up to 45.1 percent; those in the Southwest and Northwest Regions also increased from 5.5 percent at the beginning of liberation up to 24.8 percent and above.

Today, the trunklines running south and north include Harbin-Changchun-Dalian, Beijing-Guangzhou, Beijing-Shanghai, Taiyuan-Qiaozuo-Zhicheng-Liuzhou, etc.; those running east and west include Manzhouli-Jarbin-Maodanjiang-Suifenghe, Lianyungang-Lanzhou, Lanzhou-Urumqi, Beijing-Baotou-Lanzhou, Wuchang-Xiangfan-Chongqing, Shanghai-Hangzhou-Zhuzhou-Guiyang-Kunming, etc. Now the capitals, principal cities and towns and important production bases of all the country's provinces, municipalities and autonomous regions (Tibet has no railroads, and Taiwan Province is not included) are connected by railroads. A skeleton of the country's railroad network has now taken preliminary shape.

Our mountains, plateaus and hills make up about 69 percent of the country's area; in order to develop the national economy and change the irrational

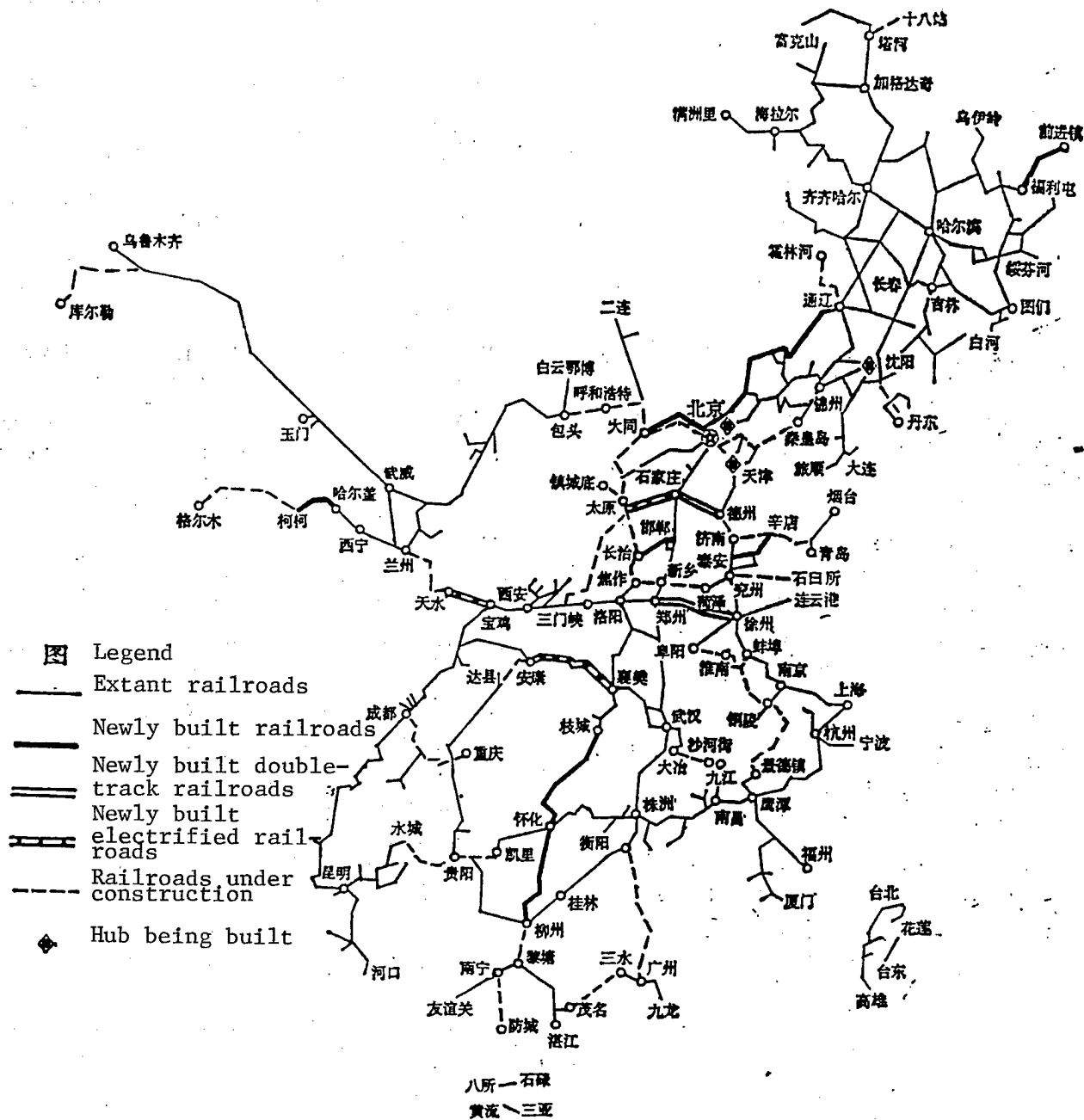
deployment of the railroads of the past, we must carry out railroad construction in the hilly areas. But in the case of those winding, continuous and tall mountains, plus the crisscrossing rivers, they make up a very complex terrain which renders great difficulties in railroad construction. But our heroic railroad builders are prepared to chisel a tunnel when they encounter a mountain and erect a bridge when they come across a river, thus overcoming difficulty after difficulty. They have finally built new railroads in vast areas, and they have especially scored important achievements in constructing tunnels and bridges. The railroad tunnels built before liberation numbered only 331, totaling 100 km in length and making up merely 0.5 percent of the country's more than 20,000 km of railroads, whereas tunnels built during the last 33 years are equivalent to 20 times those before liberation. We now have more than 4,000 tunnels totaling nearly 2,000 km. The longest among the completed tunnels is the Yimaling Tunnel on the Beijing-Yuanping line, which is more than 7 km long. The Dayaoshan dual tunnel being built on the Hengyang-Guangzhou line is as long as 14.3 km. During the last 30-odd years, there have been built altogether 15,000-odd bridges totaling over 1,000 km, equivalent to 1.18 times those before liberation.

Railroad Trunklines Built Since Founding of New China

Name of line	Beginning-end	Length (km)	Date of completion	Brief explanation
Chengyu line	Chengdu-Chongqing	504	July 1953	Railroad trunkline within Sichuan Province, also first trunkline built after liberation
Jingyuan line	Beijing-Yuanping	437	December 1972	An alternative routing for shipping Shanxi's coal to the outside
Jingcheng line	Beijing-Chengde	256	Built Oct 1938 rebuilt Oct 1960	Built as second line inside the Shanhaiguan after Japan occupied North China; rebuilt after liberation
Tianlan line	Tianshui-Lanzhou	348	August 1954	Continued construction from Tianshui to Lanzhou as the western section of the Longhai Railroad after liberation
Baolan line	Baotou-Lanzhou	979	October 1958	One of trunklines leading from North China to Northwest
Jier line	Jining-Erlian	333	November 1955	Trunkline leading from Nei Monggol to border
Baocheng line	Baoji-Chengdu	669	December 1957	Railroad trunkline linking the Southwest and Northwest; route terrain is steep, engineering work hard; electrification realized in 1975
Jaozhi line	Jiaozuo-Zhicheng	782	July 1975	Another south-north trunkline linking Shanxi, western Henan and western Hubei

[continuation of Railroad Trunklines table]

Name of line	Beginning end	Length (km)	Date of completion	Brief explanation
Taijiao line	Taiyuan-Jiaozuo	434	March 1979	A trunkline running through the interior of Shanxi to the outside
Xiangyu line	Xiangfan-Chongqing	899	1981	Another trunkline linking East China, Central-South and Southwest; route terrain is steep and mountainous; engineering work hard; electrification in progress
Yingxia line	Yingtian-Xiamen	694	December 1957	Major line within Fujian Province and toward the interior
Xianggui line	Hengyang-Renxiang	1,013	March 1955	A railroad trunkline within Guangxi Province, also major line leading to Sino-Vietnamese border; first built in 1937; section from Laibin to Yuyiguan completed in 1955
Lizhan line	Litang-Zhanjiang	318	December 1955	Major channel of Southwest and Guangxi's outlet to the sea
Xiangqian line	Zhuzhou-Guiyang	902	February 1980	Important line linking Central-South, East China and Southwest
Chuanqian line	Chongqing-Guiyang	463	October 1965	Links Sichuan and Guizhou; also one of trunklines in Southwest
Qiangui line	Guiyang-Liuzhou	607	March 1959	Connecting Guizhou, Guangxi, also linking Xianggui, Chuanqian and Guikun lines; construction begun in 1939; western section completed in 1959
Yangan line	Yangpingguan-Ankang	357	June 1977	A connecting line between Baocheng line and Xiangyu line; now electrified
Lanxin line	Lanzhou-Urumqi	1,892	December 1965	Connecting the Longhai line; an east-west trunkline of the country
Lanqing line	Lanzhou-Xining	216	March 1961	A route leading from Qinghai Province to rest of country
Chengkun line	Chengdu-Kunming	1,100	December 1970	Connecting Sichuan and Yunnan, linking Baocheng, Guikun, Chenggyu lines to make up skeleton of railroad network in southwest
Guikun line	Guiyang-Kunming	639	November 1966	Linking Guizhou and Yunnan; one of railroad trunklines of Southwest
Jingtong line	Beijing-Tongjiang	836	June 1981	Another great route leading from Beijing to the Northeast



Sketch Map of Achievements in Basic Railroad Construction and Railroads Under Construction Since the 3d Plenary Session of the 11th Party Central Committee

*Indicates railroads, electrified railroads and double-track railroads under construction and new lines, double-track lines and electrified lines under construction since 1983

While railroad construction was carried forward, efforts were made at the time to rebuild a large number of old lines and also to build anew, and expand, a number of stations and terminals. The newly built double-track lines increased from the 860 km at the beginning of liberation to 8,600 km, the electrified railroads started with nothing but developed into more than 1,700 km, and thereby enhanced the comprehensive capability of railroad transportation. At present, among the modern means of transportation such as railroads, highways, water transport, aviation and pipes, the transportation volume by railroad makes up about 70 percent of the total.

In our Southwest Region in the past, our railroads were pathetically few; in Yunnan Province there was only one single narrow-gauge railroad; in Sichuan Province there was only the 60-odd km of mining railroad; and in Guizhou Province there was not a single inch of railroad. Today, the Southwest Region already has eight railroad trunklines, to wit the Chengyu line, Chuanqian line, Baocheng line, Chengkun line, Xiangyu line, Guikun line, Xiangqian line and Qiangui line; with branch lines added, there are altogether over 5,900 km of railroads, making up about 11.7 percent of the country's total. Today, the Southwest Region has already formed a ring-shaped skeleton of a railroad network.

In the vast Northwest Region, there was in the past only the small section of railroad from Shaanxi to Tianshui in Gansu, and even just this small section of railroad still often collapsed to block traffic; as for places like Qinghai, Xinjiang and Ningxia, there was no railroad at all. Today, there has been built already the Tianlan line, which runs from Tianshui to Lanzhou; this makes the Longhai line complete in name as well as in reality from Lianyungang to Lanzhou. Afterwards, there have been built also the Lanxin Railroad from Lanzhou to Urumqi, the Lanqing Railroad from Lanzhou to Xining, the Baolan Railroad from Lanzhou to Baotou, the Southern Xinjiang Railroad from Turpan to Korla and the Qingzang-Railroad extending from Xining to Golmud, gateway to Tibet, etc. The Northwest Region now has over 7,000 km of railroads, making up about 14 percent of the total length of the country's railroads.

Railroad construction in the Southwest and Northwest Regions has changed the situation of the past in which communications were difficult; it has been linked through the interchange between the coastal and the interior regions, thus conspicuously changing the deployment of our railroads, which is helpful also in changing our industrial deployment and thereby promoting the exploitation of the resources of these regions and accelerating the economic development and improvement of the people's livelihoods there.

Ours is a continental state; its land is vast, its resources are bountiful and its population is very large. But there is a great imbalance between the distribution of its resources, its industrial deployment and the residential distribution of its population. Sixty-seven percent of the country's population and nearly 80 percent of its industrial and agricultural production are concentrated in 18 percent of its territory east of the Beijing-Guangzhou line, whereas resources such as coal, petroleum and forestry are on the other hand concentrated in areas such as North China, the Northwest and Northeast. This

has created a situation in which the volume of freight for transportation is great, the distance it must travel is long and the volume is also concentrated; with respect to energy transportation in particular, about 66 percent of all coal production must rely on the railroads for transportation to other parts of the country. Therefore, transportation by the railroads plays a decisive role in the development of the national economy and must be given priority. For over 30 years, while there has been considerable development in railroad construction, the rate of increase of railroad transportation capacity is by no means adapted to the needs of the development of our national economy and the improvement of our people's livelihood. Since the First 5-Year Plan, our industrial output value has increased eight times, the volume of our railroad freight and transportation capacity has increased, respectively, 5 and over 7 times, but our railroad operational mileage has increased only slightly by more than 100 percent. Viewed from the development of railroads in the countries of the world, our railroads rank 68th; on the basis of railroad mileage per 10,000 persons, ours rank 102d.

Since the 3d Plenary Session of the 11th Party Central Committee, especially in the new situation of socialist construction to be brought about according to the clear prescription in the magnificent program formulated by the 12th Party Congress, the railroad is one of our strategic points of emphasis. For this reason, we must lay our foundation well for our railroads during the first 10 years, and in the following 10 years, that is, toward the end of this century, we must basically build a railroad network which is suited to our national conditions, which is of a definite scale and which has a rather high level of modernization. During the Sixth 5-Year Plan, the emphasis of our railroad construction will be placed on the external shipping of our coal and on the coastal regions where freight traffic is very heavy; we must relevantly build some diversional lines and connecting lines that would relieve transportation pressure on the old lines. In terms of long-range deployment, we must build our railroads in a planned way so that there is a definite number of long and big trunklines that run through many regions so as to change gradually and fundamentally the situation of the shortage in transportation facilities. Among the 93 projects of the Sixth 5-Year Plan period in which the nation has already invested more than 500 yuan to get their work started, there are 19 railroad construction projects, including the Gunshi line from Gunzhou to Shijiusuo, the Jingqin double-track line from Beijing to Qinhuangdao, as well as electrification, the Hengyang-Guangzhou double-track line and the Nantongpu double-track line on the Jiangguang Railroad, etc. The Sixth National People's Congress has once again stressed the importance of railroad construction. Under the leadership of the party Central Committee and with the support of the people of the whole country, our railroad construction is bound to bring about a new situation.

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CSO: 4006/315

TRANSPORTATION

CAO WENJU ON CORRECT TRANSPORT GUIDELINES

HK100416 Changsha Hunan Provincial Service in Mandarin 1100 GMT 7 Apr 84

[Text] Yesterday, Vice Governor Cao Wenju listened to the reporters of the joint investigation team of the provincial agricultural department and the Changde administrative office on peasants' difficulties in running transport operations. Cao Wenju called on the departments concerned to correct the guiding ideology in their work in accordance with the spirit of Central Document No 1, give peasants the green light in running transport operations, and create favorable conditions for developing rural commodity production in Hunan.

The peasants' difficulties in running transport operations reported by the provincial broadcasting station and HUNAN RIBAO on 2 and 5 March, attracted the attention of the leading comrades of the provincial government. Vice Governors Cao Wenju and Yu Haicao gave instructions one after another calling on departments concerned to help the peasants solve their difficulties in running transport operations in light of the documents of the CPC Central Committee and the State Council.

According to the instructions given by the leading comrades of the provincial government, the provincial agricultural department and the Changde administrative office organized a joint investigation team. The team conducted a special investigation in late March in Changde, Hanshou, Taoyuan, Shimen, Lingli, and 10 other townships; interviewed around 100 tractor drivers and peasant vehicle drivers; held talks with the responsible comrades of the party, government, and farm machine departments of the counties, districts, and townships concerned; and submitted reports to the Changde prefectural CPC committee and administrative office and the provincial CPC committee and provincial government respectively. The investigation reports listed numerous facts to prove that if the peasants' difficulties in running transport operations are not solved as quickly as possible, it will obstruct rural commodity circulation and affect the development of rural economy.

After listening to the reports of the joint investigation team, Cao Wenju emphatically pointed out: The press and radio reports on peasants' difficulties in running transport operations only revealed part of the existing problems. Now, more than a month has passed since the publication of these reports. Why is it that some departments cannot face the problems

squarely? The crux of the matter is that they have not unified their thinking onto the party's line, principles, and policies and the spirit of Central Document No 1. Since the 3d Plenary Session of the 11th CPC Central Committee, the party and government have formulated a series of principles and policies. The reason these principles and policies are not implemented is that the influence of "leftist" ideas is not thoroughly eliminated. Instead of using the principles and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee to treat the new emerging things, some departments used outdated rules and regulations to restrict the development of new emerging things.

Cao Wenju said: In order to develop commodity production on a large scale, it is necessary to solve the problem of circulation. In order to solve the problem of circulation, we must develop transport operations. In order to develop Hunan's economy and free the circulation of rural commodities, we must continue to eliminate the influence of "leftist" ideas and selfish departmentalism.

Cao Wenju voiced the expectation that the departments concerned would act according to the spirit of Central Document No 1, correct the guiding ideology in their work, and be promoters of developing rural commodity production.

CSO: 4006/450

GENERAL

LIU PENG SPEAKS ON INSURANCE WORK

SK100527 Jinan Shandong Provincial Service in Mandarin 2300 GMT 9 Apr 84

[Text] At the provincial insurance work conference which ended on 9 April, Deputy Governor Liu Peng pointed out that our province's insurance service should be greatly developed and, at present, emphasis should be placed on rural areas.

Deputy Governor Liu Peng said: Insurance service is an economic compensation system with a very large service sphere both inside and outside the country, in rural and urban areas, and for enterprises, collectives and individuals. Along with restructuring the economic system, the vigorous economic development, and the prosperity in people's livelihood, people's demands for insurance are becoming ever more urgent. Therefore, insurance work must keep pace with the demands of economic development and its scope must be expanded. While consolidating and developing existing insurance programs, we must vigorously develop a property insurance program for the people engaged in the rural collectives and as individuals so as to provide them with safety and a guarantee in the course of becoming prosperous. We should also actively develop life insurance, and provide old-age pension and medical insurance services for collective enterprises so as to enable their workers to happily enjoy their lives after retirement and to a rest and have nourishment when they are sick. Old-age pension and medical insurance services should also be rendered to individual business households, specialized households, and key households in urban and rural areas experimentally and after summing up experiences in this regard.

In line with the arrangements of general insurance companies and with suggestions by leaders of the provincial people's government, the provincial insurance work conference has decided to make great efforts this year to develop insurance services in rural areas, and personal and family insurance services in urban and rural areas. The kinds of insurance will be increased from last year's 17 to 23. In rural areas, property insurance will be provided for collective enterprises on a large scale, vehicle and tractor insurance services will be rendered to contract, specialized, and key households and to collectives and individuals in urban and rural areas. At the same time, we will open, in line with local conditions, threshing yard fire insurance, marten breeding insurance, chicken raising insurance,

flue-cured tobacco insurance, and the insurance for the plastic-film covering technique on an experimental basis. Through investigation, will make preparations to offer kelp breeding insurance, cotton harvesting insurance, and fruit harvesting insurance. At industrial and mining enterprises and units working high above the ground, the group personal insurance and the group personal accident injury insurance will be developed. The old-age pension insurance of collective enterprises will be opened at some selected units on an experimental basis and will be popularized across the province next year.

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