

129006

JPRS-CEA-84-025

5 April 1984

China Report

ECONOMIC AFFAIRS

20000124 048

DTIC QUALITY INSPECTED 2

DISTRIBUTION STATEMENT A

Approved for Public Release
Distribution Unlimited

Reproduced From
Best Available Copy

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

DTIC QUALITY INSPECTED 1

6
77
A05

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

129006

JPRS-CEA-84-025

5 April 1984

China Report

ECONOMIC AFFAIRS

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

6
7
AC

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

5 April 1984

CHINA REPORT

ECONOMIC AFFAIRS

CONTENTS

PEOPLE'S REPUBLIC OF CHINA

NATIONAL POLICY AND ISSUES

- | | |
|---|----|
| Lu Dong on Achieving Better Economic Results
(Lu Dong; JINGJI RIBAO, 2 Mar 84) | 1 |
| Yuan Baohua on Ideological Work in Enterprises
(Yuan Baohua; JINGJI RIBAO, 9 Mar 84) | 27 |

PROVINCIAL WORK REPORTS

- | | |
|--|----|
| Fujian's Hu Ping Outlines Economic Growth Plans
(XINHUA, 12 Mar 84) | 46 |
| Briefs
Henan Conference on Economic Work | 47 |

ECONOMIC PLANNING

- | | |
|--|----|
| Yunnan Economic Conference Sets Tasks for 1984
(Yunnan Provincial Service, 16 Mar 84) | 48 |
| Jiangsu Sets Pace in Economic Development
(XINHUA, 16 Mar 84) | 49 |
| More Investment Due for Energy, Transportation
(XINHUA, 18 Mar 84) | 50 |

AGGREGATE ECONOMIC DATA

- | | |
|--|----|
| Briefs
February Light Industry Production Figures | 51 |
|--|----|

ECONOMIC MANAGEMENT

JINGJI GUANLI on Stable Economic Growth
(Zhong Yi; JINGJI GUANGLI, No 1, 5 Jan 84) 52

Briefs
Heilongjiang Sugar Refinery Reform 58

FINANCE AND BANKING

Briefs
Agricultural Bank Provides Economic Information 59

MINERAL RESOURCES

Briefs
Sichuan Copper Deposits 60
New Mineral Described 60
Shanxi Gold Mine Discovered 60

INDUSTRY

Suggestions for Developing Shanghai's Machine Tool Industry Offered
(Jiang Dashen; JIXIE ZHIZAO, No 6, 1983) 61

CONSTRUCTION

Auxiliary Projects Included in State Plan
(Chen Naijin, Ding Genxi; XINHUA, 18 Mar 84) 68

Briefs
Shanxi Key Project Group 69
Shandong Yuang He Bridge 69

TRANSPORTATION

Briefs
Shenyang-Hangzhou Passenger Air Service 70
Hainan Island Airport Expansion 70
Guangzhou-Hainan Shipping Service 70
Shanghai Airport Being Expanded 71
Trident Airliner Replaced 71

GENERAL

Cooperative Effort in Developing Southwest Viewed
(Sichuan Provincial Service, 21 Mar 84) 72

TAIWAN

Briefs
Report to Legislative Committee 73

NATIONAL POLICY AND ISSUES

LU DONG ON ACHIEVING BETTER ECONOMIC RESULTS

HK210621 Beijing JINGJI RIBAO in Chinese 2 Mar 84 pp 1-3

[Lu Dong [0712 2639]: "Dare to Create a New Situation in Achieving Better Economic Results--Speech at the National Economic Work Conference (10 February 1984)"--passages within slantlines published in italics]

[Text] Comrades:

The national economic work conference begins today. The main topics for discussion at this conference are regarding raising economic results as the core, examining the work related to production and circulation in 1983, and arranging the tasks for 1984. Now, I am entrusted by the State Council to give some opinions.

I. A Basic Estimate of the Economic Results in 1983

To sum up, 1983 was a year in which our national economy made steady progress in the process of continuing to implement the policy of readjusting, restructuring, consolidating, and improving and a year in which we carried out hard struggle in order to create a new situation in achieving better economic results. Under the guidance of the spirit of the 12th CPC National Congress, we achieved great results in our work related to production and circulation throughout the year. In the field of agricultural production, grain output totaled 760 billion jin and cotton output totaled 9 billion jin. There were 8 prefectures and cities and 112 counties in our country where gross agricultural output value and grain output had doubled in 5 years. Concerning industry, the gross industrial output value reached 614.7 billion yuan, 10.2 percent more than that in 1982. The gross output of our heavy industry increased by 12 percent, that of light industry rose by 8.4 percent and the communications, transportation, and post and telecommunications industries also overfulfilled their quotas for the year. The total retail turnover of commodities in society went up by 10.5 percent. The financial revenue exceeded the budgeted target and was 11.8 percent more than that in 1982. This fine situation was the result of the series of major policies and measures formulated and adopted by the CPC Central Committee and the State Council, the result of the vigorous work done in all our areas and departments, and the results of the common efforts of the people throughout the country.

At the very beginning of 1983, the CPC Central Committee issued document No 1, which enabled the agricultural economic structural reform to deepen in its development, further promoted all the work in our rural areas, and guaranteed the steady growth of our national economy. The various kinds of economic work in our urban areas also made relatively quick progress, but at the same time we also encountered some new problems. At the beginning of the year, the structural reform in our provinces, municipalities, and autonomous regions was at a high tide and the personnel changes had some impact on the concrete leadership over our economic work. Later, we adopted new policies and measures one by one, such as changing the prices of our textile goods and starting the collection of a charge for the maintenance of coal mines. Thus the problems of some enterprises lacking the ability to endure heavier burdens and to adapt to changes and of some people being unable to catch up with the progress of the times in their work and thoughts cropped up. Our capital construction rose sharply and in the first quarter of 1983 it increased by 21 percent over the same period in 1982. This stimulated the development of our heavy industrial production, which rose by 11.7 percent, greatly exceeding the planned target for its growth. (The planned growth rate for the year was 3.9 percent.) Because of the restrictions in energy, raw materials, and market, the growth rate of our light industrial production was reduced to a mere 2.5 percent. (The planned growth rate for the year was 4.1 percent.) The purchases of industrial goods in our commercial department dropped by 0.5 percent. Our state-run industrial enterprises total taxes and profits (including the special tax on fuel oil, the same applying hereinafter) that were included in the budget dropped 1.3 percent below the same period in 1982 and the growth rate of our financial revenue was only 0.9 percent. To counter this situation, the CPC Central Committee and the State Council promptly pointed out that we had to strictly control the scale of our capital construction, speed up our reform, make conscientious preparations for the substitution of taxes for profit delivery, first give more decisionmaking power to and then bring pressure on our enterprises, and be determined to markedly raise our economic results. All our areas and departments acted in accordance with these directives and strengthened their leadership over their economic work. They proceeded from their reality and started to solve the new problems that had cropped up in our economic life. Beginning from 1 June, a new system of "substituting taxes for profit delivery and collecting both taxes and profit delivery" was established for our state-run enterprises. At the same time, pilot projects of other forms of economic structural reform were continuously carried out in a small number of enterprises, departments, and cities. Through a large amount of arduous work, we gradually brought about a turn for the better in our situation of production, circulation, and financial revenue. In the first half of 1983, the total growth rate of light industry was 5.4 percent, the total purchases of industrial products in our commercial departments rose by 3.1 percent, and the financial revenue rose by 5.7 percent over the same period in 1982.

In June 1983, the CPC Central Committee called a work conference, in which it made a strategic policy decision on concentrating financial and material resources to guarantee the construction of key projects and fixed a deadline for putting an end to the unhealthy trend of collecting excessive charges and increasing prices without authorization. At the same time, it sharply pointed

out that our country's industry was faced with a serious challenge and called on all enterprises to markedly raise their quality. Our various areas and departments conscientiously relayed and implemented the spirit of that conference. In accordance with the spirit of the directive of the leading comrades of the State Council on "the State Economic Commission must grasp in an all-round manner and conscientiously shoulder the responsibility for the issue of raising the economic results in our industrial production," the State Economic Commission held last August a national forum on the work related to industry and communications to make an all-round examination of the work of enterprise consolidation and to arrange the investigation for the raising of our economic results and our enterprises' quality. After the forum, the related departments of the State Council and many areas concentrated a rather great work force to carry out a widespread and deep-going investigation and study. Gradually, the work related to the raising of our economic results was included on our agenda of important work. This played a great role in promoting the development of our work related to production and circulation. In that period, the work of fighting against disasters and relief work was vigorously carried out in many areas in our country. The relevant department of the State Economic Commission alone listened 22 times to the briefing on the situation of natural disasters in 12 areas and to some extent helped these areas get what they urgently needed. Throughout the year, the central authorities allocated more than 1.1 billion yuan as relief to localities and also allocated a lot of timber, cement, steel, fertilizer, and other relief materials and goods, which played a satisfactory role in promoting agricultural production. By the end of the third quarter, the economic situation of the whole country was markedly changed. The growth rate of industry reached 10.1 percent, that of light industry reached 7.5 percent, that of before-tax realized profits was 6.1 percent, and that of financial revenue was 8.3 percent.

Last October, after the 2d Plenary Session of the 12th CPC Central Committee, a forum on economic problems was held to [word indistinct] the entire party to make efforts to vigorously grasp the work of putting an end to losses and increasing profits. All our areas and departments quickly adopted various kinds of powerful administrative and economic methods and thus greatly quickened the progress of the work of putting an end to losses. In order to maintain the fine trend of production, the transportation department rushed to carry coal out of Shanxi. The planned target for the tonnage of coal carried by rail was 90 million metric tons, but in fact 97 million metric tons were carried out by rail, 7 million tons in excess of the target. At the same time, vehicles were used to quickly carry 500,000 metric tons of coal to Beijing and Tianjin municipalities. All the areas adopted the method of combining wage readjustment with the reform in our wage system to increase the wages of the staff members and workers in our enterprises. This vigorously gave play to the initiative of our enterprises' staff members and workers. Cracking down on criminal activities brought about a marked change for the better in the general mood, discipline, and production order in our factories and great achievements were scored in our large-scale financial inspection. As a result, new achievements were scored in our work related to production and circulation in the fourth quarter and the plan for the development of our national economy for 1983 was fulfilled in triumph. We fulfilled 2 years ahead of schedule the Sixth 5-Year Plan target for gross industrial and agricultural output value for 1985 and made a heartening step forward in fulfilling the task of quadrupling by the end of this century.

In order to switch our economic work to the orbit centered on raising economic results, the responsible comrades in many areas and departments vigorously grasped the work related to our guiding ideology, personally made investigation and study, vigorously carried out exploration and pilot projects of economic structural reform, organized people to formulate some concrete policies and measures to facilitate the switch, continued to give play to the initiative of all circles, promoted the work in raising our economic results, and thus made new progress and accumulated some initial experiences.

/1. In order to raise our economic results, we must organize our production in the light of social demand./ Last year, the variety of our marketable products increased and our product mix was improved. The gross output value of the state-run industrial enterprises included in the budget of the state rose by 8.9 percent, the net purchases of domestic industrial products in our state-run and cooperative commerce increased by 8.4 percent, the net sales therein increased by 8 percent. This shows that production, purchases, and sales basically increased simultaneously. There was a further change in the previous practice that "good news in our industrial production meant worry for our commercial department, stockpiling of goods in our warehouses, and inflated revenue for our finance."

/2. In order to raise our economic results, we must conscientiously carry out enterprise consolidation, the key to which is to reorganize and strengthen their leading groups in accordance with the requirements of the four modernizations./ Last year, we achieved great results in our enterprise consolidation work. Among the 50,565 state-run enterprises in the country that were included in the budget and in the planned list for enterprise consolidation, 10,310 or 20 percent have already passed the checking for enterprise consolidation acceptance. Among these 10,310 enterprises, 3,116 were large or medium-sized backbone enterprises, of which 95 percent have reorganized their leading groups and 47.2 percent have basically satisfied the five requirements for consolidation work in the checking for acceptance. Because of the implementation of the "(Provisional) Program for Ideological and Political Work Among the Staff Members and Workers in State-run Enterprises," we have strengthened the ideological and political work in our enterprises. We further developed the training of our staff members and workers and the education of our cadres. More than 70 percent of our enterprises have set up their own schools, one-third of our staff members and workers took part in various kinds of study, and 40 percent of young people and people in their prime of life in enterprises successfully finished the courses for making up the lessons they had missed. In our industrial, communications, financial, and commercial circles 10 percent of the cadres attended training courses. The various kinds of staff members and workers receiving higher education totaled more than 1 million. We also gradually started and perfected the various basic work of our enterprise management. Through the consolidation, we corrected our thoughts and thus understand that the key to our administration and management is to raise economic results. As a result, our enterprises have begun to switch from grasping production alone to grasping both production and management and have thus increased their economic results.

/3. In order to raise economic results, we must rely on the progress in our technology. Basing our economic work on technological progress is a path that we must follow./ Last year, throughout the country, 1,124 national standards were newly formulated or revised, among which 30 percent were international standards or advanced foreign standards. In order to consolidate our medium-sized and small enterprises, we introduced 3,000 items of advanced technology. Last year, more than 600 contracts for technological introduction were made and their total value amounted to \$550 million. The experiment in expanding decisionmaking powers in Shanghai and Tianjin achieved initial results. The State Council promulgated the "Provisional Regulations on the Technological Transformation in Our Machine-building and Electronic Industries," which promoted the technological transformation in our machine-building and electronic industries. The work in improving product quality also developed throughout our country. During the past few years, titles of provincial products of fine quality, departmental products of fine quality, and state products of fine quality have been granted to more than 10,000 products, [words indistinct] 1,500 won the titles of national products of fine quality, and a number of enterprises advanced in quality management have emerged. What is especially significant is that through practice, we have initially summed up a full set of methods to grasp technological progress. They are to grasp the products as the starting point, to regard technology as the basis and conservation as the key, and to grasp in a systematic and harmonized manner the various links of tackling major technological problems hurdles, trial manufacture of new products, application of new technology, introduction and assimilation of foreign new technology, popularization and transference of new technology at home, the technological transformation in our enterprises, and the batch production of new products.

/4. In order to raise our economic results, we must make vigorous efforts to reduce our material consumption and conserve our energy./ At present, material costs account for about 80 percent of the entire cost of our industrial products. Therefore, reducing the consumption of energy and materials is a major way to raise our economic results. Last year, because we adhered to the principle that "we must intensify our efforts in exploiting energy and vigorously reduce our energy consumption," we succeeded in guaranteeing a 10.2-percent increase in our industrial production with only a 5.1-percent growth rate in our output of primary energy. Throughout the year, the energy that we conserved and saved was 18 million metric tons more than the planned target for the conservation of energy in terms of standard coal. Of this amount, 7 million metric tons were conserved through technological transformation. A number of enterprises advanced in energy conservation have emerged.

/5. In order to raise our economic results, we must persist in achieving unity between speed and economic results./ Taking our country as a whole, at present, we should focus on grasping the simultaneous increase in before-tax profits and production in order to promote our economic work as a whole. Last year, the nation's state-run industrial enterprises included in the budget increased their total output value by 8.9 percent and their tax by 7.5 percent (6.3 percent excluding a special tax on fuel oil). The two increases were roughly simultaneous. This was achieved in a situation whereby there were relatively many factors for profit reduction because of the readjustment of our policies. In particular, among the 29 provinces, municipalities and autonomous regions, 15 have achieved simultaneous increase in before-tax profits and production or a

greater increase in before-tax profits than in production. Requiring our before-tax profits to grow simultaneously or quicker than output value facilitates overcoming the malpractice of pursuing output value in an one-sided manner.

To sum up, from the above-mentioned facts we can see that since the end of 1981, when the CPC Central Committee and the State Council put forth the principle that our economic work must be centered on raising economic results, our various areas, departments, and enterprises have done a large amount of work. In 1982, we focused on grasping the work in making our products marketable and started to solve the problems related to the simultaneous increase in our production and sales and in 1983, we tackled the problems related to the simultaneous increase in our production and realized before-tax profits. We have made progress year by year in raising our economic results.

However, we should not fail to see that in the past few years the increases in our economic results have mainly been achieved through carrying out enterprise consolidation, strengthening our basic work, and putting an end to evaporation, leakage, and other waste rather than through technological progress and modernization of our management, through putting an end to losses, increasing profits, and reducing waste by administrative means rather than through carrying out economic policies to augment our enterprises' vitality and give play to their internal impetus, and through increasing our production capacity by "extension" and paying more attention to quantity rather than through increasing our production capacity by "intension" and paying attention to raising the level of development of our production and the quality of our products. True, this is necessary under current circumstances and we should continue to strengthen our basic work in the future, but from this we can also see that there is still a lot of work to do in raising our economic results and that what we have done is only a beginning and our work in this field is still at an initial stage. What we have particularly failed to do is that we have done nothing to solve the major problem of the poor economic results caused by the irrational organizational structure in our enterprises. /From the point of view of our guiding ideology,/ there are still quite a few units where a radical change has not been made. These units still fail to pay attention to economic results, quality, personnel training, administration, and management. They are at a loss and can do nothing when they are faced with a challenge. They always hope that they will have supplies of energy and raw materials at low prices so as to earn easy profits, have our commercial departments to unconditionally purchase and market all their products so that the profits are guaranteed, have all their losses subsidized by state finance, and can "eat out of the same big pot" so that it will not matter whether their economic results are good or bad. In doing their work, they are content with making general calls but lack concrete measures, fail to formulate any work schedules or to assign people to be specially in charge of the work related to raising economic results, and lack a sense of urgency in raising economic results. /From the point of view of actual results,/ we have not yet markedly put an end to the practice of achieving small output with great input. Our consumption indexes have fallen far behind advanced foreign standards and many of these indexes are lower than the best that we have achieved in the past.

There is also a great disparity between different areas. There are differences of 5 to 10 times in per unit output value energy consumption. Shanghai consumes only 20,000-odd metric tons of standard coal in yielding 100 million yuan of output value, and Jiangsu, Zhejiang, and Tianjin only consume 30,000 to 40,000 metric tons, but in areas of high energy consumption 250,000 metric tons of standard coal is consumed in yielding 100 million yuan of output value. In Shanghai, the ratio of realized before-tax profit to output value is about 30 percent, but in some areas this ratio is as low as a little over 12 percent. In Shanghai, the ratio of realized before-tax profit to funds employed is about 75 percent, but the lowest ratio of this type in our country is below 5 percent. Differences in economic structure is a reason for this, but we must find subjective reasons for it. According to our investigations in 371 large and medium-sized projects of a production nature that were entirely completed and put into operation in the period from 1979 to 1982, 31 percent of them failed to achieve investment results because of various reasons. The economic results in our commercial and grain enterprises were also uneven. Some provinces lost 2 to 3 yuan in selling 1 pig but others lost more than 10 yuan. Some provinces suffered no losses in their grain trade (after taking into account grain subsidies), but others suffered serious losses. All these show that there is indeed very great potential to tap in raising our economic results.

In short, we have achieved progress in our work, but we have still fallen far behind requirements and are faced with arduous tasks.

II. Basic Requirements and Methods in Further Raising Our Economic Results

Raising economic results is the starting point for us in organizing all our economic work. The 3d Plenary Session of the 11th CPC Central Committee once for all broke away from the serious fetters of the longstanding "leftist" mistakes and decided to switch the focus of the work of the entire party onto socialist modernization. This has greatly emancipated people's minds and broadened their horizons. They all began to consider the question of how we are to chart out, in the light of the reality in our country, a new path on which we will achieve a relatively sound growth rate and relatively satisfactory economic results and on which our people will benefit to a greater extent. We have done a lot of work of exploration and practice in readjusting our economy, carrying out pilot projects of reform, enlivening our economy at home, and opening up to the external world. On the basis of summing up our historical experiences and making a deep analysis of our current situation, the CPC Central Committee put forth at the end of 1981, 10 principles for our country's economic construction in the future. These 10 principles were formally approved in the Fourth Session of the Fifth NPC. The nucleus of these 10 principles is that in considering any of our economic problems, we must regard raising economic results as our fundamental starting point. This was a major turning point in the guiding thoughts for our economic work. Later, in a speech he gave at the national industry and communications work conference in 1982, Comrade Zhao Ziyang further scientifically pointed out that our paying particular attention to economic results was "precisely aimed at, to the greatest possible extent, reducing our consumption of animate labor and materials and goods and producing more products that meet the demands of society." This pointed out to us the correct way to raise our economic results. In his report to the 12th CPC Central Committee, the strategic goal for the economic construction in

the coming 20 years, stressed the necessity of regarding continuously raising our economic results as a prerequisite for quadrupling our gross annual industrial and agricultural output value, and called on us to switch all our economic work onto the orbit centered on raising economic results. This is the result of summing up both the positive and negative experiences in our socialist economic construction in the 30-odd years since the founding of the PRC and the results of the accumulation of the experiences gained in our practice since the 3d Plenary Session of the 11th CPC Central Committee. All our comrades should conscientiously study this principle, deeply understand it, and consciously implement it in their actions and they should not merely be content with agreeing with it in words. This is a major issue relating to our maintaining ideological and political identity with the CPC Central Committee.

From the point of view of the tasks that we are faced with, the basic way out is to raise our economic results. If we fail to markedly raise the economic results in our production, construction, and circulation, it will be impossible for us to make our economic relationships more smooth, to ensure the continuous, steady, and healthy development of our national economy, and to bring, in the quickest possible manner, a turn for the better to the finance and economy in our country. We should ensure the construction of our key projects, speed up the technological transformation in our existing enterprises, and continuously improve our people's livelihood on the basis of the development of our production. It will be impossible for us to achieve these aims if we fail to raise our economic results. Now it has become very clear to us that only by raising our economic results can we open up new prospects, race against time, and take the initiative in our hands. This issue is directly related to the economic revitalization of our country in the 1990's and to the success or failure of our efforts to realize the magnificent goal put forth by the 12th CPC National Congress. All our comrades must understand this issue from such a high plane. Economic results must become a major criterion for the work in our economic departments at various levels and for our enterprises.

In order to actually implement the policy of raising our economic results, for our entire country at present, we must strive to achieve a simultaneous increase in our production, realized before-tax profits, and state financial revenue. For this, all our areas, departments, and enterprises must be clear about our fighting goal. Through a full year of investigation, study, discussion, and consideration last year, we put forth the following initial suggestions:

/1. We should raise the quality and increase the variety of our products./ Our various trades and areas should decide, in the light of their respective conditions and in accordance with social demand, the quantities of products of fine quality that they can produce every year, the number of new products that they can trial-produce and put into production, the number of new varieties of products they can add to the old ones, and the number of products they can improve and make meet foreign standards of the 1970's or the early 1980's. We should also raise the quality of our work in the fields of circulation such as transportation, storage, packing, and commerce.

/2. We should reduce consumption and conserve our funds./ In order to reduce the cost of our products, we should first make efforts to conserve energy and raw materials. At the same time, we should strive to reduce the consumption of animate labor, administrative expense, and expense in commodity circulation and to speed up the turnover of our floating funds.

/3. We should increase before-tax profits./ Under the conditions whereby there is no great change in the external circumstances in organizing our production, particularly no great change in our prices, we should vigorously strive to achieve a simultaneous increase in the before-tax profits and production in the industrial enterprises throughout our country. We should strive to raise the rate of realized before-tax profits of our enterprises to a new level in a few years.

In order to achieve the above-mentioned aims, we should grasp the following three aspects of our entire work:

/The first aspect is to raise the quality of our enterprises. This is the basis of all our work./ For our enterprises are the major sources of the financial revenue of our state and the major positions in carrying out our four modernizations program. Only by raising the quality of our enterprises, enlivening our enterprises, which are "cells" of our economy, filling them with vitality, giving play to their initiative in improving administration and management, and increasing production and income can we adapt to the serious challenges in the market at home and abroad and can we give rise to a continuous upsurge in our entire national economy. In order to raise the quality of our enterprises, we must first satisfactorily carry out an all-round consolidation and, in particular, satisfactorily build up our leading groups and establish and perfect the economic responsibility system. In the past 2 years, we have already achieved very good results in popularizing the internal economic responsibility system, invented in the capital iron and steel complex and we must continue to persist in popularizing it. The enterprises that have been satisfactorily consolidated should switch the focus of their work onto making technological progress and modernizing their management. However, in order to radically raise the quality of our enterprises and to enable our enterprises to have their own internal impetus, we should rely on structural reform. We should adopt the method of systems engineering, tackle the problem in a comprehensive way, focus our work on key links, and do our work systematically and thus make breakthroughs step by step in our work of readjusting, restructuring, consolidating, and improving.

/The second aspect is to strengthen the management of our trades./ The responsible departments of the central and provincial and municipal levels should satisfactorily grasp the restructuring of our trades, carry out readjustment, reorganization, transformation, and consolidation, and gradually rationalize the organization and structure of our enterprises. Practice has proved that if we merely grasp our enterprises and fail to solve the problems related to the management of our trades, we will not be able to overcome the malpractice of duplicated construction and blind production and the malpractice of making our enterprises, small or large, all-inclusive. Nor will it be possible for us to solve the problem of technological backwardness, to implement the principle of giving preferential treatment to fine enterprises in supplying energy and raw

materials, or to form an integrated information feedback system. Without effective guidance of the management of our trades, the enterprises with great economic results cannot use their capacities to the full, while those with poor economic results will be able to muddle along. This makes it impossible for the whole society to raise its economic results. We should correctly handle, under the guidance of the planning of the state, the relationships between areas and departments, give play to the initiative of both the central and local departments, and systematically carry out our work in this field in light of the different conditions of various areas and departments and in accordance with our division of labor related to various products.

/The third aspect is to satisfactorily carry out our macroeconomic management./ In the final analysis, in raising economic results we are pursuing high economic results in our society. This requires our economic departments to start from the present situation and take into consideration the distant future, to combine current economic results with long-term ones, to promptly and correctly make macroeconomic policy decisions in light of developments in the situation and newly-emerging problems, and to strengthen their efforts in striking a comprehensive balance, to enable us to continuously raise our economic results and to have great future potential to tap in raising our economic results. Otherwise, the economic results that our trades and enterprises have achieved little by little through making hard efforts will be undermined. We should conscientiously and prudently carry out the reform in our management systems of planning, finance, tax foreign trade, commerce, pricing, personnel, and wages in order to meet the demand for continuously raising our economic results. We should strengthen the economic cooperation between our urban and rural areas and all our national economic sectors should adopt measures to conscientiously adapt themselves to the new situation of the prosperous development of commodity production in our rural areas. We should pay full attention to the role of collective and individual economy under the prerequisite of giving play to the dominant role of the state-run economy and thus enable diversified economic forms to develop in harmony. In accordance with the principle of "first we have to feed our people and then we should carry out our construction," we should satisfactorily handle the relationships between production and life and between accumulation and consumption and maintain a steady development of our overall national economy.

The above-mentioned three aspects are linked with one another organically. In the process of satisfactorily grasping these aspects of work, we will meet many very complicated and difficult problems. The leading comrades in our economic work departments at all levels and in our enterprises must be fully prepared mentally and must grasp these aspects with an indomitable spirit. All our areas and departments should strive to find some effective methods and measures to open up new prospects in raising economic results. In order to do this, they should study deeply and master the party's and state's principles, policies, and relevant regulations and laws, strengthen their investigation and study, learn the skills of collecting and studying market information, and thus be able to make correct policy decisions. They should also proceed from concrete conditions, give play to their strong points and overcome their weak points, rationally utilize their resources, develop their own superior products, master scientific methods of administration and management and modern means of

management, effectively organize and manage their various economic work, and continue to explore new paths for our reform in our economic management system and for the enlivening of our economy. Our previous experiences are not enough for us to cope with the current situation. Therefore, we are faced with a serious task of study. This should arouse our great attention.

III. Six Aspects of Work That We Should Focus Our Efforts on in Order to Satisfactorily Carry Them Out in 1984

The year 1984 is a year of key importance in creating a new situation in raising our economic results. We should continue to implement the principle of readjusting, restructuring, consolidating, and improving and continue to satisfactorily fulfill the task of putting an end to losses and increasing profits that the CPC Central Committee assigned us at the forum on economic work last October. We should try every means to satisfactorily organize our work related to production and circulation and ensure the fulfillment of the year's plans. In organizing the work related to production and circulation this year, there are many favorable conditions and also many difficulties. The major favorable conditions are: Last winter, the CPC Central Committee decided to begin an all-round party rectification and to persist in simultaneous rectification and correction of defects. This will vigorously push our economic work forward. We have already finished the reorganization of the leading groups in our governments at provincial and prefectural levels. This is a situation greatly different from that in the first half of last year when we were busy with our structural reform and could not concentrate on grasping our business. Through our country, there have already been 10,000 enterprises that have successfully passed the checking for acceptance related to their enterprises consolidation and most of our enterprises have improved their economic results. Last year, we got in a bumper harvest in our agriculture and the rapid development of rural economy provides relatively abundant raw materials for our light industry and a broad market for our industrial production. The increase in the income of our urban and rural residents results in a greater purchasing power which gives rise to a demand for a larger number of marketable products. The capital construction and technological transformation, and the beginning of the operation of the projects to introduce technology from abroad in the past few years have gradually increased our production capacity. Through the activities of cracking down on criminals and serious crimes and strengthening the development of our spiritual civilization, the general mood and discipline in our factories and our production order are the best in the past few years. Of course, there will be quite a few difficulties this year and all our areas and departments should make a concrete analysis of them. They should thoroughly mobilize their staff members and workers, rouse their revolutionary spirit, make them correctly handle, with the attitude of being good masters of the state, the relationships between objective conditions and subjective initiative, make them forge ahead knowing well the difficulties, and make them strive to increase income, reduce expenditure, raise economic results, and make new contributions to the state. In order to achieve these aims, we should focus on satisfactorily grasping the following six aspects of our work:

/1. We should satisfactorily organize our work related to production and circulation./

According to the arrangements of the national planning conference, the general outline of the production and circulation plan for 1984 is: a 4-percent increase in gross agricultural output value, a 5-percent increase in our gross industrial output value (a 5-percent increase in both our light and heavy industrial output value), an 8.1-percent increase in total retail sales of commodities, a 2-percent reduction in the comparable cost of the products of our state-run industrial enterprises, conservation of 18 million metric tons of energy in terms of standard coal, a 2.3-percent reduction in our circulation expenses, and an 8.8-percent increase in state financial revenue. We must satisfactorily organize and link up our work in the fields of supply, production, marketing, and transportation, fulfill state plans in an all-round manner under the prerequisite of continuing to raise our economic results, and ensure the continuous development of our country's economy at a relatively great speed.

In organizing our economic work we should foster a basic viewpoint, namely, we should arrange our production in accordance with social demand and satisfactorily arrange and link up production and circulation. If we only grasp production and fail to grasp circulation, we will not be able to smoothly carry out our social reproduction, let alone raising economic results. We must persistently maintain a unity between production and circulation and simultaneously and satisfactorily do the work in these two aspects. Only by so doing can we achieve the simultaneous increase in our production, before-tax profits, and financial revenue. This is a major issue in our economic work. From any point of view, whether from a national, provincial, or municipal point of view or from the viewpoint of a department or a city, we must strengthen our work in making forecasts about the market and our work related to economic information in order to make an overall arrangement of our production and circulation and to strike a comprehensive balance.

We should strive to ease the shortage of energy, raw materials, and communications and transport facilities. We should grasp the implementation of our plans, satisfactorily strike regional balances between supply and demand of energy and satisfactorily link up our transportation and production. In the field of distribution, we should formulate unified plans for production, distribution, and transportation and have our coal mines, railways, and communications departments and their customers jointly sign and implement contracts in order to ensure that none of them will hinder the fulfillment of the state plans. We should strive to overfulfill our plans for energy and raw materials production. Our transportation and telecommunications departments should quicken the progress of the capital construction projects that they are carrying out, including projects relating to railways, highways, ports, shipping, civil aviation, and post and telecommunications, realize the effects of the investment in these projects as soon as possible, and thus expand our transport and telecommunications capacity. At the same time, we should satisfactorily do the work in arranging our transportation and ensure the fulfillment of our plans for passenger and cargo transportation. In particular, we should strive to carry 10 million tons of coal and grain in addition to the targets of the state plan. In arranging our industrial production, we should adhere to the principle of ensuring the keys while appropriately taking into account the needs of all, and must earnestly ensure the production of key products that must be ensured. The newly increased output of electric power must first be supplied to the key construction

projects that have just gone into operation and to existing key enterprises. At the same time, we should continue to strengthen our geological prospecting work in order to meet the demand resulting from our production and construction.

We should conscientiously implement the CPC Central Committee's Document No 1, earnestly and satisfactorily do the work related to the production and supply of means of agricultural production, and continue to develop the wonderful situation in our rural areas. Though there was a bumper harvest in our agriculture last year, our peasants still give priority to the development of production in spending their money. We should conscientiously fulfill the plan for the production of fertilizer, pesticide, diesel oil, fodder, building materials, iron wire and nails, and agricultural machinery. We should arrange the supply of these goods without delay and strive to overfulfill the output quota for them so as to increase their supply. We must guarantee the quality of these products and are never allowed to cause losses to our peasants because of the poor quality of these products. At the same time we should do a good job of providing technological services, help our peasants to master technology, and thus enable our means of agricultural production to play an even greater role.

We should continue to adhere to the principle of "giving priority to six things," and do a good job of consumer goods production. There must be a strategic change in the development of our light and textile industries, a switch from gaining an advantage by means of large quantities to gaining advantages by means of fine quality. We should conscientiously readjust our product mix, vigorously increase the production of products of fine quality and well-known brand and in short supply, develop new production sectors and new products in order to adapt to the changes in the structure of consumption, and restrict the production of unmarketable and stockpiled products. We should earnestly improve our administration and management and do a good job of market research in order to enable our enterprises' production and management to catch up with the changes in demand in our markets.

In order to do a good job of labor protection, pay attention to safety in production and environment protection, and conscientiously tackle and prevent pollution, we must reiterate: We must simultaneously grasp production and safety. We should teach our vast numbers of staff members and workers to know the necessity of production safety and knowledge about safety technology. We should also strive to improve our working conditions, vigorously reduce the number of accidents and cases of occupational diseases, and thus promote the development of production.

We should strengthen economic and technological cooperation and the work of mutual support among units of the same trade. This will play an important role in supplementing our state plans where they fall short, rationally utilizing our resources, promoting our technological progress, and raising the economic results in our society. Under the guidance of the state plans and in accordance with the principle of regarding raising economic results as the key and the principles of voluntary participation and mutual benefit, we should develop this work in an even greater sphere.

We should satisfactorily arrange the supply of commodities in our urban and rural areas and maintain the prosperity and stability of our market. We must adhere to the principle of regarding planned economy as the core and supplementing it with regulation by market mechanism, strengthen the planned management of our commodities, and give full play to the role of the chief circulation channels in our state commerce. At the same time, we should conscientiously give play to the supplemental role of other commercial channels, continue to enliven our circulation, and satisfactorily arrange supply in our urban and rural markets. In order to achieve this aim, we should focus on satisfactorily grasping the following five aspects of our work. 1) We should strengthen the cooperation between our industrial and commercial sectors in order to supply larger quantities of marketable industrial products. The State Planning Commission has already circulated the plan for the production and purchase of the major products this year, therefore, our industrial and commercial departments should link up the production and purchase of products in view of their variety. If the production of certain kinds of goods is not linked up to the purchases of the commercial departments, they should report to provincial, municipal, or regional governments, which should make a decision to solve this problem. Once the purchase contracts are signed, the industrial sector should arrange the production and delivery in strict accordance with the contracts and the commercial sector should also arrange the purchases in strict accordance with the contracts. As for seasonal products, the commodity wholesale departments should play the role of storing these goods and the storage expenses incurred should be rationally apportioned. At the same time we should develop diversified forms of industrial and commercial combinations and satisfactorily link up our industry and commerce. 2) We should satisfactorily arrange the purchase and supply of our agricultural and sideline products. The state has already decided that in the coming few years we should expand the construction of our grain, cotton, and fruit storage facilities. This will play an important role in solving the problem that peasants find it difficult to sell their products. All our areas and relevant departments should vigorously grasp the implementation of this decision. Doing a good job of the production, purchase, and supply of meat, vegetables, poultry, eggs, fish, milk, and other foodstuffs is a key to stabilizing our market. At present, what is worth our attention is that in some areas there is trend of a decrease in the number of live pigs, while a bumper harvest of grain was gotten in. We must stabilize our policies and adopt measures to put an end to this trend. As for the problems related to vegetables, not long ago, the State Council specially issued a document on it. We must resolutely implement the policy of "controlling major aspects and giving a free hand to minor aspects" and ensure the supply of vegetables in our large and medium-sized cities and industrial and mining areas. 3) We should strive to increase sales and withdraw our currency. Last year relatively more currency was injected for the purchase of agricultural and sideline products, therefore, how we are to do a good job in supplying commodities in our rural areas is an issue of great importance. We should continue to dredge the channels of circulation between our urban and rural areas and vigorously arrange the work of sending industrial products to the countryside. We should try every means to increase the supply of means of production and building materials that our rural areas urgently need and also give a full supply of ordinary industrial goods of daily use. We should also strengthen our work related to the sales of commodities in our urban areas. 4) We should persist in stabilizing our prices and strengthening our management. 5) We should satisfactorily run the market in agricultural goods in our large and medium-sized cities while giving play to the role of small towns in commodity circulation.

In addition, there is a problem related to the purchase of products for export. It is entirely necessary to put an end to losses in our foreign trade, but we must make satisfactory arrangement and avoid excessive waste. Both the industrial and commercial departments should strive to improve their administration and management, reduce their costs and circulation expenses, and raise their economic results.

/2. We should put an end to losses, increase profits, and strive to simultaneously increase our production, before-tax profits, and financial revenue./

In doing the work of putting an end to losses and increasing profits, we should not only make efforts in putting an end to losses but in particular this year make efforts to increase profits. Not only our industrial departments should make efforts, but our departments of communications, foreign trade, commerce, agricultural reclamation, and construction should also make efforts. Last year, we scored great achievements in putting an end to losses and increasing profits, but generally speaking, we paid greater attention to putting an end to losses in the enterprises that had suffered losses, but failed to pay enough attention to increasing the profit rate in the enterprises that had earned profits. This year, we should pay attention to both aspects of the work. We should strengthen our statistical work and establish and perfect the economic activities analysis system. In the light of the characteristics of different professions and products, we should check and analyze the ratios of raw materials and energy utilization, the product yield ratio, the ratio of different grades of final products, and the ratio of up-to-standard products and the scrap ratio in production processes and thus tap potential in increasing profit rates. At the same time, we should continue to grasp the work of putting an end to losses and beginning to earn profits in our enterprises that have suffered losses. Within this year, we should basically eliminate losses of a management nature in our industrial enterprises and try every means to reduce the losses of a management nature covered by losses of policy nature and reduce the number of products that cause losses in the enterprises that earn profits. According to the requirements of state plans, this year, our state-run industrial enterprises should reduce their losses by 35 percent, a task involving the tackling of difficult problems. In the sector of foreign trade, we should ensure the fulfillment of the plan for putting an end to losses. Under the prerequisite of satisfactorily arranging the market and doing no harm to the interests of the state and consumers, our state-run commercial enterprises, grain enterprises, supply and marketing cooperatives, and enterprises that supply and market agricultural, livestock, and aquatic products and agricultural machinery should also satisfactorily arrange the market in order to fulfill their tasks for putting an end to losses and increasing profits. Judging by the experiences gained in various areas, results differ greatly depending on whether or not we pay attention to the work of putting an end to losses and increasing profits. The major methods in doing this work are: 1) The leading groups should personally do this work, resolutely make up their minds, carry out goal management, and establish a responsibility system geared to leadership to assign targets level by level to definite persons. 2) We should implement the economic policies that facilitate putting an end to losses and increasing profits. Our various areas should continue to implement the economic policies that they have formulated in accordance with the spirit of the central forum on economic problems.

We should concentrate funds to ensure the construction of key projects. This is a major policy formulated at the central work conference last June. We must resolutely implement it and should promptly deliver the funds in accordance with the regulations.

Strengthening the work in collecting taxes is a main way to concentrate financial resources at present. We should give full play to the role of our work of tax collection as an economic lever in promoting production and increasing circulation. Judging by the results of our investigation in some areas, tax evasion is quite serious at present. Moreover, the sources of taxes in the spheres that must be taxed but are not yet taxed are also growing. Therefore, there is great potential to tap in increasing tax revenue. We should inspect the implementation of the state's policies and decrees related to taxes, grasp the management of tax collection work, and strive to increase our tax revenue.

Through the careful checking and inspection of various relevant departments, we have basically become clear about the state of affairs in the 170 projects that have already been put into operation but cannot bring about the designed effect of investment. The next thing for us to do is to request the responsible departments to solve, together with the provincial, municipal, and regional governments, the problems there one by one in the light of actual conditions. If the leading groups there are not competent, we should reorganize them as soon as possible; if there are technological problem hurdles to be tackled, we should organize forces to tackle them; if the technology there is backward and the equipment is of poor quality, we should carry out technological transformation; and if there are some missing links, we should strive to include in our capital construction plans the projects to make up these missing links as soon as possible. Moreover, if it is impossible to achieve the designed capacity because of lack of raw materials and fuel or carelessness in prospecting and design, we should carry out readjustment in light of the actual conditions. Solving the problems in these projects is an important way to raise our economic results at present, therefore, our relevant departments and areas must grasp this work effectively. At the same time, we must accept the experiences and lessons drawn from the past and make good preparations before our new projects are put into operation.

In increasing our income, reducing our expenditure, and raising our economic results, we should be particular about our working methods. 1) We should give play to our strong points and avoid our weak points. We should proceed from actual conditions and give full play to our advantageous conditions and should not apply our strength evenly in all aspects. 2) We should combine [words indistinct] of grasping the key enterprises and grasping ordinary enterprises. The key is to grasp well the large enterprises that earn a lot of profits, suffer excessive losses, or consume excessive amounts of energy and the backbone enterprises that produce key products. For an area, the number of these enterprises is small but their impact is great. The key to increasing financial revenue, reducing consumption of energy, and establishing a competitive edge in our products lies in these key enterprises. When the work in these enterprises is satisfactorily done, the work in the whole area is enlivened and the work in general will be brought along. 3) We should find the disparities in light of the advanced levels at home and abroad, formulate actually feasible plans to catch up, and thus enable the work in raising economic results to be carried out in an intentional and systematic manner.

We should gradually implement the method of "double evaluation." At present, for some enterprises, their products are evaluated by the departments, their profits are evaluated by the provinces, and their output value is evaluated by the cities. This method is detrimental to the checking and evaluation of the economic results in these enterprises. In order to solve this problem, under the existing system, the responsible departments of the State Council should grasp the economic results of the entire trades while being responsible in an all-round manner for checking and evaluating the production and economic results in the enterprises directly under their jurisdiction, particularly the enterprises that earn more than 10 million yuan of profits or suffer more than 3 million yuan of losses a year. They should strengthen the supervision and inspection of the latter enterprises in cooperation with localities, issue periodical circulars on the evaluation of them, and be responsible for cooperating with them in solving the problems in these enterprises.

/3. We should do a good job of all-round enterprise consolidation and strive to raise the quality of our enterprises./

Since the CPC Central Committee put forth the issue of raising the quality of our enterprises, all our areas and departments have deepened their understanding of the importance and urgency of this issue. This is a great task which should be fulfilled through doing our work in a planned and systematic manner in various aspects including readjusting, restructuring, consolidating, and improving. Fulfilling this task is aimed at continuously raising our economic results. At the present stage of the work, we should first speed up the all-round consolidation in our enterprises. According to the requirement for finishing the consolidation of all our state-run enterprises before the end of 1985, this year is a year of decisive importance. All the 3,116 large and medium-sized backbone enterprises that have been included in the plan should conscientiously do the "work of five consolidations" and pass the checking for acceptance. There should also be about 70 percent of other state-run enterprises, including medium-sized and small industrial, communications, commercial, construction, agricultural reclamation, and nonindustrial enterprises, that will pass the checking for acceptance. This year, we should consolidate a large number of medium-sized and small enterprises. This is a more difficult and heavier task for us. All the areas and departments must strengthen their leadership, must never slacken their efforts, should persist in demanding of themselves strict and high requirements, and should not pursue formalism or make a show of consolidation.

The key to satisfactorily consolidating our enterprises lies in satisfactorily grasping the reorganization of the leading groups in our enterprises in accordance with the requirements of the "four modernizations." We should pay particular attention to political qualification and resolutely refuse to admit into our leading groups "people of three categories" those who oppose the party's line formulated since the 3d Plenary Session of the 11th CPC Central Committee and those who have committed various kinds of activities that seriously violated the law and discipline. We should make up our minds to promote a number of people who are in their prime of life, who are professionally competent, and who have a pioneering spirit to the chief and first deputy chief positions in our leading groups. These positions are of key importance. If we fail to do this,

it will be very difficult for us to open up new prospects. We should also pay attention to inspecting the enterprise leading groups that have already been reorganized. If we find that they lack something to form complete sets, we should appoint people into them to strengthen them. If they are indeed incompetent to open up new prospects, we should reorganize them once more. After the reorganization, we should give a free hand to allow the new leading groups to be responsible for the tasks of enterprise consolidation. This is also a good test and training for our new leading groups. At the same time, we should also conscientiously grasp the development of the third echelon and strengthen the selection and training of reserve cadres.

The enterprises that have already passed the checking for acceptance should switch the focus of their work onto promoting technological progress. They should gradually realize the modernization of their technology, management, and personnel and enable their products to meet the international advanced standards of the 1970's and 1980's as soon as possible. Our enterprises should gradually develop a system of leadership that is both democratic and centralized, build up ranks of red and expert staff members and workers, and establish a scientific and civilized management system and thus strive to become enterprises of "six goods." Because we have to vigorously grasp the work of consolidating and improving what we have achieved, the state has decided that it will temporarily suspend the evaluation and selection of enterprises of "six goods."

In order to raise the quality of our enterprises, we must make great efforts to carry out intellectual development, continue to strengthen the professional training of our management personnel and the cultural and technological training of our staff members and workers, and master modern knowledge and technology. Our factory directors should learn some technology. In particular, the directors of large and medium-sized enterprises should strive to learn the applied technology of computers at present. We should satisfactorily and conscientiously do the work related to the unified examinations for factory directors and managers. We should give systematic training to leading cadres, particularly new members of the leading groups in our enterprises, and make them study the party's principles and policies on economic construction and knowledge of modern science, technology, and management, thus improving their competence in making management policy decisions. We should also give professional training to various kinds of management personnel related to planning, statistics, accounting, personnel, and materials and goods, and thus improve their professional competence. We should continue to implement the policies related to intellectuals. We should conscientiously create conditions and organize our technical personnel to vigorously study new technology and theory and to continuously renew their knowledge. As for our staff members and workers who are young and in the prime of life, we should speed up the progress of making up their missed cultural and technological lessons under the prerequisite of ensuring quality. We should vigorously run the secondary and higher education for our staff members and workers and earnestly ensure the funds for it and the supply of school buildings, teachers, and teaching materials.

In order to run our socialist enterprises satisfactorily, we must simultaneously grasp the construction of the two civilizations. We should vigorously strengthen our ideological and political work and develop ranks of staff members and workers who are revolutionary, who have lofty aspirations and morality, who are educated, and who observe discipline. This is the most fundamental guarantee for the improvement of the quality of our enterprises. We should

once more make it clear that ideological and political work is the lifeline of all economic work. We should continue to implement the "(Provisional) Program for Ideological and Political Work Among the Staff Members and Workers in State-run Enterprises," and closely combine economic and political work. We should adopt diverse forms and ways to carry out systematic political education among our staff members and workers, particularly the young, and send our young workers to political schools and training courses by stages and in groups. We should develop the "revitalizing China" reading activities, carry out profound education in ideals, aspirations, organizational discipline, democracy and the legal system, and professional ethics and thus increase their ability in resisting spiritual pollution. We should also carry out education concerning the economic situation, principles, and policies centered on raising economic results and thus augment their sense of responsibility as masters of their country. We should conscientiously analyze the state of affairs in the minds of our staff members and workers, strengthen our daily ideological and political education, and carry out our work in the light of actual conditions. At the same time, we should earnestly implement the principle of distribution according to labor, show concern for the material and cultural life of our staff members and workers, and do our best to solve some actual problems that urgently need to be solved.

/4. We should grasp the readjustment of our trades and consolidate our work./

The organizational structure in our country's existing enterprises is irrational. This is an important factor that hinders the raising of economic results at present. It is also a problem which is very difficult to solve. In his speech at the fifth session of the Fifth NPC, Comrade Zhao Ziyang put forth two methods of solution: 1) we should pay attention to giving play to the role of trades and 2) we should pay attention to giving play to the role of our cities. There are many problems and complications involved in strengthening the management of our trades and reorganizing and consolidating our trades. We must adhere to the principle of taking into account the whole nation and begin from our key cities, and conscientiously formulate and gradually implement the plans related to our trades. In the key cities where there are mature conditions, we can form companies functioning as such in accordance with trade divisions. Every province or region should select a few trades that have been relatively seriously developed in a blind manner to reorganize and consolidate.

Formulating a plan for the development of our trades is a task of major importance in strengthening the management of our trades. This plan should include a plan for technological transformation and for the readjustment and reorganization of various trades and the closing down, merging, suspension from production, and switching of production of certain enterprises. It should be formulated by the joint efforts of departments and localities in order that the goals and actual steps for implementation are written into it. The plans for the development of a whole trades in the departments that have relatively unitary products and business, such as the departments of coal, petroleum, textiles, railways, communications, post and telecommunications, hydroelectric power, and civil aviation can be studied and formulated mainly by the departments. For the departments whose products are produced jointly by several departments, such as light industry, the chemical industry, the machine-building industry, the electronics industry, and the building materials industry, the departments in

cooperation with relevant departments and localities. As for a few important products of these departments, the State Planning Commission, Economic Commission, Scientific Commission, and other integrating departments can be responsible for the organization of inter-departmental planning groups to formulate the plans for these trades in cooperation with relevant departments and localities. The national industrial companies which are functioning as such and which have already been set up, such as those in shipping, petrochemicals, automobiles, nonferrous metals, silk, tobacco, and other trades, should start earlier than others in trade management. They should take account of the situation of the whole country, act in accordance with the requirements for the development of their trades, give priority to readjusting and consolidating the enterprises of these companies, promote the rationalization of the structure in these enterprises, make greater contributions in raising economic results, and give full play to the advantages of functioning industrial companies. At the same time, they are assigned responsibility by the government for satisfactorily formulating the plans for their own trades. Our various provinces, municipalities, and autonomous regions should also organize their forces to study and formulate the plans for the development of trades in their own areas and make these plans coordinate with national plans for the trades. Through combining the upper and lower levels in this manner, we shall formulate national plans.

We should organize [word indistinct] of functioning local industrial companies. If the center of a trade is in a certain city, we should give play to the role of key cities and establish a city-level company. Examples of such trades are the machine-building, electronics, light, textile, chemical, and food industries. If, in order to give play to the strong points, a combination at a provincial level is necessary, we should establish companies at provincial level. Examples are the metallurgical and coal trades. At the same time, we should organize transdepartmental and transregional economic combinations for the production of certain products in light of the organic relations in our production and the requirement for rationally organizing professional cooperation. The transregional combinations, such as the No 2 and south automobile plants that have already been established, should be further consolidated and perfected. Our various areas and departments should select some well-known brands of products, such as bicycles and refrigerators, as key links to carry out pilot projects. Through setting up companies to effectively organize enterprises of the same trade, we will solve problems such as blind development, duplicated construction, one enterprise being under the leadership of several organizations, separation from one another, and serious waste, gradually rationalize the organizational structure in our enterprises, increase the degree of specialization, and raise their economic results. We should continue to do a good job in specialized work of casting, forging, electroplating, heat treatment, and machinery maintenance. If the trades in our cities and provinces are satisfactorily reorganized, readjusted and consolidated, the work of reorganizing and consolidating the trades on a national scale will have a good foundation.

The relevant departments should formulate unified economic policies on management of trades and thus enable each of our trades to have its unified policy related to technology and equipment, unified standards for the quality of its products and the batch size of production, and unified goals for its economic results. Once these standards are set, we can readjust the enterprises in a

trade, close those that must be closed, suspend production where production must be suspended, merge those that must be merged, and switch the production of those in which production must be switched. We should eliminate the diverse forms of "protection umbrellas" from our backward enterprises and enable our enterprises to raise their economic results under the same standards. In view of the special conditions in remote and minority nationality areas, the relevant departments should support and help these areas. In order to control the blind development of enterprises, we should place the power to establish new enterprises wholly owned by the people in the hands of governments at central and at provincial, municipal, and regional levels. Our industrial and commercial administrative and managerial departments should strictly inspect this work.

In reorganizing and consolidating our trades and strengthening their management, we must take into account the interests of both the departments and the areas and of both the entire people and the collectives and give play to the role of all the positive factors that are favorable to raising social economic results. There are many problems to research into in this work and we must steadfastly grasp this work, vigorously grasping it for several years until we score some achievements. We should start doing this work this year and must make some breakthroughs in this work.

/5. We should vigorously promote technological progress./

In order to revitalize our economy, we must rely on the progress in our science and technology and our scientific and technological work must serve economic construction. This is a basic principle for our country's modernization and the main source for continuously raising our economic results. Our leading groups at all levels must foster in their minds a fundamental viewpoint: In order to develop our production, we must rely on the progress in our technology and really solve the problem of what to rely upon in our minds. In developing our scientific research we must make it serve the economic construction and really solve the problem of what it should serve in our minds. Now there is a "new technological revolution" in the making in the world. The daily changes in the development of science and technology greatly shorten the cycles of renewal. We must grasp the opportunities, promote the development of our technology, vigorously grasp the application of new scientific and technological achievements, develop our own economy, heighten our capability of self-reliance and strive to gradually shorten the disparity in economy and technology between our country and developed countries. This is a strategic task we are faced with.

At present, an outstanding task in promoting the progress of technology is to grasp the improvement of the quality of our products. In the final analysis, raising economic results and improving the quality of our enterprises all demand the improvement of the quality of our products and the reduction of consumption. Furthermore, the quality of our products is directly related to the extent of consumption. During the past few years, we have done some work in improving the quality of our products and have achieved some results. However, generally speaking, poor quality of products continues to be a vital shortcoming in our country's industrial production and a major issue critical to the prosperity

of our country's industry. We must make up our minds and strive to fight, through vigorously promoting technological development, a decisive battle in raising the quality of our products. First of all, we should improve the quality of the products that we are producing and make efforts to raise the rate of products of fine quality. At the same time, we must concentrate, relatively, our technological forces, set up a perfect and independent system of technological development, strengthen our efforts in building up a technological reserve, strive to develop new products, and vigorously grasp the work of substituting new generations of products for old ones. We should strengthen the work of all-round quality control. For each factory that produces principle machines, there are many factories that produce components. We must set up a quality guarantee system that includes in it the factories that produce raw materials, components, supplementary equipment, and principle machines and thus form a network of all-round quality control. Our factories, whether producing raw materials or doing processing jobs, whether assembling principal machines or components must strive to achieve the following aims. They should set up a well-organized system of organization and management and establish quality control organizations level by level, from factories down to workshops and teams. These organizations should follow the mass line, combine scientific management with the efforts of the masses of the people, and satisfactorily operate the mass quality control teams. We should establish a set of strict technological standards and requirements. We should carry out perfect equipment management and enforce strict technological discipline. We should formulate and establish policies and systems that are strict and impartial in meting out punishment and rewards. All our areas and departments should start from their own key products this year, establish a quality control network for their major products and raw materials, and strive to score achievements in a few years.

It is imperative to adopt new technology in order to cut down energy consumption. In 1980, the energy consumption for the production of 100 million yuan of industrial output value in our country was more than 80,000 metric tons of standard coal, but by the year 2000, the necessary energy consumption for 100 million yuan of industrial output value will be reduced to 400 metric tons, a decrease of 4 percent every year on average. This goal should be achieved partly through increasing production and partly through practicing thrift. If this task should not be accomplished, it will be impossible to realize the quadrupling of our production. Through our efforts in the past few years, the ratio of reduction in energy consumption which we have achieved through the readjustment of our economic structure has already gradually fallen from the figure of 70 percent a few years ago. From now on, we shall mainly depend on technological progress and strengthening of our scientific management to realize the aim of energy conservation. We should reform our technology and skills and work out technical measures and targets for the reduction of energy consumption ratios for the trades which consume large amounts of energy. We should gradually transform the industrial coal pits and stoves and heat supply systems to raise their utilization ratio of heat and energy. We should speed up the development of equipment that consumes less energy and set deadlines to eliminate and scrap high energy consumption equipment. It is imperative to do a good job of making all-round use of energy and to pay attention to combining conservation of energy with environmental protection in order to turn waste into treasure and to strive for raising the utilization ratio of energy. This year, we must ensure the fulfillment of the task assigned by the state of conserving 18 million metric tons of coal.

We should strengthen our work related to standards and statistics. This is a basic work to promote technological progress. We must conscientiously adopt international standards. Whether or not our products are up to advanced standards depends on the criteria for the organization of our production. This year, we should create a new situation in adopting international standards, select in a planned manner a number of products for which there is urgent need, carry out the necessary tests and organize their production in accordance with international standards or advanced foreign standards. Our newly formulated state standards should reach the level of international standards of the early 1970's and the 1980's. At the same time, it is imperative to strengthen our measuring work and to gradually increase our measuring instruments and means of surveying and testing. Otherwise, we cannot ensure the fulfillment of the tasks of improving the quality of our products and cutting down material consumption.

From the point of view of the whole country, there are three major tasks in developing our technology: 1) We must continuously and satisfactorily grasp the work in tackling major scientific and technological problems hurdles on 38 projects according to prescribed division of labor; 2) We should satisfactorily organize the 50 important projects of technological development and center on improving the quality of our products, increasing varieties, and cutting down material consumption, which were recently carried out in various trades; 3) We must grasp satisfactorily the development work of important technological equipment for our key construction. At the same time, we should further intensify our efforts to combine military and civil production, proceed from the characteristics of war industry, and focus on developing products for civil use with advanced technology. We should satisfactorily grasp the popularization of our new technology and, in particular, organize satisfactorily the transference of technology from abroad to our country, from the scientific research units to production enterprises, from the coastal areas to the hinterland and from the war industry to civil industry. In order to meet the demands of modernization, we should vigorously popularize the application of electronic computers, and first of all microcomputers. In some areas, there have emerged at present integrated entities of scientific research and production, regional technological cooperation, and the practice of combining the strength of war and civil industries in developing new technology. These are methods that have been proved to be effective. We should further popularize them on the basis of summing up our experiences in them, perfecting them in order to enable us to turn the technology that we have mastered into a productive force as quickly as possible.

We should speed up the introduction of technology from abroad. We will further emancipate our minds, relax our policies, simplify our procedures, and speed up our work. When we introduce technology from abroad, we should attach great importance to the technology related to "software." We should also introduce the necessary key equipment, the means of scientific research, the inspection and survey equipment, and a small number of production lines. In introducing technology, we should adopt various forms and open up all channels. We should vigorously encourage the practice of combining technology and trades and combining industry with trades, and cooperation in designing products and production. At the same time, we should make great efforts to satisfactorily grasp the work in assimilating imported technology.

We should use, in a planned manner and in the manner of focusing on major sections, the funds for technological transformation and technological introduction in order to enable the enterprises to carry out technological reform by stages and in groups. These funds should absolutely not be used for capital construction and, moreover, we should conscientiously bring about quick effects in using these funds. Last year, the State Economic Commission held a conference on the work related to technological progress in our enterprises and made a concrete arrangement of it. All our areas and departments should conscientiously implement this arrangement. In order to promote the technological progress in our enterprises, the expenses in carrying out scientific research, in developing skills, and in the trial manufacture of new products which cannot be included in fixed assets accounting and the expenses in buying sample goods and machines and ordinary survey and test apparatus can be included in production costs. We must raise, step by step in a planned manner, the rate of depreciation in some enterprises and areas in accordance with the demand for promoting technological development and the capability of our finance.

In our enterprises, we must extensively develop mass activities of technological transformation and rationalization proposal activities, and make these activities more prosperous and successful in order to continuously make new contributions in raising the economic results. We are now extensively carrying out among our vast number of young staff members and workers the "five small wisdoms cup championship" of small inventions, small technological transformations, small reforms, small designs, and small proposals. This is a very good emulation drive. We must persist in carrying it out.

In order to promote technological progress in our enterprises, we must carry out all-round management with products as the key in accordance with the method of systems engineering: we must form into a full set the technological development, the tackling of technical problem hurdles, technological transformation, and introduction of technology from abroad; we must link up the main products, raw materials, spare parts, supplementary and auxiliary materials, and cooperation in technology to form a whole; we must link up experts in the fields of scientific research, design, production, standards, statistics, patent rights, intelligence, consultation, economy, and law and organize them to form a whole advisory system. We must grasp our work in achieving technological progress by means of linking up various sections to form a whole. It is an important way to quickly turn the science and technology that we have mastered into a productive force and to raise our economic results. At present, because of our irrational system, we may encounter quite a lot of difficulties in our practice. All areas and departments can first set up several examples in the light of their own practical situation in order to gain some experience and gradually popularize them.

/6. We must conscientiously make good preparation for our further reform./

At present, all sections are summing up their experiences and discussing their new schemes for reform. The reform in rural areas has already achieved remarkable results. Although the conditions in our cities differ from those

in our rural areas, all the same the cities must carry out reform and must be enthusiastic in their attitude. Without reform, it is impossible for our cities to make big strides forward. At present, the reform in our cities is still in the initial stage and of an exploratory nature. The problem which should be solved in the reform in our cities is breaking away from the malpractice of eating from the same big pot and satisfactorily solving the problems related to the relations between the state and enterprises in order to imbue our enterprises with real vitality and to create preconditions for satisfactorily solving the problems concerning the relationship between the enterprises and their staff members and workers and to bring into full play the socialist initiative of the enterprises' staff members and workers. We must further emancipate our minds, eliminate the impact of "leftist" ideology, dare to make exploration, and dare to practice. We must, through the reform, enable our socialist enterprises to achieve fine cycles in their own operation and to have internal impetus in raising their economic results.

With regard to the second step in carrying out over the whole country the work of substituting tax for profit delivery, the State Council has made a decision on its orientation and principle long ago. The concrete scheme for this is being studied and formulated. All areas and departments are requested to get ready for this work. Good results have been achieved in the work in the past period in a small number of enterprises originally approved by the state to implement progressively the system of all-round responsibilities for profit delivery and the system of all-round responsibilities for fixed quotas of profit delivery, or to adopt other methods to deliver profits, and in the enterprises which implemented the old method of substitution of tax for profit delivery. We should conscientiously sum up our experiences, continuously make exploration and improvement, and continue to satisfactorily carry out the pilot projects.

We should strengthen the work related to economic laws and regulations, attach importance to applying the means of legislation to managing our economy, strengthen the development of our system of economic law, safeguard the state's rights and interests, and guarantee our enterprises' legitimate rights and interests and their regular production management activities. We must combine administrative means with economic and legal means in managing our economy. The enterprises which do business with the outside world and which are provided with the necessary conditions must each employ a full-time or part-time legal advisor.

Comrades; This year is the first year of carrying out, in an all-round manner, party rectification, which is an important measure that our party has adopted in the new historical period in order to achieve a new and great victory. It is a basic guarantee for achieving the magnificent goal defined by the 12th CPC National Congress and for carrying out the four modernizations. We must adopt a serious and conscientious attitude to grasp it firmly and satisfactorily and must not make a show of it. From the point of view of our economic work, party rectification will first be aimed at unifying our ideology with the party's line, principles, and basic policies formulated since the 3d Plenary Session of the 11th CPC Central Committee and will be aimed at further emancipating our minds

and adhering to the ideological line of seeking truth from facts in order to strive to fulfill and realize the party's general task and general goal. It is imperative to continuously eliminate the impact of "leftist" ideology, to firmly and unshakably carry out the policy of opening up to the outside world and enlivening our economy at home. We must further correct our guiding ideology, dare to reform, dare to blaze new trails, and dare to open up new prospects. In the process of party rectification, we must firmly grasp our economic work. We must organize two sets of leading groups, one is to grasp mainly the work of party rectification while the other is to grasp mainly the economic work, so that neither party rectification nor economic work will be neglected. We must focus closely on our economic construction and carry out simultaneous rectification and correction of defects. We should immediately solve all the problems that can be solved right away and no delay is allowed. We must push forward with the spirit of party rectification, our production, and various work. Through party rectification, we will give full play to the initiative and creativeness of our party members and broad ranks of cadres, enable our production and work to improve markedly, and enable our economic results to be raised remarkably. This is also an important criterion by which we judge whether or not a unit has satisfactorily carried out party rectification. Comrades! This year is also the 35th anniversary of the founding of the PRC. Let us double our efforts, work intensely, and greet the arrival of this grand festival with our excellent achievement in opening up a new situation in raising our economic results.

CSO: 4006/372

NATIONAL POLICY AND ISSUES

YUAN BAOHUA ON IDEOLOGICAL WORK IN ENTERPRISES

HK221108 Beijing JINGJI RIBAO in Chinese 9 Mar 84 pp 2-3

[Speech by Yuan Baohua [5913 1405 5478] at the national economic work conference 10 February 1984: "Penetratingly Implement the 'Program,' Resist and Eliminate Spiritual Pollution, and Forcefully Strengthen the Building of the Content of Staff and Workers"--passages within slantlines published in boldface]

[Text] The main purpose of the current national economic work conference convened by the State Council is to study the issue of achieving better economic results, to discuss the policies, measures, and methods for the solution of the relevant problems, and to ensure the fulfillment of the 1984 national economic plan. In accordance with the strategic principle of simultaneously building material and spiritual civilization, the current conference will at the same time discuss the issue of further strengthening ideological and political work in enterprises. In order to make preparations in this respect for the current conference, following the forum on enterprise ideological and political work of some provinces and cities held by the State Economic Commission in early December 1983, the Chinese society for staff and workers ideological and political work held a meeting of secretary-generals of the society at the end of December 1983. In light of the spirit of the 2d Plenary Session of the 12th CPC Committee, the two meetings summed up and exchanged experience of the implementation of the "(Provisional) Program for Ideological and Political Work Among Staff Members and Workers in State-Run Enterprises," approved and transmitted by the CPC Central Committee, and discussed the problems of further strengthening ideological and political work in enterprises, enhancing the building of the contingent of staff members and workers, resisting and eliminating spiritual pollution, and relevantly strengthening the scientific study of ideological and political work. Comrade Deng Liqun listened to the reports of the two meetings and delivered an important speech. This speech of mine is made on the basis of the two meetings and by collecting the opinions of all the members.

Now, I would like to talk about the following topics:

I. The Basic Estimate of Ideological and Political Work Carried Out in Enterprises in 1983

Under the leadership of the party, 1983 was a year in which the people of all nationalities in our country united and made concerted efforts to implement the

spirit of the 12th CPC National Congress and created a new situation in all fields of socialist modernization. In 1983, all fronts made new achievements and the development of the entire situation was far better than expected. In agricultural production, we conquered serious natural disasters and reaped another bumper harvest, which hit an all-time high. There was sustained growth in industrial production. Economic results also improved to some extent. The total output value of industry in the whole year increased by 10.2 percent over 1982, of which the output value of light industry increased by 8.4 percent. Urban and rural markets were brisk. Initial results were achieved in pooling funds to ensure key construction projects. Great progress was attained in enterprise consolidation and readjustment of leading bodies of the large and medium-sized backbone enterprises. The system of "substituting taxes for delivery of profits" was widely implemented. The technical transformation of the existing enterprises was accelerated. These achievements are inseparable from the strengthening of ideological and political leadership of the whole party.

Under the guidance of the strategic principle formulated by the 12th CPC National Congress on simultaneously carrying out the building of material and spiritual civilization, we have also made new progress in ideological and political work in the enterprises of industry, communications, finance and trade, building and construction, and so on since 1983. The national staff members and workers' ideological and political work conference was held in January 1983. On 1 July, the CPC Central Committee formally approved and transmitted the "(Provisional) Program for Ideological and Political Work Among Staff Members and Workers in State-Run Enterprises" [hereinafter referred to as the "Program"]. For the sake of strengthening ideological and political work among enterprise staff members and workers, it is unprecedented since the founding of the PRC to hold such a special and large meeting to draft this important document. The leading comrades of the CPC Central Committee also repeatedly emphasized that the ideological, work style, and organizational building of the workers' contingents should be done well and that the improvement of the quality of the workers' contingents should be regarded as the key link in the improvement of the quality of enterprises. The decision on party rectification and the important policy on eliminating spiritual pollution adopted by the 2d Plenary Session of the 12th CPC Central Committee have tremendously promoted and impelled the strengthening of ideological and political work among enterprise staff members and workers. Under the unified leadership of the party committees, most of the provinces, municipalities, and autonomous regions and some departments under the State Council have held relatively large meetings concerning workers' ideological and political work or have adopted other forms to conscientiously study and communicate the spirit of the "Program" and of the national staff members and workers' ideological and political work conference, and to study and implement the spirit of the 2d Plenary Session of the 12th CPC Central Committee. The various tasks set forth in the "Program" are gradually being implemented. One of the distinctive characteristics of some provinces and municipalities which have done a good job of ideological and political work in enterprises in 1983 is that they have regained the initiative. It is manifested in the following: consolidation and readjustments of enterprise leading bodies are placed at the top of the agenda in the work of party committees at all levels and new

breakthroughs are made; the building of the workers' contingent is changed from the state of a piecemeal approach in the past to paying close attention to systematic education and the building of basic work; ideological and political work is conducted together with economic work, which has played a positive role in ensuring the fulfillment of production and construction plans and in achieving better economic results; the launching of the struggle to attack economic and criminal offenses has encouraged healthy trends and has promoted a turn for the better in the party style and general social mood; and initial results have been achieved and some new experience accumulated in carrying out ideological and political work centered on enterprise consolidation and reform. To put it in a nutshell, in 1983, remarkable progress was achieved in enterprise ideological and political work in the following six respects:

/1. After organizing the vast ranks of cadres and masses in penetratingly studying and implementing the spirit of the 12th CPC National Congress and studying the "Selected Works of Deng Xiaoping," their consciousness in implementing the party's line, principles, and policies was further raised./ Through study, we deepened our understanding of the general task in the new period, the grand program for economic construction, and a series of important principles and policies concerning economic work put forward by the 12th CPC National Congress. We also improved our understanding of the major significance of building a high degree of socialist spiritual civilization and the mutual relationship between the building of spiritual and material civilization. On this basis, a number of cadres raised their understanding of the position and role of conducting ideological and political work in enterprises in the new period. The correct viewpoint of "ideological and political work is the lifeblood of economic and all other work" and the strategic principle of "simultaneously paying attention to the building of material and spiritual civilization" were realized by more and more comrades.

/2. The systematic and daily education of staff members and workers was enhanced to some extent and some new experience was explored and created./ In accordance with the requirements of the "Program," many localities consciously shifted the focus of ideological and political work onto young workers and adopted forceful measures to strengthen systematic education in communist ideology among young workers. The methods of running regular schools and releasing people from production to take part in rotational training were gradually promoted in all areas. Beijing, Tianjin, Shanghai, Jiangsu, Liaoning, and other provinces and cities developed relatively fast. Around 50 to 60 percent of the industrial and communications enterprises in these localities conducted political training classes in rotation. The young workers in Shanghai and Beijing who took part in training in rotation respectively constituted 20 to 30 percent of the total number of young workers. The commercial departments in Hubei Province ran short-term training classes and conducted professional ethics education for more than 72,000 young workers, accounting for 34 percent of the total number of young workers in the commercial departments of the province. In the course of the young workers' political training, many enterprises began with studying modern history and carrying out patriotic education. They integrated the instillation of the basic theory of Marxism and

Leninism with the ideological reality of the young workers, which effectively transformed the young workers' ideas and raised their ability in distinguishing right from wrong. A number of young workers regarded such study activities as their "political new starting point" and "ideological turning point." Facts have proved that running such training classes in rotation for released workers and conducting systematic education by linking it with reality are effective measures for improving the ideological and political quality of the staff members and workers. Meanwhile, new progress was also achieved in conducting various forms of day-to-day ideological and political education. The workers' reading drive for "vitalizing China" initiated by Shanghai is now being vigorously carried out throughout the country with the participation of 10 million workers. The activities of "five stresses, four beauties, and three loves" are being further popularized and carried out in depth. The advanced ideology of emulating Zhang Haidi, Zhu Boru, Zhao Chune, Jiang Zhuying, Luo Jianfu, and other exemplary figures has exerted a profound influence among the vast number of workers. We achieved fine results in conducting the education combined with the characteristics of each trade and the ideological reality of the workers, such as "cherish the mines, be masters, and dedicate ourselves to the coal cause," "the people's railway serves the people," the "three glories" centered on devoting ourselves to the geological cause, looking for mineral deposits, and rendering meritorious service, the education in professional ethics in commercial fields centered on providing better services and engaging in civilized business, and so on. The Ministry of Posts and Telecommunications conducted a general inspection on the service and quality of its subordinate departments and organizations and laid stress on carrying out education in service attitude, professional ethics, and observance of discipline among the workers. The leading comrade of the CPC Central Committee pointed out that provided this important matter is properly solved, we can win half the battle.

/3. The leading bodies of a number of enterprises were appropriately consolidated and readjusted and the building of the party organizations at grassroots levels were strengthened in varying degrees. / Due to the efforts made by the party committees at various levels, the progress of readjustment of enterprise leading bodies was relatively fast. The readjustment of the large and medium-sized enterprises was basically completed by the end of 1983. The majority of the readjusted leading bodies was good to relatively good. They achieved marked results in making the ranks of cadres more revolutionary, younger in average age, better educated, and more professionally competent. As a result, after readjustment, the number of leaders was reduced, their average age dropped, their educational level was raised, and the number of professional personnel increased. The leading bodies of some enterprises quickly put an end to the backward situation of poor management and running enterprises at serious loss. In connection with enterprise consolidation, the party organizations at basic levels were also consolidated. Rotational training classes were conducted for the vast number of party members centered on studying the new party constitution and the "Selected Works of Deng Xiaoping." According to the statistics of some provinces and cities, more than 90 percent of the party members were trained in rotation. The ideological consciousness of party members and the fighting capacity of party branches were both enhanced.

/4. The strengthening of ideological and political work, centered on enterprise consolidation and reform, ensured the smooth progress of the consolidation and reform./ In the process of structural reform, all localities did a great deal of painstaking ideological work. The broad ranks of cadres took the interests of the whole into account and conscientiously accepted the jobs assigned by the organizations concerned. Veteran comrades did a good job in passing on experience, giving help, and setting examples in training new hands and young comrades courageously shouldered heavy burdens. In the course of the reform of the economic management system, some cadres and masses had confused ideas. Aimed at such a situation, all localities immediately carried out education on the purpose, significance, and relevant principles and policies of the reform and on correctly handling the relationship between state, enterprise, and individual and between responsibilities, rights, and interests. The localities and units which did this work well clarified the erroneous views of some workers that "reform meant contracts and contracts meant earning more money" and persisted in the correct direction of the reform. The publicizing of valuing knowledge and intellectuals was enhanced, the unity between cadres, workers, and intellectuals was strengthened, and the party's policy on intellectuals was further implemented.

/5. The political work organs of some localities were strengthened and attention was given to the building of the ranks of political work./ At present, the party committees of 12 provinces, municipalities, and autonomous regions have set up special organizations for managing the ideological and political work of enterprise workers. For example, the Shanghai CPC Committee respectively set up party work committees in industry, communications, finance and trade, and capital construction; Shandong set up enterprise political work departments under the party committees from the provincial level to prefectural, city, and county levels (counties which have a considerable number of industrial enterprises); and Liaoning Province established economic work departments under the party committees from the provincial to city levels. The political work organizations of these localities were strengthened. As the channels from top to lower levels were smooth, their work was actively carried out. In addition, nine provinces established economic commission or planning and economic commission political departments. The economic departments of the State Council which did not have political work departments before also took measures to strengthen the work in this respect. The political work organizations of a number of enterprises were also enhanced in varying degrees.

Since 1983, a number of localities and departments have adopted various means and combined long-term and short-term classes in training political work cadres and achieved gratifying progress in running regular training classes. According to incomplete statistics from Beijing, Tianjin, Shanghai, Liaoning, Shaanxi, and eight other provinces and autonomous regions, special classes for political work cadres were conducted in 31 institutions of higher learning and more than 3,700 students were enrolled. The Ministries of Aviation Industry, Communications, Railways, and Machine-building and four other ministries also conducted special classes for political work cadres in the 18 institutions of higher learning under the authority of the ministries and large enterprises concerned and enrolled 850 students. This will play a positive role in improving the quality of the political work cadre ranks and in solving the problem of shortage of cadres.

Some departments and enterprises also adopted various active measures to strengthen and readjust the political work cadres. Not long ago, the party committee of Tianjin second machine-building bureau mobilized the party members and cadres of the enterprises under its authority to democratically recommend and select political work cadres from among the outstanding party members, CYL members, technical cadres, and university graduates. As a result, 179 young and better educated political work cadres were selected. The vacancies were filled and the level of the four modernizations of cadre ranks was also improved.

/6. There has been a good beginning in the study and exploration of ideological and political work./ Following the founding of the national society for staff members and workers' ideological and political work in January 1983, 12 provinces, municipalities, and autonomous regions and six industrial and communications departments respectively founded such societies recently, and a number of large and medium-sized cities and enterprises (such as the Anshan Iron and Steel Company, the Shoudu Iron and Steel Company, Daqing, the second automobile plant, the Shanghai 21st Cotton Mill, and so on) also established relevant societies. Some societies did their work actively by holding theoretical discussion meetings, annual meetings for reading research reports, and political work lectures and by publishing research periodicals. With great enthusiasm, the research organizations and a number of political work cadres of some localities and departments achieved initial results in making some useful exploration and studies concerning the theoretical and practical problems of ideological and political work in the new period (such as the role and position of enterprise ideological and political work in the new period, how to correctly look upon the young workers of the new generation, the characteristics and law of workers' ideological and political education in the new period, how ideological and political work should be integrated with economic work and the characteristics of [words indistinct] the criteria for assessing enterprise ideological and political work, and so on). It is quite praiseworthy that the party organizations of some enterprises have made some exploration of ideological and political work in light of the spirit of the "Program." In addition to the running of regular schools, rotational training classes, and workers' reading activities, which are major reforms in workers' ideological and political work, the Beijing Chemical Industrial Bureau, aiming at the ideological problems existing universally among the workers, over a concentrated period carried out democratic discussion to explain to the workers the superiority of socialism, the Shanghai economic commission convened several theoretical discussion meetings to unify the understanding of the political work cadres on the major principles and policies of the party; in accordance with the method of objective management, the Qiqihar rolling stock plant and the Heping machine plant established the systematic management education system for the ranks of workers and conducted work with every worker; and the Qiqihar rolling stock plant practiced the system of personal responsibility in ideological and political work for administrative, technical, and management cadres, which promoted the integration of economic and technical work with ideological and political work. These are all fine experiences appearing in the reform of enterprise ideological and political work, which must be further summarized, perfected, and popularized.

While affirming the achievements gained in enterprise ideological and political work in the past year, we must also be soberly aware that the implementation of the "Program" has just started. The progress of the work of all localities, departments, and enterprises is uneven and enterprise ideological and political work is still a weak link. It is mainly indicated by the following: a number of cadres lack understanding of the role and position of ideological and political work in the new period, they engross themselves in economic and vocational work and ignore ideological and political work; the weak and slack state of affairs in leadership bodies is not fundamentally solved; a number of party organizations in enterprises are still used to the habit of taking on administrative affairs and have not concentrated their efforts on party building and ideological and political work; the political work organizations are not appropriately established, some provinces, prefectures, and cities having not yet set up forceful political work organizations, and there actually being no people responsible for the leadership of ideological and political work; and the political work cadres are not properly organized, their ideological and vocational quality is poor, and there is a lack of successors, which cannot suit the needs of the current situation and work. We must attach great importance to these problems and must get them solved as quickly as possible along with the implementation of the "Program" and particularly of the spirit of the 2d Plenary Session of the 12th CPC Central Committee.

II. The Main Tasks for Enterprise Ideological and Political Work in 1984

The 2d Plenary Session of the 12th CPC Central Committee discussed and adopted the decision on party rectification and called on ideological fronts not to go in for spiritual pollution. Comrades Xiaoping and Chen Yun delivered important speeches at the session. The two important decisions made at the 2d Plenary Session of the 12th CPC Central Committee are related to the future and destiny of the party and state and are the important and pressing tasks on the party's organizational and ideological fronts for the near future, having guiding significance for the strengthening and improvement of enterprise ideological and political work. Party rectification differs from but is also connected with the elimination of spiritual pollution. The work of eliminating spiritual pollution is a component part of party rectification, which must be carried out according to the requirements of party rectification. The party members and cadres will be educated in party rectification so that they can fight against all practices of spiritual pollution and can raise their ability in resisting the corruption of capitalist ideas. Meanwhile, the purpose of party rectification and the elimination of spiritual pollution is to do well in economic construction and to realize the party's general line. Proceeding from the overall situation of all-round party rectification and elimination of spiritual pollution on the ideological front, we must comprehend and implement the "Program" in a better manner.

The leading comrade of the CPC Central Committee pointed out that China's industry is now confronting a serious challenge and the problem of how to improve the quality of enterprises and achieve between economic results. Consequently, a new task is set for enterprise ideological and political work. It requires enterprise leading cadres to further emancipate their minds, to be bold in blazing new trails and making reforms, and to give full play to the mighty role of ideological and political work on the basis of achieving better economic results. The building of the workers' ranks should be further strengthened

and various effective measures should be taken to improve the workers' educational and technical levels and particularly their ideological and political quality. This is the basis for improving the quality of enterprises and achieving better economic results. The ideological and political work of enterprises should be aimed at improving the quality of enterprises and achieving better economic results. It is also necessary to integrate political work closely with economic work.

Confronting the new situation and new requirements, our main tasks in the near future are to regard the spirit of the 2d Plenary Session of the 12th CPC Central Committee as the guiding ideology, to organize the broad ranks of workers, and particularly leading cadres, to conscientiously study the "Selected Works of Deng Xiaoping," the decision of the CPC Central Committee on party rectification, and the speeches made by Comrade Deng Xiaoping and Chen Yun at the 2d Plenary Session of the 12th CPC Central Committee, to deepen our understanding, and to seek unity of thinking. In accordance with the unified planning of the CPC Central Committee, we must do well the adjustment of enterprise leading bodies and the consolidation of party organizations at basic levels and do preparatory work for the all-round party rectification in enterprises. We must continue to penetratingly implement the "Program," to earnestly strengthen and improve the ideological and political work among enterprise workers, to enhance the building of the workers' ranks, to resist and eliminate spiritual pollution, and to make great efforts to ensure the achievement of better economic results, the all-round fulfillment of the state economic construction plan, and the building of the workers' ranks with lofty ideals, moral integrity, education, and a sense of discipline.

In light of the above main tasks, it is necessary in 1984 to lay emphasis on the following work:

/1. It is necessary to penetratingly conduct education on building spiritual civilization and on resisting and eliminating spiritual pollution among the vast number of workers./

In his important speech made at the 2d Plenary Session of the 12th CPC Central Committee, Comrade Xiaoping pointed out: "The essence of spiritual pollution is that it spreads all sorts of decadent ideas of the bourgeoisie and other exploiting classes and spreads sentiments of lacking confidence toward socialism, communism, and party leadership." Comrade Deng Yingchao also clearly pointed out in her important speech made at the New Year tea party of the CPPCC National Committee: "Eradication of spiritual pollution primarily means opposing and criticizing erroneous statements and actions that depart from Marxism and the socialist path. It is designed to overcome the harmful effects which the decadent concepts of profiteering and obscene books may exert on people in the communist party and various walks of life, and especially on young people. The efforts fully conform to the relevant provisions in our country's constitution and law on the people's democratic rights and will be made strictly in accordance with them." The spirit of these two passages is entirely identical as it clearly defines the term spiritual pollution and the scope for eliminating spiritual pollution. We must profoundly understand and correctly carry out publicity and education among the broad masses of workers on resisting and eliminating spiritual pollution.

The working class is the leading class, the representative of advanced productive forces and production relations, and the main force for carrying out the building of socialist material and spiritual civilization. Furthermore, as the working class inhabits cities, they have more opportunities to accept good and bad things in a quick manner, which is different from rural areas. Therefore, the vast numbers of workers should regard the building of socialist spiritual civilization and the resistance to and elimination of spiritual pollution as their important task. The ideological trend of the workers' ranks at present is good, healthy, and progressive. However, we should be soberly aware that due to the negative influence of the 10 years of turmoil, and particularly under the new historical conditions of opening to the outside world and enlivening the domestic economy, some weak-willed workers, young workers in particular, may easily be corrupted by the decadent ideas of the bourgeoisie and other exploiting classes. Some people doubt or even negate the four cardinal principles. They are discontented with the wave on the party leadership and the socialist system. Some people admire the decadent bourgeois life style. They worship and have blind faith in foreign things and spare no effort in forfeiting their personal and national character. Some people "put money above everything else," seek private gain at public expense, harm others to benefit themselves, put profit-making first, and engage in unhealthy tendencies. Some people are seriously affected by anarchism. They want freedom and democracy but not discipline and centralism. In recent years, the theoretical and literature and art circles have spread some erroneous views and vulgar things in some articles and works, television programs, films, and performances, which adversely affected some workers' ideas. The dissemination of pornographic video tapes, books, pictures, and so on, has seriously corrupted the workers, the young workers in particular. As Comrade Xiaoping said, the harm of spiritual pollution alone can bring calamity to the country and the people. It saps the people's morale and leads the workers to embark on the road of degeneracy and crime. Therefore, viewed from either the leading responsibility of the working class or the building of the workers' ranks themselves, the strengthening of the building of socialist spiritual civilization and the resistance to and elimination of spiritual pollution is an extremely important task. We must, through study and propagation, enable the vast numbers of workers to clearly understand the far-reaching significance of this important decision of the CPC Central Committee, analyze the manifestation and harm of spiritual pollution, discover the purpose, policies, range and demarcation lines of the elimination of spiritual pollution, and raise the workers' consciousness in fighting against spiritual pollution.

While carrying out the struggle to eliminate spiritual pollution, we must persist in conducting education by positive measures among the vast numbers of workers. First of all, we should pay attention to the workers' systematic education and fundamentally raise their ideological and political consciousness and enhance their ability in resisting spiritual pollution. In accordance with the spirit of "Some Opinions on Strengthening Mass Cultural Work in Cities, Factories, and Mines," drafted by the central propaganda department and three other departments and approved and transmitted by the CPC Central Committee, we must also carry out amateur cultural, entertainment, and physical cultural activities which are varied, vivid, and healthy, use socialist ideology to occupy the workers' amateur activities front and to replace and eliminate all the hazardous and vulgar

activities, and conduct ideological and political work after working hours. It is necessary to carry out widely a drive of all forms of socialist emulation and to vigorously commend and publicize the advanced collectives and individuals who have taken the lead in building spiritual civilization and in resisting spiritual pollution.

Proceeding from the actual situation of their own units, the enterprise party committees should actively carry out the activities of "civilized factories and mines (including workshops and groups)," "civilized shops," "civilized construction sites," "civilized posts," "civilized living quarters," "five-good families," and so on. Only by doing well the building of civilized units can we enliven the ideological and political work in enterprises, raise the ideological consciousness of the vast number of workers, bring along the building of the entire spiritual civilization, and genuinely carry out the building of spiritual and material civilization.

In light of the instructions issued by the leading comrade of the CPC Central Committee, all provinces, municipalities, and autonomous regions should also conscientiously carry out the activities of workers and peasants building factories, neighborhoods, and spiritual civilization together under proper leadership and in a planned manner according to the spirit of the circular of the central commission for the activities of five stresses, four beauties, and three loves on transmitting the "Report on the Implementation of Workers and Peasants Building Spiritual Civilization Together" drafted by the city CPC committee of Handan, Hebei. Facts have proved that this form, centered on the education in communist ideology, is effective for building closer relations between workers and peasants, strengthening the alliance of workers and peasants, carrying out cultural, public health, scientific and technical, and other activities, enhancing public order, transforming unhealthy social trends, and promoting the development of production. The economic commissions and political work departments at various levels should regard this as their important work. They should coordinate with the departments concerned, grasp typical cases, and constantly sum up and popularize their advanced experience in this respect.

It is necessary to act in close coordination with the departments concerned to launch the struggles against economic and criminal offenses. We must use the typical cases of a minority of people embarking on the road of degeneracy and crime as negative examples to conduct education on adhering to the party's four cardinal principles among the workers, and particularly the young workers, conduct education on combating the corruption of capitalist ideas and correctly understanding the class struggle in the new period; and conduct education on socialist democracy and legal system so that everyone can receive a lesson. Meanwhile, we should also teach them to adopt a correct aesthetic attitude and to deal correctly with matters of love, marriage, and families. In the struggle to attack criminal activities, we should, on the one hand, sternly attack the criminal offenders and, on the other, seize the favorable opportunity to do well the ideological transformation work of the workers lagging behind and particularly those who violate the law and commit petty crimes.

In accordance with relevant stipulations, it is necessary to educate and mobilize the masses to thoroughly sort out and confiscate the pornographic video tapes, photographs, books, periodicals, and handwritten copies of every description which are spread in enterprises. We must cooperate with the public security departments to sternly attack the offenders who produce and spread these things. It is essential to strengthen education and management over the units and personnel related to foreign affairs, people who are sent abroad, and personnel who serve as editors, artists, photographers, and recording workers. It is necessary to strengthen management over enterprise libraries, reading rooms, clubs, dormitories, and so on. We must establish the necessary institutions and never allow these facilities to become places for spreading spiritual pollution.

In eliminating spiritual pollution, we must act according to the principles and policies of the CPC Central Committee and pay attention to our work methods. In light of the speeches made by Comrade Xiaoping and other leading comrades of the CPC Central Committee, we must draw a clear line of distinction between what is and what is not spiritual pollution. We must not regard failure or unsuccessful experiment in the reform of the economic system as spiritual pollution. We must differentiate between the just demands of beautifying our life and the bourgeois style of life. We must strictly differentiate between "putting money above everything else" and the Marxist principle of material benefits and distribution according to work. Concerning the comrades who have committed mistakes of spreading spiritual pollution, we should adopt the method of criticism and self-criticism, persuasion, and discussion to educate and help them and should not adopt the erroneous methods of the "Great Cultural Revolution."

/2. Pay close attention to the systematic education and rotational training of workers, especially young workers, and fundamentally raise their ideological and political consciousness./

The systematic ideological education in patriotism, collectivism, socialism, and communism among enterprise workers, especially young workers, is a strategic measure for strengthening the ideological building of the working class and combating and resisting spiritual pollution. All localities, departments, and enterprises must resolutely carry out the requirements stipulated in the "Program" and shift the focus of the ideological and political work of the masses of workers onto young workers. Commencing 1984, we must enable young workers to complete the courses of "Modern History of China," "General Knowledge of Scientific Socialism," and "The Chinese Working Class" within 3 to 4 years and in the form of running rotational classes in groups and by stages. All the large and medium-sized enterprises must conscientiously conduct political rotational classes for young workers in 1984.

According to the experiences of various localities, the key to the proper running of political rotational classes for young workers lies in leading cadres at all levels attaching great importance to and making strenuous efforts in this respect. The purpose of the political rotational classes for young workers should be centered on transforming their ideology and should generally "begin with education in history" and patriotism, which must gradually lead to systematic education in communist ideology. Concerning educational methods, we should persist in positive education and persuasion, implement the principle of democracy and

equality, and combine classroom teaching with all other vivid forms of education. The classes should be run according to the different circumstances of enterprises. For example, we can run workers' political schools, political rotational classes (with release or half-release from work), and other forms. If the small enterprises have difficulties in running schools independently, they may run the schools jointly with other units or let the responsible departments and companies run the schools. Whatever the form, the teaching course, time, and quality must be ensured and the workers' achievements and behaviour must be assessed and regarded as the basis for appraisal, employment and promotion.

In light of the above-mentioned requirements, all localities, departments, and enterprises should work out specific plans, adopt resolute and effective measures, and appropriately solve the practical problems of leadership, location, teachers, teaching materials, outlay, and so on. Some localities and units practiced the method of centralized leadership, unified planning and arrangement, and overall consideration for the workers' political rotational training and cultural and technical education; in some localities, the propaganda departments, under the unified leadership of the party organizations, took the lead, the trade unions held responsibility, the CYL and education departments actively participated, and each department closely coordinated with the others; through running study classes and training classes for teachers or organizing outstanding teachers to conduct demonstration teaching, some localities and departments trained a number of professional and part-time political instructors for the enterprises; and some localities and departments, by relying on themselves, organized the departments concerned to compile the teaching materials and ensured the quality of teaching. These methods are all fine examples. At present, the propaganda department of the CPC Central Committee is compiling a teaching outline for the three courses and will recommend some good teaching materials to the enterprises in all localities. Leading cadres at all levels attach great importance to this work and earnestly do it well.

Systematic education and rotational training should be closely combined with day-to-day ideological and political education so as to consolidate and expand the achievements of systematic education and help the workers gradually acquire the communist world outlook. In connection with the various central tasks, it is necessary to strengthen the education on the situation, principles, and policies and to enhance the education on professional ethics. The workers' reading drive to "vitalize China" is a fine example for the masses to educate themselves and to master theoretical and scientific knowledge. Party organizations at all levels should strengthen leadership and penetratingly and widely carry forward the reading drive.

/3. Continue to grasp the ideological and political work in enterprise consolidation, reform, and readjustment firmly centered on achieving better economic results./

The year 1984 is an extremely important year for accomplishing the task of enterprise consolidation. We must not only do well in the consolidation [gonggu 7255 0942] and upgrading work of the consolidated [zhengdun 2419 7319] and inspected large and medium-sized backbone enterprises which determine the overall

situation of the national economy, but also adopt resolute measures to consolidate well the state enterprises, which constitute over 70 percent. Meanwhile, it is necessary to continue the reform and readjustment work of substituting taxes for delivery of profits, of perfecting the economic responsibility system within enterprises, and so on. Therefore, party organizations at all levels should earnestly strengthen leadership and make the ideological work penetrate the entire process of enterprise consolidation, reform, and readjustment.

It is necessary to further straighten out the guiding ideology for economic work and to genuinely shift all enterprise work onto achieving better economic results. We must lead the enterprise cadres, leading cadres in particular, to get a clear understanding of the current situation, inspire their enthusiasm, dare to advance despite difficulties, turn pressure into motivation, make great efforts and try by every means to get them to improve their own quality, to improve enterprise management, and to promote technological progress, actively adapt to external changes, genuinely shift the focus of our work, and turn the production-type enterprises into production and management-type enterprises.

We must continue to conduct education among the vast numbers of workers on the relevant principles and policies and on the necessity for the consolidation, reform, and readjustment, further publicize and implement the party's four cardinal principles and the "three criteria" put forward by the CPC Central Committee for judging the correctness of reform, and uphold the socialist orientation. We must educate and lead workers to correctly handle the relations among state, enterprises, workers, and consumers' benefit. Whatever the reform, we must put the interests of the state first and never allow practices that undermine the foundation of the state or that infringe upon the interests of the consumers.

We must continue to conduct the education in valuing knowledge, talented people, and the role of intellectuals among enterprise cadres and masses, further implement the party's policy on intellectuals in all fields, continue to eliminate the influence of "left" deviation, and promote the unity within the working class. In connection with the problems and characteristics of intellectuals, it is also necessary to educate and encourage the intellectuals to integrate themselves with production and the masses of workers so that they can be both red and expert.

/4. In connection with enterprise consolidation, do well the consolidation of party organizations at basic levels, strengthen education of party members, and make preparations for all-round party rectification./

According to the plan of the CPC Central Committee, the all-round party rectification of enterprises will not commence until the winter of 1984. Within this year, the economic departments at all levels and enterprise party organizations should concentrate their forces on doing well enterprise consolidation work. In connection with the all-round consolidation of enterprises, they must do well in the consolidation of the party organizations at grassroots levels, promote enterprise consolidation with party consolidation, bring along the building of

the workers' ranks with the building of the ranks of party members, bring along the betterment of factory and social general mood with the betterment of party style, and make ideological and organizational preparations for the all-round party rectification.

The readjustment and consolidation of the leading bodies at all levels are the central links for improving the quality of enterprises and achieving better economic results and also important preparations for conducting all-round party rectification. All localities and departments should adopt forceful measures as quickly as possible to accelerate the pace of the readjustment and consolidation of leading bodies. The medium-sized and small enterprises which are to undergo consolidation this year should strive to readjust and consolidate well the enterprise leading bodies in the first half of 1984. In the course of readjusting and consolidating the leading bodies, proper arrangements should be made for the work of cadres who are above the age of 50 so as to continue to give full play to their positive role. Meanwhile, we must also conduct ideological work and help them correctly deal with their problems of promotion, remaining in office, and retirement. After readjustment, the leading bodies must be relatively stable in their membership. They must do well ideological, work style, and professional building. Meanwhile, it is also necessary to step up the building of the "third echelon."

The building of the party and the education of party members should be done well in accordance with the spirit of party rectification. We must organize the broad ranks of party members and cadres to seriously study the decision of the CPC Central Committee on party rectification and other party rectification documents, seek unity of thinking, and deepen their understanding. We must strictly practice democratic centralism, perfect the organizational life, actively carry out criticism and self-criticism, and resolutely straighten out the practices of abusing power and the bureaucratic work style of not being responsible to the party and people. We must simultaneously study documents, examine ourselves, carry out rectification, and correct our defects. We must strengthen education of party members so as to give full play to their exemplary role. The prominent problems existing in the ranks of party members should be promptly solved. In accordance with the unified plans of the party committees at all levels, we must continue to do a good job of conducting party rectification experiments at selected points. In view of the limited number of party members on the front of industrial, communications, and trade and financial enterprises, we must, in accordance with the spirit of the decision of the CPC Central Committee on party rectification and on the premise of adhering to the requirements for party members, attach great importance to and actively do well the recruitment of new party members from among the workers, especially young workers, and from among various professional and technical personnel working in the front of enterprises.

/5. Build up a powerful enterprise political work cadre contingent as quickly as possible./

It is necessary to strengthen the ideological building of the ranks of political work cadres. The ideological and political work cadres are the "engineers of the people's souls." They shoulder the noble duty of molding and fostering lofty souls and resisting and eliminating spiritual pollution. Party organizations at all levels should earnestly organize well the study of political

work cadres, help them further enhance their faith in communism, keep in mind the overall situation, love their work, hold high the banner of Marxism-Leninism-Mao Zedong Thought, and courageously fight against all unhealthy practices and spiritual pollution of every description.

It is necessary to readjust and strengthen the ranks of the political work cadres. In order to improve the quality of the political work ranks, besides strengthening ideological education, we must rely on readjustment and training. The leading cadres of some responsible departments and enterprises relied on their own efforts and made a relatively big readjustment in the ranks of political work cadres within a short period, which brought about a remarkable improvement in the age, knowledge, and professional structure of these ranks. Their experience merits attention. The number of full-time cadres engaged in enterprise party work should be fixed according to the establishment defined at the 1982 national industrial and communications conference and the 1983 national workers' ideological and political work conference, which must only make up 1.5 percent of the total number of workers (excluding trade union and CYL cadres). We must ensure quality and fix the number of full-time cadres as quickly as possible. In connection with enterprise consolidation and party rectification, the "people of three categories" and those who have all kinds of serious problems and are no longer suitable for doing political work must be resolutely transferred from political work posts. Meanwhile, it is also necessary to mobilize and organize the cadres, party members, and CYL members at various levels of the party, government, trade union, and CYL organizations to conduct ideological and political work so as to form a mass network of ideological education. It is particularly necessary to organize the ranks of reporters, propagandists, and instructors so as to give full play to their role.

We must energetically do well the training of political work cadres. The party organizations at various levels on the economic front should, in accordance with the range of management of cadres and the principle of division of responsibility at various levels, pay close attention to the regular training of political work cadres and work out the plans for training them by different stages. These plans must be included in the entire plan for cadre education and must be earnestly implemented. In accordance to the requirements of the "program," we must use various channels and train in rotation all the political work cadres at least once before 1987. First of all, we must accomplish the training of party committee secretaries, general branch secretaries, party branch secretaries, and responsible persons of various political work departments of enterprises at above county level within the years 1984 and 1985. We suggest that in 1984 every province, municipality, autonomous region, and relevant economic department of the State Council establish close contact with one or several institutions of higher learning and run classes for political work cadres.

The requirements of the above work are also applicable to the enterprises run by collectives. At present, the number of workers in the collective enterprises (including the collective enterprises run by the state enterprises) constitutes a large proportion of the total number of workers and is an important component part of the working class. However, the ideological and political work in

these units is generally a weak link and there exist many negative practices among the workers. Therefore, it is particularly necessary to strengthen ideological and political work among these workers and to relevantly set up the necessary political work organs or strengthen the ranks of full-time political work cadres.

III. Strengthen and Improve the Party's Leadership Over Enterprise Ideological and Political Work

/1. The party organizations at all levels of the economic departments and particularly the leading cadres at all levels should further deepen their understanding of the important position and role of ideological and political work in the new period./ The report to the 12th CPC National Congress clearly pointed out: While building a high degree of material civilization, we must strive to build a high degree of socialist spiritual civilization. This is a strategic principle for building socialism. Whether or not we can adhere to this principle concerns the rise or fall, success or failure of socialism. Now, there are some comrades who hold: "Provided economic construction and the building of material civilization are developed, the building of spiritual civilization will naturally be developed and the ideological consciousness of the masses will naturally be heightened." These views are not correct. In his important speech to the 2d Plenary Session of the 12th CPC Central Committee, Comrade Deng Xiaoping seriously pointed out: "While the focus of our work is shifted onto economic construction, the whole party should learn how to adapt to the new conditions, should strengthen the party's ideological work, and should prevent the tendency of becoming engrossed in economic work and neglecting ideological and political work." "Party committees at all levels, and first of all the chief leading comrades of the party committees, should pay close attention to and penetratingly make a study of the situation and problems on the ideological front and should adopt effective measures to improve the work in this front." We must conscientiously study and resolutely implement the spirit of the 12th CPC National Congress, of the 2d Plenary Session of the 12th CPC Central Committee, and of Comrade Deng Xiaoping's speech and genuinely place the ideological and political work of enterprises on the important agenda of the leading bodies at all levels. We must conscientiously sum up both the positive and negative experiences of ideological, political, and leadership work in the past few years, unify the thinking of the broad ranks of cadres and the party organizations at all levels onto the spirit of the documents of the 12th CPC National Congress and the 2d Plenary Session of the 12th CPC Central Committee, clarify and clear away all the ideological obstacles and confused ideas which look down on, neglect, or even forsake ideological and political work, and genuinely maintain a high level of ideological and political unity with the CPC Central Committee. Furthermore, such unity must be concretely implemented in our work and deeds and not merely in words. In connection with their own professional work, all cadres engaged in economic and technical management work should conduct well ideological and political work. We must, through party rectification and the struggle to resist spiritual pollution and through penetratingly studying and implementing the "Program," further enhance the consciousness of and steadfastness in the necessity for communists to do well ideological and political work in all fields of endeavor and earnestly strengthen the party's leadership over enterprise ideological and political work.

/2. The earnest implementation of the division of work between party and administration by the enterprise party organizations is the key to the strengthening and improvement of leadership over the workers' ideological and political work./ All enterprises should perfect the enterprises leadership system and carry out well the division of work between party and administration. We must enable the enterprise leaders and the broad ranks of cadres and workers to correctly understand the importance and necessity of the division of party and administrative work and eliminate the influence of outmoded notions and customs. After organizational separation, the party and administrative bodies of enterprises should be appropriately readjusted. The posts of party committee secretaries and factory directors must in particular, be held by capable cadres. There must be a clear distinction in duties and limits of authority between party and administrative work. The administrative rights of enterprises should be genuinely entrusted to the factory directors so as to strengthen the administrative system headed by the factory directors. The enterprise party organizations and party committee secretaries must concentrate their efforts on implementing principles and policies and on strengthening party building and enterprise must change the old method of holding a series of meetings and consulting the party secretaries on every single matter and must create favorable conditions for the enterprises to implement the system of division of party and administrative work. The responsible departments should also frequently supervise and examine the implementation of the division of party and administrative work of the subordinated enterprises, give them specific guidance, and help them solve practical problems. It is also necessary to establish the responsibility system in the implementation of the division of party and administrative work. After enterprise consolidation and the readjustment of the party and administrative bodies, if the party committee secretaries still undertake all the administrative affairs and slacken their efforts in or even forsake party building and leadership over ideological and political work, causing a series of problems among party members and workers, the party committee secretaries must bear the responsibility for neglecting their duties.

In the course of enterprise consolidation, it is necessary to establish and strengthen the system of enterprise ideological and political work. In accordance with the different scales of enterprises, all provinces, municipalities, and autonomous regions can make relevant provisions on the establishment of enterprise political work organs and the appointment of political work personnel. The enterprise party committees should take note of giving full play to the role of the workers' congress, the trade unions, and the CYL. It is necessary to strengthen the basic work of ideological and political work, to establish the necessary institutions and the system of personal responsibility for the political work cadres at all levels, and to conscientiously make inspection and assessment. The system of personal responsibility for the political work cadres should be established in the light of [words indistinct] nature, characteristics, and range of vocational work of political work cadres. The party committees should first put forward general purposes and requirements, and then the subordinate functional organs should respectively work out their own responsibility systems and thoroughly put them into effect. Some enterprises have adopted the following method in assessment: fix the duties, responsibilities, rights, and assessment standards; check on work attendance,

moral character, achievements, and capability; and mete out rewards or punishments through overall appraisal. In accordance with the implementation of the system of personal responsibility and the requirements of work attendance, moral character, achievements, and capability, we must regularly carry out the activities of individual summarization, mass appraisal, and organizational examination, and then mete out rewards or punishments accordingly. Such a method can be implemented on a trial basis. As the work of party branches, the building of groups and teams, and so on are the basis of ideological and political work, we must pay close attention to the work in this field.

/3. It is necessary to further carry out research activities on enterprise ideological and political work and to probe the reform of ideological and political work./ All localities must earnestly implement the spirit and requirements of the recent national conference of secretary-generals of the national society for staff members and workers ideological and political work. Concerning the provinces, municipalities, and autonomous regions which have not yet established such societies, the economic departments concerned and the enterprises which have mature conditions should gradually set up such societies and carry out research activities in a planned manner. With the spirit of constantly blazing new trails and making reforms, the political work cadres at all levels should take note of summing up new experience, study and probe the characteristics and law of ideological and political work in the new period, make ideological and political work more vivid, and closely combine it with economic vocational work and the workers' actual thinking. In the reform of ideological and political work, it is necessary to adhere to the correct orientation and the ideological line of seeking truth from facts. We must regard Marxism-Leninism-Mao Zedong Thought, and not any other thought, as our guiding ideology. We must follow the inherent law and characteristics of ideological and political work and not try to apply indiscriminately the management methods and concepts of production, technical, financial, and other fields to the sphere of ideological and political work. We must handle correctly the relationship between inheritance and development and constantly blaze new trails on the basis of summing up historical experience and inheriting the fine tradition of ideological and political work. We must adopt the principle of "depending on ourselves, drawing on the strong points of others, and building up a style of our own" and assimilate the scientific achievements of modern psychology, pedagogy, and sociology. "Behavioural science" is one of the school of management science abroad. We must use the Marxist stand, viewpoint, and method to study, analyze, and distinguish "behavioural science" and to draw from it certain things useful for enterprise operation and management to serve as our reference. Nevertheless, it belongs to the capitalist ideological system and is fundamentally antagonistic to the theoretical basis, guiding ideology, and ultimate aim and tasks of our party's ideological and political work. We must not obliterate or confused the distinction between the two things, still less try to replace Marxist science of ideological and political work with "behavioural science."

/4. It is necessary to perfect and strengthen the management of ideological and political work organs in enterprises from the top to the lower levels./ As the management of various localities and economic departments over the ideological

and political work organs of enterprises is still a weak link, it is necessary to further strengthen the political work organs from the top to the lower levels in accordance with the spirit of the recent circular of the CPC Central Committee. The economic departments concerned (general bureaus and companies) under the State Council must all have forceful organs for managing the ideological and political work among enterprise workers so as to further strengthen the leadership and management over the ideological, political, and education work among enterprise workers at the basic levels. The provincial, municipal, and autonomous regional party committees may set up the organs for managing enterprise political work independently or jointly with the economic commissions. Those which do not have special political work organs should set up such organs as quickly as possible. With regard to the establishment of the political work organs at prefectural, city, and county levels and in the departments and bureaus directly under the provincial authorities, the party committees of all provinces, municipalities, and autonomous regions should, in accordance with the spirit of "it must be strengthened and not weakened or cancelled," refer to the method practiced in Shandong and other provinces and make unified and clear stipulations so that the lower levels may follow accordingly.

There are many things to be done in enterprise ideological and political work in 1984. All localities, departments, and enterprises should proceed from their actual situation, make specific arrangements, and lay stress on focal points. We hope that in the new year, new breakthroughs and progress can be made in the following: overcome the weak and lax state of affairs in ideology and leadership, and resist and eliminate spiritual pollution; run well the "two rotational trainings" (namely, systematic education and rotational training for workers and rotational training for political work cadres) and improve the quality of the ranks of workers and political work cadres; so well readjustment and consolidation of enterprise leading bodies and make preparations for all-round party rectification; and integrate political and economic work and ensure the attainment of better economic results. Provided we inspire our enthusiasm, dare to blaze new trails, and stress practical results, we will certainly be able to appropriately implement the "problem" and to create a new situation in the field of enterprise ideological and political work.

CSO: 4006/373

PROVINCIAL WORK REPORTS

FUJIAN'S HU PING OUTLINES ECONOMIC GROWTH PLANS

OW122034 Beijing XINHUA in English 1510 GMT 12 Mar 84

[Text] Fuzhou, 12 Mar (XINHUA)--Coastal Fujian Province is expected to examine and approve about 200 technology import projects this year, 93 more than in 1983, according to Governor Hu Ping.

Addressing the second session of the Provincial People's Congress which opened here today, Hu said that the projects will mainly help revamp the province's textile, electronics, foodstuffs, fodder processing, plastics, machinery and light industries.

Imports of software and modern management methods will also be stressed, he added.

At the beginning of 1983, Hu said, the province drew up a three-year plan to upgrade 312 factories with foreign and overseas Chinese funds. Agreements were reached on 107 projects, of which 40 projects have already gone into operation. These included an international airport at Xiamen (Amoy), and a program-controlled telephone system in Fuzhou, the provincial capital.

Agreements have also been reached on loans from Kuwait for building a new hydropower station and the second phase of construction at the Fuzhou fibre-board plant. Negotiations will be stepped up on a dozen more large and medium-sized projects including a cement plant and a cigarette factory. Feasibility studies on cooperative automobile production are expected to be completed soon, he said.

From now on, the governor said, prefectural and city authorities will be given the power to examine and approve joint ventures, cooperative operations and compensation trade deals involving investments of less than 1.5 million U.S. dollars.

The Xiamen Special Economic Zone is expanding, he added, calling for accelerated infrastructure construction and faster work on auxiliary projects. The construction of highrise tourist hotels will also begin this year, he said.

The congress session will close on 19 March.

CSO: 4020/86

PROVINCIAL WORK REPORTS

BRIEFS

HENAN CONFERENCE ON ECONOMIC WORK--The provincial work conference on economy opened in Zhengzhou yesterday morning. In connection with the spirit of the national work conference on economy, the conference reviewed the province's situation of production and circulation in 1983 by focusing on the heightening of economic results. Also, the conference worked out the economic tasks for 1984. Vice Governor Yan Jiming and other provincial leading comrades attended the conference. [Text] [HK200858 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 19 Mar 84]

CSO: 4006/373

ECONOMIC PLANNING

YUNNAN ECONOMIC CONFERENCE SETS TASKS FOR 1984

HK170641 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 16 Mar 84

[Text] The provincial economic work conference has decided that the province must grasp the following 10 work tasks for this year:

1. Get a good grasp of restructuring the product mix, take full advantage of the province's superior features in resources, and strive to turn superior resource features into superior economic features.
2. Get a good grasp of reducing losses and increasing profits. Total losses in loss-making state-owned industries covered by the budget must be cut by 50 percent compared with last year. Enterprises running at a profit must increase profits by over 6 percent.
3. Do a good job in enterprise consolidation and improve enterprise quality. No less than 80 percent of state-owned industrial enterprises covered by the budget should be consolidated and accepted before yearend. No less than 70 percent of commercial, agricultural reclamation, overseas Chinese-run, and other nonindustrial enterprises should be consolidated and accepted by yearend.
4. Promote technical progress and speed up the development of products and the replacement of old products by new.
5. Get a good grasp of urban and rural collective enterprises, and speed up the pace of economic development throughout the province.
6. Get a good grasp of weak links such as energy, raw materials and fuels, and communications and transport, to ensure sustained growth of the national economy.
7. Promote circulation, to spur the development of commodity production.
8. Uphold the reform principle and further enliven the economy.
9. Do a good job in cadre training and worker education.
10. Get a good grasp of ideological and political work and strengthen the building of the force of enterprise workers.

ECONOMIC PLANNING

JIANGSU SETS PACE IN ECONOMIC DEVELOPMENT

OW161850 Beijing XINHUA in English 1606 GMT 16 Mar 84

[Text] Beijing, 16 Mar (XINHUA)--Jiangsu Province will double its 1983 industrial and agricultural output by 1991, according to provincial [words indistinct] has Peixin in the PEOPLE'S DAILY today.

Jiangsu, which doubled its output between 1979 and 1983, was cited as a leader in China's drive to quadruple its gross industrial and agricultural output by the end of the century.

In 1983, Han said, industrial and agricultural output in the east China province came to 81.1 billion yuan (over 40 billion U.S. dollars), up from 38.1 billion yuan in 1976 and the highest of the country's 29 provinces, municipalities and autonomous regions. The annual rate of increase averaged 11.4 percent over the past seven years, far above the national average, he added.

Jiangsu was praised as a good example by party and government leaders who made inspection tours of the province last month. It would be of considerable significance to the nation if Jiangsu could maintain the momentum of its economic growth in years to come, they said.

Han noted that it took the province only five years to double production, a task which formerly took at least eight years to accomplish.

Jiangsu will use urban economic centers to accelerate rural economic growth, promote technical progress and further China's policy of opening to the outside world, while concentrating funds, materials and labor power on economic construction, Han said.

CSO: 4020/86

ECONOMIC PLANNING

MORE INVESTMENT DUE FOR ENERGY, TRANSPORTATION

OW181518 Beijing XINHUA in English 1448 GMT 18 Mar 84

[Text] Beijing, 18 Mar (XINHUA)--China will invest 23.6 billion yuan (nearly 11.1 billion U.S. dollars) in key energy and transport projects this year, four billion yuan more than in 1983, according to the State Planning Commission.

"These projects account for 36.3 percent of the country's total investment in capital construction this year, against 33.8 percent last year," a spokesman said.

Seventy-nine of China's 123 top-priority construction projects this year involve energy and transport, he said. Work on 39 will begin in 1984, while construction on 40 ongoing projects will continue, he added.

The 79 projects include 14 coal mines with a total annual production capacity of 89.59 million tons, 40 million tons more than in 1983; 26 power generating projects with a combined generating capacity of 15.17 million kilowatts, a rise of 5.45 million kilowatts; and six petroleum projects capable of producing 7.7 million tons of crude oil a year.

There will also be 17 railway projects which will add 1,017 kilometers of new line, 1,054 kilometers of double-track lines and 3,314 kilometers of electrified lines, the spokesman said. Other transport projects will cover the construction of 51 berths to handle 81.17 million tons of cargo annually, while four tele-communications projects will involve laying 3,000 kilometers of cables.

Beginning in 1984, auxiliary work at top-priority projects will be included in state plans to ensure their simultaneous operation, the spokesman said.

Construction of 177 auxiliary projects will proceed along with China's 123 top priority projects this year he said. These will include 134 in energy or transport and 43 in the iron and steel industry and other sectors.

"All these auxiliary projects must be completed on schedule," the spokesman said, "officials in charge of the projects will be held responsible if construction is delayed."

AGGREGATE ECONOMIC DATA

BRIEFS

FEBRUARY LIGHT INDUSTRY PRODUCTION FIGURES--Beijing, 12 Mar (XINHUA)--China turned out 49.21 billion yuan worth of light industrial goods in February, representing a 12.2 percent average daily increase compared with the same month of 1983, according to the State Statistical Bureau. The party's policy of giving priority to the light industry in the supply of raw materials, energy, funds and transportation facilities made it possible to respond to the rising consumer demand. In February, China produced 55,200 color TV sets, a jump of 261 percent and 21,000 refrigerators, up 119 percent compared with the same 1983 month. Recorders, radios, washing machines, cameras and electric fans increased between 24 and 88 percent. The watch-making industry was been focusing on producing ladies' watches and economy watches for peasants. More broad cloth and colorful cloth for decoration purposes were produced and considerable increases registered in the output of chemical cloth, wool worsted, silk fabrics and knitting wool. China produced 876,000 tons of sugar and 82,000 tons of beer in February, up 11 percent and 22 percent respectively, compared with the daily average of February last year. [Text] [OS121235 Beijing XINHUA in English 1203 GMT 12 Mar 84]

CSO: 4006/364

ECONOMIC MANAGEMENT

JINGJI GUANLI ON STABLE ECONOMIC GROWTH

HK211501 Beijing JINGJI GUANGLI in Chinese No 1, 5 Jan 84 pp 17-19

[Economic commentary by Zhong Yi [0022 3015]: "Continue to Smoothly Handle Relationships and Maintain Stable Economic Growth"--passages within slantlines published in boldface]

[Text]

I

Last year was the 3rd year of the implementation of China's sixth 5-year plan. During last year, the people of China worked hard under the guidance of the spirit of the 12th national congress and were overcoming difficulties, and thus economic construction continued to see clear successes. This was mainly manifested in the following few ways:

/Another bountiful harvest for agricultural production./ From 1981 to 1982, the average annual increase in gross agricultural production value was 8.8 percent, double the planned speed of increase of 4 percent. In 1983, while there were floods in the south and droughts in the north of the country and although some regions suffered serious natural disasters, the courageous efforts of the people to overcome and resist the disasters meant that damage from the disasters was greatly reduced. It is estimated that total grain production for the year was still more than 3 percent above the large 1982 harvest. There were large increases in Henan, Jilin, Heilongjiang, and Liaoning, and total increases were around 25 billion jin. Cotton production was able to increase by more than 5 percent, thus making it the 6th successive year of increased cotton production in China. Hebei, Henan, and Shandong all saw large increases, in all a total increase of more than 80 million dan. There were also increases in production of pork, mutton, poultry, and fresh eggs. There was further development of diversified management in villages and household sideline industries and the overall rural economy continued to prosper. This represented an important basis for maintaining stable development of the national economy.

/Overall increases in industrial production./ On the basis of the average annual increase of 5.9 percent in the gross industrial production value during the 2 years from 1981 to 1982, the first 10 months of last year saw total industrial production value reach 503.8 billion yuan, an increase of 10.5 percent over the same period of the preceding year. Light industry increased 8.1 percent and heavy industry increased 12.5 percent, and the amounts of

industrial products manufactured in most cases exceeded the planned speed of growth. When one compares the first 10 months of last year with the same period of the preceding year, one sees that energy production was 575.73 million tons (in standard coal), an increase of 6.7 percent. Generating capacity was 287.9 billion kilowatt hours, an increase of 7.4 percent; steel, fertilizers, timber, cement, plate glass and engines all increased by between 5.8 percent and 20.3 percent. Light industrial production increased every month, and of 37 major light industrial and textile products, production of 29 of them increased considerably. The production of such durables as bicycles, color televisions, radios, domestic washing machines, and domestic electric refrigerators increased by between 15.9 percent and 94 percent. Production of machine-made paper and cardboard and synthetic detergents increased by 10.5 percent and 22.2 percent respectively. Production of sugar and beer increased 18.6 percent and 42.3 percent respectively. Polyester fiber-blended cloth, silk products, nylon, and knitting wool also all increased to varying extents. It is estimated that during the year, gross industrial production value increased by more than 10 percent.

/Improvements to the structure of investments in capital construction./ After the first 10 months of last year, investments in capital construction for the entire country amounted to 39.2 billion yuan, an increase of 11.3 percent over the same period of preceding year. Since the second half of last year, all regions and sectors have been implementing the principles of the state council concerning the centralization of financial and material resources and preserving key construction projects. Construction projects have been clarified, the scale of investments has been shrunk, and the structure of investments has been adjusted, and definite results have been achieved. When one compares the first 10 months of last year with the same period of the preceding year, two very clear changes in the make-up of the investments become apparent. One is the increase in the proportion of investments in key sectors. The proportion of total investments that investments in the energy industry represent increased from 19.5 percent during the preceding year to 23.4 percent last year. Investments in transportation and telecommunications increased from 10 percent to 14.5 percent. The other change is the increase in the proportion of within-budget investments. The proportion of within-budget investments in total investments increased from 46.9 percent during the preceding year to 49.9 percent last year. During the first 10 months of last year there were 27 large- and medium-scale engineering projects in progress last year, an increase of 15. There were also increases over the preceding year in such areas as coal and oil exploration, generating capacity of electrical units, and railway mileage.

/Prosperity in urban and rural markets./ The sixth 5-year plan specified that the average annual increase in social commodity retail figures should be 7 percent, while in actual fact the average annual increase between 1981 and 1982 was 9.6 percent. Last year, the market continued to maintain brisk trading and prices of the large majority of daily necessities remained basically stable. It is estimated that retail figures for social commodities for the entire year increased by more than 10 percent over the preceding year. Commodity sales saw the "three mores" everywhere. First, there were more sales of agricultural means of production. In order to increase reproduction many peasants actively purchased agricultural means of production. During the first 10 months of last year, sales of agricultural means of production throughout

the country increased by 9.4 percent over the same period during the preceding year. There were considerable increases in sales of fertilizers, pesticides, agricultural motors and engines, hand tractors, farm cattle, and medium- and small-scale agricultural tools. Second, there were more sales of building materials. Following rises in the peasants' standards of living, there was an urgent need to improve living conditions and supply did not meet demand in the sale of cement, timber, glass, tiles, and bricks. Third, there were more sales of durables. Today, in addition to the continued demand for the "old three" (bicycles, sewing machines, and watches), the "new five" (televisions, radios, electric fans, washing machines, and electric refrigerators) have gradually begun to enter the people's households and there have been major increases in sales of these items in every region.

/Continued improvements in the people's standards of living./ Data from a random sample investigation shows that the total average monthly per capita income of all working households has increased from 46.7 yuan in 1981 to 44.6 yuan in 1982, an increase of 7 percent. During the first 9 months of last year, the average monthly per capita income for working households increased again to 46.7 yuan, an increase of 6.5 percent over the same period last year. Peasant incomes increased even more quickly. The average per capita net income for peasant households throughout China stood at 223.4 yuan in 1981, an increase of 16.8 percent over the preceding year and in 1982 it had risen to 270.1 yuan, an increase of 20.9 percent over the preceding year. During the first 9 months of last year, the average per capita cash income for peasant households stood at 163.5 yuan, an increase of 25.9 percent over the same period during the preceding year. These kinds of successive annual increases in peasant incomes have not been seen since the 1950's

In recent years, the continuous stable development that has been witnessed in the country's national economy and the annual improvements in economic conditions are the result of a fundamental smashing of the fetters of "leftist" erroneous thinking since the 3rd Plenary Session of the 11th CPC Central Committee and the correct reestablishment of the Marxist ideological, political, and organizational roads, as well as the drawing up of a series of accurate policies and principles which correspond to the situation in China and which are in line with the laws of economics, and the decisive implementation of strategic policies for readjusting key work to modernized socialist construction. In particular, "readjustment, restructuring, consolidating and improving" and their implementation has made our economy progress enormously during readjustment and has illustrated its great power. Concrete signs are: 1) An end to the wavering and stagnation in agricultural production. The party's implementation of its various rural policies, especially the universal implementation of the diversified styles of responsibility with payment linked to output, has mobilized the production enthusiasm of millions of peasants. In every area peasants have been doing things according to local conditions, developing their advantages and making up for their shortcomings, widening production outlets and generally working towards a development of fishing, agriculture, lumbering, animal husbandry, and agricultural side-product industries. As a result of the overall and sustained upsurge in agriculture, China's agriculture has begun to change from self-sufficient and semi-self-sufficient production to commodity and socialized production and this historic change has an

important significance for promoting the development of the entire national economy. 2) A reversal in the former long-term backwardness of light industrial production. As a result of readjustment and corrections to former ideas and methods which emphasized heavy industry and minimized light industry, and the adoption of various effective measures, production development in light industry has been speeded up and there have been positive readjustments to the product structure of light industry, resulting in constant increases in numbers of products provided for export, the market, agriculture, and light industry. Over the last 4 years, the average annual increase in light industrial production has been 11.8 percent and this exceeds the average annual increase in heavy industry for the same period, which is 3.4 percent.

3) Changes in the former long-term shortages in market supplies. As a result of sustained increases in agriculture and light industry, more and more agricultural side-products and day-to-day consumer items have been produced and consumer selectivity has increased, bringing prosperity of an extent not often seen since the founding of the PRC in both rural and urban markets.

Naturally, we must remain aware of the fact that many problems still exist within economic development. The scale of capital investment is still too high and improvements in economic results are not quick enough, while serious losses have appeared, in particular, in foreign trade. There has still been no basic change in the way that financial expenditure exceeds revenue, while contradictions of supply and demand for energy, raw materials, and transportation are still fairly serious. All these problems require effective measures in order to be solved.

II

In view of the present problems within the economy, and in order to maintain stable growth in the national economy, we must continue to uphold the principle of readjustment, restructuring, consolidating and improving in the coming year and handle relations more smoothly in the following few areas:

First, there must be unity in the relations between speed and results. High speed and low results implies large investments and little output and in this sense, the higher the speed the greater the wastage. On the other hand, if production speed is set too low, the potential net income is limited, even if economic results are high, thus making it impossible to satisfy the constantly increasing living requirements of one billion people--nor would it be in line with the need to strengthen the power of the national economy and the national defenses. Judging by the situation last year, when production speed exceeded national planning but economic results did not come up to demands set by state planning, [words indistinct]. One of the keys to improving economic results is to ensure that the guiding ideology for economic work is directed to relying on technological advances and working toward an equal speed between increases in economic results and production development. In order to achieve this we must today get to grips with improving the quality of products, and decreasing material consumption while making great efforts to promote technological advances in enterprise. We must maintain a unity between quality and quantity and work hard toward a genuine speed of growth under the premise of constantly increasing economic results.

Second, relations between accumulation and consumption must be appropriate. The suitability or not of ratios between accumulation funds and consumption funds directly affects the stable development of production construction and improvements in the people's living standards. The proportion of national revenue that China's accumulation funds represent (in other words the accumulation rate) was generally around 33 percent during the 1970's, reaching 36.5 percent at its very highest and this was clearly too high. As a result of the last few years of readjustments the accumulation rate has dropped from 36.5 percent in 1978 to 28.5 percent in 1981. However, since 1982, the scale of investments in capital construction has once again been too large and increases in consumption funds have also been very quick. On the basis of the principle of "first we must eat, then we must construct" we must of course put the accumulation rate in order, but increases in the consumption fund cannot exceed increases in production and even more importantly, they cannot rely on squeezing accumulation and increasing consumption. If this happens, the implementation of socialist expanded reproduction will be affected and as a result, the material basis for constant improvements in the people's living standards will be lost. As from today we can only improve the people's material, cultural, and living standards on the basis of developing production and improving labor productivity.

Third, relations between agriculture, light industry, and heavy industry must be put in order. As a result of readjustments, the average annual increase in gross agricultural production value between 1979 and 1982 was 7.5 percent, while for light industry it was 11.8 percent and for heavy industry it was 3.4 percent. The ratios between agriculture, light industry, and heavy industry also changed and agriculture increased from 27.8 percent in 1978 to 33.6 percent in 1982. Light industry increased from 31.1 percent to 33.4 percent while heavy industry decreased from 41.1 percent to 33 percent. Ratio relations between light industry, heavy industry, and agriculture and now basically coordinated and rational, although the ratio relations between agriculture, light, and heavy industry are still not solid in their foundation after readjustments. Thus for example, last year, excessive investments in capital construction meant a shortage of the means of production. This forced violent increases in heavy industry and thus heavy industry began to squeeze out light industry and agriculture. As has been said before, our present ability to resist and fight natural disasters is still insufficient, while some areas of the ecological system which have been destroyed or unbalanced have still not be restored or repaired. Some ratio relations within heavy industry are still not sufficiently coordinated while the energy industry has still not truly been strengthened and transportation and postal communications are still a weak link, not in line with the development of production construction. All of these are important factors restricting the development of the national economy and hence we must continue to readjust the ratio relations between agriculture, light industry, and heavy industry to achieve further rationalization, thus promoting coordinated development of the national economy.

Fourth, the relations between centralization and decentralization must be put right. This mainly involves correctly handling the relations in two major areas: One is relations between the central authorities and the regions, in

other words, relations between departments and regions at different levels. Both of these must be integrated and, in order to do this, the initiative of both must be given free rein, and in addition it is necessary to establish the idea of "the country as a chessboard." For example, undertakings of economic construction which fall under national or general jurisdiction should involve unified control and centralized management with departments as the center. Coordination between regions and local or regional construction should involve planning and management which centers on regions, while working toward promoting the social division of labor and development socialized large-scale production. Second, the relations between the state, the collective, and the individual. As far as distribution is concerned, we must give equal consideration to the interests of all three, we cannot only consider one of them. In order for the individual and the collective to get strong and rich, it is even more important that the state get strong and rich. We cannot rely on, nor can we maintain an attitude of ignoring the state in terms of getting strong and rich and only concerning ourselves with the individual and the collective. We must at all times avoid overcentralized and rigid methods. However, at present it is worthwhile noting that some things have been decentralized which should not be and thus they lack suitable centralization. From 1979 to 1982, the national revenue increased by a total of more than 120 billion yuan but the state financial revenue did not increase; in fact, it decreased by several billion yuan. Extra-budget funds increased by 27.9 billion yuan to reach 65 billion yuan, equal to 58.7 percent of the national revenue. This situation must be changed. In order to lay good foundations and make the economy prosper the state must centralize certain financial and material resources. Hence, in the distribution of newly increased national revenue, we must ensure that the state comes first, enterprises second, and the individual third.

CSO: 4006/378

ECONOMIC MANAGEMENT

BRIEFS

HEILONGJIANG SUGAR REFINERY REFORM--The Heilongjiang Provincial Government recently decided to reform the management system of the province's sugar production industry. Fourteen country-run sugar refineries--Baiquan, Anda, Zhaodong, Zhaoyuan, Zhaozhou, Fengle, Wangkui, Mingshui, Bayan, Binzhou, Shuangcheng, Baoqing, Yilan, and Nenjiang sugar refineries--and the Qinggang and Yian sugar refineries which are under construction will be put under the unified management of the provincial sugar production industrial company. The company will exercise specialized leadership and make unified arrangements of personnel, financial and material supplies, production and marketing, and technical transformation and import of advanced technology for these sugar refineries and other six large refineries, including Hongguang sugar refinery, which are subordinate to the company. Two other county-run refineries--Lindian and Ningan sugar refineries--will be run jointly by the province and the counties for the time being. [Summary] [Harbin HEILONGJIANG RIBAO in Chinese 27 Feb 84 p 1 SK]

CSO: 4006/373

FINANCE AND BANKING

BRIEFS

AGRICULTURAL BANK PROVIDES ECONOMIC INFORMATION--Beijing, 11 Mar (XINHUA)--
The Agricultural Bank of China is providing economic information to stimulate commodity production in the rural areas, a spokesman for the bank said here today. Economic information has been provided by the bank in association with its credit business since last year. Branches and sub-branches in over [number indistinct] provinces have joined the bank's head office in collecting and spreading information on tea, milk, citrus fruit and tobacco production. This is in addition to the bank's traditional function of handling savings deposits and giving loans. [Text] [OW110913 Beijing XINHUA in English 0642 GMT 11 Mar 84]

CSO: 4020/85

BRIEFS

SICHUAN COPPER DEPOSITS--In an article titled "Mineral Composition and Paragenesis of a Se-Ag-Bearing Copper Deposit in Sandstone Sichuan Province" authors Shuan Dequan [1596 1795 2938] and Fū Fengming [0265 7685 7686] describe the general geology of the mining area under investigation. In the mining area, some rare ore minerals, such as aguilarite, eucairite, klockmannite, umangite and clausthalite have been identified. In regard to the paragenesis of these ore minerals, three series of distinguished: (1) Fe-Cu-S-O; (2) Cu-Ag-Se-S; and (3) Cu-Ag-Se. In addition, paragenetic analysis has been carried out of the minerals of these three paragenetic series. [Text of English Abstract] [Guiyang KUANGWU XUEBAO [ACTA MINERALOGICA SINICA] in Chinese No 4, 1984, Inside back cover]

NEW MINERAL DESCRIBED--In an article titled "A Study on Tongbaite--A New Mineral," authors Tian Peixue [3944 1014 1331], Fang Qingsong [2455 7230 2646], Chen Keqiao [7115 0344 2884] and Peng Zhizhong [1756 1807 1813], describe the new mineral. Tongbaite was discovered in 1972 as a new mineral in ultrabasic rocks at Liu Zhuang, Tongbai County, Henan Province. Electron probe analysis gave an ideal formula of Cr_3C_2 with Cr = 84.26, C=13.37, Fe = 1.18 and Ni = 1.25%. Tongbaite is named after its locality. Light brownish yellow in color and strong metallic luster. The mineral is usually columnar in shape with a grain size of 0.1 x 0.3 mm. Its crystal form is perfect. $HV_{50} = 1931 \text{ kg/mm}^2$. Moh's hardness = 8.5. Nonelectromagnetic. It is pale violet in reflective light. Double reflective and reflective pleochroism is distinct. Strongly anisotropic. The mineral is orthorhombic, with $\alpha_0 = 5.57^\circ_A$, $b_0 = 11.47^\circ_A$, $c_0 = 2.816^\circ_A$, $Z = 4$. Space group Pnma. Theoretical specific gravity $D_x = 6.64$. The strongest lines in the partially indexed X-ray pattern $\langle d_A^\circ \rangle (I/I_0) (hkl)$ are: 230(100) (121), 2.23(80)(230), 1.193(70) (232), 1.164 (40) (91). Tongbaite is insoluble in hydrochloric, sulfuric and nitric acids. Commonly associated with this mineral are native chromium, native iron, diamond, hydrogrundite, platinum group minerals, pyrope, etc. [Text of English Abstract] [Guiyang KUANGWU XUEBAO [ACTA MINERALOGICA SINICA] in Chinese No 4, 1984 p 245]

SHANXI GOLD MINE DISCOVERED--A medium-sized gold mine was discovered at the southern foot of the eastern part of Yuheng Shan, Fanshi County, Shanxi Province. The gold ore reserve is estimated to reach over 10 tons. [Summary] [SK Taiyuan SHANXI RIBAO in Chinese 22 Feb 84 p 1]

INDUSTRY

SUGGESTIONS FOR DEVELOPING SHANGHAI'S MACHINE TOOL INDUSTRY OFFERED

Shanghai JIXIE ZHIZAO [MACHINERY] in Chinese No 6, 1983 pp 35-37

[Speech by Jiang Dashen [5592 2192 3747]: "A Discussion of Developmental Trends in Shanghai's Machine Tool Industry"; and editorial note]

[Text] Last November [1982] Shanghai City organized a machine tool delegation which visited Japan to attend the 10th Japan International Machine Tool Exhibition and study some Japanese machine tool plants. I had the opportunity to go with the delegation and obtain information about the development of Japan's machine tool production technology. Now, as a basis for study, I should like to compare what I saw on the trip with the current status of Shanghai's machine tool industry and to present some views and opinions on modernizing Shanghai's machine tool technology and developing its products.

1. To Develop Machine Tools Energetically, the Machine Tool Industry Itself Must Take the Lead in Promoting Their Application

During the exhibition, the plants belonging to the Japan Machine Tool Industry Council exhibited 503 machine tools, of which 341 (67.8 percent) were numerically controlled; compared with the 10th exhibition in 1980, when 249 (48.5 percent) of 513 machine tools exhibited, were numerically controlled, this was a considerable increase. Japan's 1980 output of numerically controlled [NC] machine tools was 22,052 (12.33 percent of total machine tool output), an increase of 9.08 times from the 1975 output of 2,188 units (2.48 percent of total machine tool output). Japan's exports of machine tools have grown vigorously in the last few years, primarily because of a sharp increase in the output of NC machine tools, an increase of 3.38 times from the 1975 figure of 61.61 billion yen; NC machine tools accounted for 17.276 billion yen worth of exports in 1980 (64.1 percent of total machine tool export value), which was an increase of 20.45 times from the 1975 figure of 8.055 billion yen (accounting for 13.1 percent of total machine tool export value).

Because the capabilities of NC units are being steadily improved and their production costs are steadily falling, they are already widely used in Japan on all types of machine tools. Every one of the machine tool plants which we visited both produced and used NC machine tools. The addition of NC units to certain precision machine tools not only can expand their capabilities but also can increase precision by means of NC system feedback compensation. The positional control grinding machines at the exposition all had NC units; the

positional control boring machines were equipped with tool magazines and NC units, making them into precision machining centers. Gear-cutting and screw-grinding machine tools have also been equipped with NC systems.

Use of NC machine tools not only can increase labor productivity but also is important for assuring machining quality, improving precision, decreasing machining and assembly requirements, shortening the production cycle, making production flexible and changing production organization and management. If we use NC machine tools in China's modernization of its machine tool industry, they will have far-reaching effects in improving technical standards, developing diversified medium- and small-lot production and accelerating the development of new products.

Shanghai's machine tool industry has had several experiences in developing NC machine tools and has trained a group of technical personnel in the NC field. In recent years it has focused on developing NC milling machines, lathes and grinders. NC systems introduced from abroad are now being regularly produced in China, and domestically produced microprocessor based NC units are being developed. Thus we both can and must treat the development of NC machine tools as a strategic task in Shanghai's machine tool industry. The state should provide financial support to the mechanical engineering industry for the development and use of NC machine tools. In addition to energetically developing new NC machine tool products, the NC machine tool industry must also take the lead in effectively using such tools and in mastering and utilizing the technology in order to help promote and improve them.

As a machine tool products export base, Shanghai must both maintain its traditional markets for ordinary machine tools, energetically develop new markets in response to foreign technical developments and develop NC machine tool products and energetically move them onto international markets.

2. Machine Tools for Machining Dies Must Be Made the Main Focus of NC and Precision Machine Tool Development, and the Development of Machine Tools for Machining Dies Must Be Accelerated

Because the standards of die making are being continuously raised, forging machines are progressing toward increased precision, higher speeds and multiple machining positions. Conversely, greater demands are being placed on dies, and the machine tools for producing precision dies are being steadily improved. A wide variety of machine tools for machining dies were on display at the exhibition, including NC positional control grinding machines, NC optical profile grinding machines, machining centers, NC milling machines, NC contour milling machines, NC punch grinding machines, electrospark machining units, NC linear cutters and the like. These machine tools give high, consistent machining precision and are extremely easy to operate.

As China's light industry and instrument-making industry develop, the manufacture of dies has become a key problem. There is a pressing need to add large numbers of die-making machine tools. Shanghai's machine tool industry has many years of production experience with electrospark machining devices, NC

linear-cutting machine tools, optical profile grinders, NC milling machines, planing machines, rocker arm milling machines and the like. But because their precision does not yet meet the requirements of die development, they cannot satisfy user needs. In addition, Shanghai is one of the major centers of forging-machinery production; as such machinery becomes more precise and faster and is equipped with multiple machining positions, precision dies must be developed along with it. Shanghai is an area in which light industry and the instrument-making industry are concentrated, and it also has many institutions of higher education and many research institutes engaged in studying die design, materials, heat treatment and the like. Therefore, Shanghai's machine tool industry should speed up its pace; suitably cooperate in the development of machine tools for die production; make precise NC die machining tools a major development area; rapidly develop positional control grinding machines, vertical-machining centers, NC optical profile grinders and NC pattern milling machines; and rapidly increase the precision and capabilities of electrospark machining units and NC linear cutting machines.

3. Continue Research on Flexible Manufacturing Systems (FMS)

In recent years, flexible manufacturing systems, including flexible manufacturing cells (FMC), have developed rapidly in Japan and have entered the application stage. At the exhibition, 25 items on exhibit fell into this category. In addition to FMS systems for cutting, there were FMS's for pressworking of sheet stock, robots, unmanned transport vehicles and three-dimensional magazines (for dies and patterns) on display which attract great interest.

FMC's are made up of multiple-position workpiece storage units, robot manipulators or interchangeable work tables, NC machine tools or machining centers, which are controlled by computerized NC systems and which automatically machine families of parts classified in terms of gauged machining technologies. FMS's are of various degrees of complexity: there are FMS's consisting of several FMC's, FMS's consisting of vertical magazines, workpiece transport systems (unmanned transport vehicles and the like), tool transport systems (some machining centers can change the entire tool magazine), the machine tools themselves and central computer control rooms which exercise comprehensive control over information and material flow.

In the 20 years since the study of direct computer control of machine tool systems (DNC) began in 1968 there has been continuous progress, and FMS's have already become operational. More than 200 FMS's are now in operation worldwide. Japan is leading the way. In the 16 machine tool and forging machine plants which we visited, 12 had established or were establishing FMS shops. For example, the Yamazaki Ironworks has put an "unattended workshop" made up of two FMS production lines into production. When FMS's are used in multiple-variety large-, medium- or small-lot production, they can assure quality, shorten the production cycle, improve competitiveness, achieve unattended operation and produce rather good economic results. Even greater development is forecast for the future. This September an international FMS exhibition will be held in Nagoya.

Shanghai developed two experimental DNC systems in the 1970's, conducted preliminary explorations of the technologies involved and trained some personnel. But because of problems with basic technology, the quality of the machine tools themselves and computer reliability, they could not be put into steady operation. One system was later transferred to the Shanghai Industrial College for research and improvement, and additional experience has now been gained with it. During recent years there has been a need to continue research on several basic FMS technologies; in addition to the basic machine tools, it was also necessary to investigate their associated measurement technologies, work-piece transport technologies, gauged machining technologies, CAD [computer-aided design] techniques, computer technology for system simulation and the like. FMS technology is expected to come into production use in the late 1980's.

4. Change the Product Mix and Changeover From Single-variety Lot Production to Multiple-variety Small-lot Production

The machine tool product mix in Japan is gradually changing, and special machine tools (including machining centers, electromachining units and the like) are steadily on the increase, while the share of ordinary machine tools is dropping every year. Output of lathes accounted for 25.5 percent of all machine tools in 1967, 21.4 percent in 1970, 21.75 percent in 1975 and 19.4 percent in 1980. In addition, the proportion of NC lathes has expanded considerably from year to year. NC lathes accounted for 0.93 percent of all total lathe output in 1970, 7.07 percent in 1975 and 34.59 percent in 1980. In terms of output value, the increase has been even greater: 9.12 percent in 1970, 25.17 percent in 1975 and 69.15 percent in 1980. In 1963, Japan produced 1,623 shaping machines, while their production has now essentially ceased. Shanghai's output of ordinary planers, however, has been increasing steadily, and shaping machines are fast-selling items which are currently understocked and whose production must be increased. We must make a major effort to correct this situation. The machine tool industry must speed up development of high-efficiency products such as milling machines, grinding machines and special-purpose machine tools; at the same time, it must develop technical consulting services and recommend new machine tool varieties for the technical modernization of the mechanical engineering industry.

The extent of specialized production is very great in Japan; all components forming parts of sets are series-supplied, while ordinary parts are sub-contracted to small plants. Machine tool plants all engage in multivariety production and focus on production of the key assemblies and large parts and on final assembly; they have strong technical contingents that have mastered advanced-design techniques (the Yamazaki Ironworks has a large computer and a full complement of design software), and they generally design and produce all types of machine tool products. We cannot classify any particular plant as specially producing grinding machines or lathes: almost all machine tool plants of any size produce machining centers and NC lathes.

Other than the Shanghai machine Tools Plant, Shanghai's machine tool industry consists entirely of medium- and small-sized plants. Many plants produce a single product, but not in very large lots. In addition, they all engage in

lot production, with large amounts of machining equipment, and have difficulty in changing varieties. Their equipment is outmoded. Therefore, technical modernization must be accelerated and advanced key equipment must be introduced, NC machine tools must be utilized, and a vigorous effort must be made to hire and train more technical personnel and workers in key trades, improve management standards and adapt to multiple-variety small-lot production.

5. Study the Users' Manufacturing Processes, Study Cutting Capabilities

Japanese plants put great effort into product use and into marketing. The plants we visited all had a product display room in which various products, especially new ones, were displayed and could be tested in operation, allowing them to be further improved. They allow the users to visit and even to bring workpieces for test machining. If the machining results are satisfactory, the user will agree on an order and may send personnel to be trained in the operating techniques. Each plant has mastered excellent techniques for using the products which it produces; if a study of product service reveals weak points, the products will be continually improved. In the past, our plants did very little investigation of product use characteristics and were concerned only with sales; machine tool plants sometimes did not even use the machine tools which they themselves produced, so that they had even less of an idea of user requirements and their products went for many years without improvement. Although there has been improvement in recent years, progress has been slow. Technical service to users must be strengthened in order to promote new technologies and new products.

Another matter extremely closely associated with machine tool use is correct selection of cutting tools and study of their cutting characteristics. Many tools were on display at the Japanese exhibition; all had coated disposable tips. Unless the problem of tools is solved, it will be impossible to get the full benefit of NC machine tools. Most machine-building plants in Shanghai still produce large quantities of hand-ground soldered hard-alloy tips. Thus we must take energetic steps to popularize disposable tips and develop coated tips.

6. Energetically Develop Specialized Production of Auxiliary Equipment, Components and Accessories

Without advanced auxiliary equipment, there can be no advanced machine tools. The auxiliary equipment on display at the Japanese exhibition was available in full variety and was quite sophisticated. Some factories specialize in the production of auxiliary equipment and continually strive to improve it. During our visits to plants we saw that they used a large number of standard set-compatible components, which were available in a wide selection and were of good quality. We were told that the ordering and delivery of set-compatible components from specialized plants was fast, assured good quality and was profitable. The three machine tools which we displayed at the Japanese exhibition were designed and experimentally developed with foreign cooperation. The designers felt that using foreign components made for convenience in selecting design components, shortened the design and development cycle and assured high quality. The finished machine tools were of novel design and

attractive to users. Thus, while developing the main device, the relevant auxiliary devices, assemblies and accessories must also be developed so that the producer of the main device will be able to get the most from his products.

Other than electrical machinery, electrical instruments, NC systems, axle bearings, belts, hydraulic parts and similar basic components, all of our machine tool auxiliary equipment, assemblies and accessories, such as protective covers, name plates, operating gear, NC machine tools and accessory systems and the like are use-produced by specialized manufacturers only in Shanghai; they are far below foreign standards, which directly affects their capabilities and appearance and harms our machine tool export. Because these products require not only machining but the use of such materials as rubber and plastic and such special processes as surface treatment, they involve branches of industry. The fact that Shanghai is an integrated industrial base where cooperation is convenient favors the development of such products, and since we have a certain foundation, we should energetically support and develop it.

[Editorial Postscript] The above is a speech that was given by Jiang Dashen, assistant chief engineer of the Shanghai Municipal Machine Tool Company, at a symposium on development trends in the Shanghai machine tool industry which was jointly held by the editorial board of this journal and the machining division of the Shanghai Mechanical Engineering Society. It was attended by top technical personnel from the Research Office of the Shanghai No 1 Electrical and Mechanical Products Bureau, the Machine Tool Company, the Shanghai Machine Tool Plant, the Shanghai No 2 Machine Tool Plant, the Shanghai Research Institute of Machine Tools, the Communications College and Shanghai Industrial College, several of whom had recently returned from visits abroad. The participants said that NC machine tools are now coming into increasingly widespread use abroad and are becoming the principal type of metal-cutting machine tools: not only large and complex workpieces but small pieces too are now being machined on NC tools. The participants concluded that this approach can decrease machining and assembly requirements and shorten the investment cycle and is economical. The use of NC machine tools abroad indicates that they greatly improve quality, decrease production costs, shorten production time, speed up product modernization and increase the market competitiveness of products. Some units here have built or imported NC machine tools, and if they use them correctly, they will achieve excellent economic results.

In the past 20 years, Shanghai has had three upsurges and three downturns in the development of NC tools, each of which took the form of a headlong mass effort which had no coordination, so that the effort was fragmented and weak and could not be carried through; as a result, no commercial products have yet emerged and their technical level is far below foreign standards. This is a profound lesson. Some currently hold the view that since we have no lack of manpower there is no need to develop NC machine tools; that is quite erroneous. The machine building industry is the equipper of the national economy, and the machine tool industry is the equipper of the machine building industry; therefore, the machine tool industry must press vigorously ahead in new product development. If we do not make a concerted, intense effort to

develop NC machine tools, by the 1990's or even the year 2000 our "supplier" will only be able to provide us with such old "weapons" as shaping machines and ordinary machine tools; how will we be able to explain this to the people? Moreover, there will be (and in some cases already have been) rapid changes in the various factors hindering the popularization of NC machine tools, such as the high price and poor quality of domestically produced electronics, the low general educational level of the operators and insufficient orders at certain machine tool plants; and just as is the case abroad, it is only a matter of time until we popularize and spread NC machine tools.

Owing to a multiplicity of factors, Shanghai should bear the main weight of developing China's NC machine tool industry, but currently lack of funds is the chief difficulty. When the industrially advanced countries modernize and update NC machine tools and other important products, the government always provides financial help to the enterprises. When Japan was first developing NC machine tools, the government invested large amounts of money in their manufacture and use. The United States supported the NC machine tool industry through military contracts. England has recognized its backwardness and is intensifying financial subsidies to corporations which are developing NC machine tools and FMS's. If our industries rely only on the extremely limited modernization funds provided for equipment depreciation, they will not be able to produce or buy NC machine tools, and development will be out of the question. We must raise our voices against this situation in order to attract the serious attention of the cognizant departments.

8480

CSO: 4013/282

CONSTRUCTION

AUXILIARY PROJECTS INCLUDED IN STATE PLAN

OWL90546 Beijing XINHUA Domestic Service in Chinese 0825 GMT 18 Mar 84

[Report by Chen Naijin and Ding Genxi]

[Text] Beijing, 18 Mar (XINHUA)--Beginning this year, our country has officially included in the state plan auxiliary projects necessary for key construction projects and will effectively ensure the supply of investment, materials and equipment for the building of such auxiliary projects.

Personages in economic circles here pointed out that this is conducive to building key projects and their auxiliaries, and putting them into operation at the same time, and it is an important measure to raise returns on our investment in capital construction.

Attention paid to this matter was not sufficient in the past few years. As a result, the production capacity of some completed big and medium projects cannot be brought into full play because of insufficient external coordinating conditions or the failure to complete the building of auxiliary projects in time. This has greatly affected returns on investments. This situation will be effectively changed by the inclusion of auxiliary projects in the state plan.

To ensure the completion of auxiliary projects necessary for key construction projects, the State Planning Commission has required all departments and areas to support and coordinate closely with one another and to make concerted efforts in this regard. Units responsible for the building of such auxiliary projects, big or small, which have been included in the 1984 plan for auxiliary projects necessary for key construction projects, must complete these auxiliary projects according to the planned schedule. If key construction projects fail to realize their economic returns because of the delayed construction of relevant auxiliary projects, leaders of the units responsible for the building of these auxiliary projects should be investigated for their responsibilities.

There are 177 auxiliary projects included in this year's plan total, 134 of which are auxiliary projects necessary for key energy and transport projects, and 43 are for raw materials, iron and steel and other industries.

CSO: 4006/373

CONSTRUCTION

BRIEFS

SHANXI KEY PROJECT GROUP--The Shanxi Provincial Government recently decided to set up a key project construction leadership group, with Governor Wang Senhao as the head and Vice Governor Yan Wuhong, Planning Committee Chairman Zhang Sai, and provincial government adviser Jiá Chongzhi as the deputy heads. Responsible comrades of the provincial Economic Committee, provincial Planning Committee, provincial construction bank, provincial urban and rural construction and environmental protection department, provincial finance department, provincial agriculture and animal husbandry department, provincial water conservation department, and general office of the provincial government serve as the members of the leadership group, whose main tasks are to mobilize and organize all people throughout the province to vigorously support the state key projects, help with finding solutions to existing projects, and inspect and supervise the situation in guaranteeing the construction of the key projects by all prefectures, cities, departments, and relevant units. The office of the leadership group is set up in the provincial planning committee. [Summary] [HK150253 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 8 Mar 84]

SHANDONG YUANG HE BRIDGE--Construction of China's longest railway control project--the Changyuan-Dongming Bridge spanning Huang He--has begun. The bridge is a key project of the construction of Xinxiang-Heze railway. The bridge, connecting Zhaodi of Changyuan County of Henan Province to Dongbaocheng of Dongming County of Shandong Province, is 10.282 km long, and has 256 arches. Upon completion, the bridge will enable the Xinxiang-Heze Railway to link Xinxiang-Jiaozuo and Taiyuan-Jiaozuo Railways in the west and to link Yanzhou-Heze and Yanzhou-Shijiusuo Railways in the east, and open an important road to ship coal from southwestern Shanxi Province to other provinces. [Summary] [SK140203 Jinan DAZHONG RIBAO in Chinese 19 Feb 84 p 1]

CSO: 4006/371

TRANSPORTATION

BRIEFS

SHENYANG-HANGZHOU PASSENGER AIR SERVICE--Shenyang, 16 Mar (XINHUA)--Passenger air services began today between Shenyang, capital of Liaoning Province, and Hangzhou, capital of Zhejiang Province. The new route via Beijing covers 1,854 kilometers and takes two and half hours. A trident airliner will log the flight every Friday from Shenyang, returning on the same day. [Text] OW161411 Beijing XINHUA in English 1325 GMT 16 Mar 84]

HAINAN ISLAND AIRPORT EXPANSION--Guangzhou, 18 Mar (XINHUA)--Haikou Airport on Hainan Island, Guangdong Province, is to be expanded later this month to cope with the growing air traffic following the accelerated economic development of the island, the second largest in China. According to a plan just approved by the State Planning Commission, the existing runway and taxiway of the airport will be extended and widened. Projects to be built include: a terminal building, a parking apron, a control tower, a special garage and a maintenance workshop. A booking office and a hotel with a total floor space of 4,000 square meters will be built in Haikou City, seat of the prefectural government and an economic and cultural center of the island. Upon completion by the end of this year, the airport will be able to accommodate medium range aircraft. [Text] [OW180920 Beijing XINHUA in English 0905 GMT 18 Mar 84]

GUANGZHOU-HAINAN SHIPPING SERVICE--Guangzhou, 14 Mar (XINHUA)--Regular passenger and freight services between Guangzhou and Sanya on Hainan Island began today. The "Shancha," a 4,000-ton domestically-built vessel, left the Port of Guangzhou this afternoon for Sanya. It accommodates 620 passengers. The 480-nautical-mile voyage takes about 30 hours. There will be six voyages every month on the route. [Text] [OW220515 Beijing XINHUA in English 1457 GMT 14 Mar 84]

SHANGHAI AIRPORT BEING EXPANDED--Shanghai, 20 Mar (XINHUA)--Work began today on expanding the terminal of the Shanghai Hongqiao International Airport. The project, designed and built by Obayashi Ltd. of Japan, will be completed at the end of August and put into service on 1 October, the 35th anniversary of the founding of the People's Republic of China. In the first stage of expansion, the terminal will be extended 9,200 square meters to the north while rebuilding will involve 7,000 square meters, with air conditioners and other facilities installed, airport officials said. A new terminal of 18,000 square meters will be built in the second stage, they said. Construction will begin soon. Other projects include a second runway, a new terminal of 50,000 square meters, warehouses and control tower. Housing, water, gas, communications and navigation facilities will also be built. [Text] [OW202118 Beijing XINHUA in English 1643 GMT 20 Mar 84]

TRIDENT AIRLINER REPLACED--The Civil Administration of China has decided to replace the Trident airliner with the Model MD-80 large jet airliner on the flight between Heilongjiang Province's Harbin and Shanghai beginning 15 March. The flying speed of this new-type airliner is 900 kilometres per hour. The airliner has 147 seats, a 47-seat increase over that of the Trident airliner. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 15 Mar 84 SK]

CSO: 4006/373

GENERAL

COOPERATIVE EFFORT IN DEVELOPING SOUTHWEST VIEWED

HK220243 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 21 Mar 84

[Text] According to SICHUAN RIBAO, working in the spirit of the Central Committee's instructions on developing the Great Southwest, Sichuan, Guizhou, and Yunnan provinces, and Chongqing City have carried out their first item of joint cooperation. Sichuan steel billets and Guizhou iron ore powder have been mutually shipped 3 days ahead of schedule and according to plan. The first batch of steel billets arrived at the Shuicheng iron and steel plant in Guizhou, via Yunnan, on 12 March.

This cooperative effort was carried out after the Guizhou provincial economic committee and metallurgy department, Sichuan Provincial Planning and Economics Committees, and Chengdu and Kunming Railroad Bureaus reached a common agreement and signed a formal contract at a three-province four-side four-party conference convened in Guiyang on 23 February. The contents of the cooperative effort aim at making rational arrangement and full use of the abundant natural resources of the three provinces. Acting in light of local conditions, they call for shipment of steel billets from Panzhihua Iron and Steel Company at Dukou in Sichuan, iron alloy from Guizhou's Shuicheng Iron and Steel Plant, and iron alloy from Guizhou's Zunyi iron alloy plant, to promote the development and construction of the three provinces and of the Great Southwest. This is one of a series of cooperative efforts made by Sichuan, Yunnan, and Guizhou for jointly developing the southwest.

The contract stipulates that with effect from 13 March, the Chengdu Railway Bureau will organize eight special trains, totaling 80 cars, to run in four groups between Dukou, Shuicheng, Guiyang, and Zunyi. They will ship Sichuan steel billets to Guizhou and bring Guizhou iron ore powder and iron alloy to Sichuan on the return trip. This will solve the urgent needs of the provinces and fully exploit their natural resources, and will also further rationalize railroad transport flow and avoid empty return trips, thus greatly improving transport capacity and economic results. It will promote the development of metallurgical industry production and railroad transport in the southwest.

After the meeting, the three provinces and four parties immediately adopted effective steps and cooperated with each other to rapidly translate the agreement into action. On 12 March, the first batch of steel billets, totaling 300 tons in five cars, arrived safely at the Shuicheng Iron and Steel Plant, which immediately organized forces for rush-unloading and loading. This operation was completed on the morning of 13 March. The same evening, the first train of five cars dispatched from Dukou left Shuicheng loaded with iron ore powder for Dukou.

CSO: 4006/373

BRIEFS

REPORT TO LEGISLATIVE COMMITTEE--Taipei, 14 Mar (CNA)--Economics Minister Chao Yao-tung predicted Wednesday that the world economic recovery will continue, exerting favorable influences on the Republic of China's efforts to export its products. He said he is optimistic about stable growth for the Republic of China's economy. He made the remarks in an administrative report to the Economic Committee of the legislative Yuan Wednesday. He said as this country's economy is at a critical stage of transition, efforts must be made to bring about the upgrading of the industrial structure here soon. Toward that end, he elaborated, government assistance will go to the existing industries to help them develop new technologies and make managerial renovations. Other targets of government assistance are the strategic industries and small and medium businesses, with particular being given to helping them promote automation, Chao added. [sentence as received] In his report, the minister pointed out that currently domestic products are under a dual pressure from strong economic powers like Japan and developing countries that produce low-priced products, forcing a competitive edge against our products. In view of the fact that more than 90 percent of domestic manufacturers are family style small- and medium-sized enterprises with backward technologies and outdated management ideas, this pressure poses a special threat to local industrial development, Chao stated. [Text] [OW141451 Taipei CNA in English 1414 GMT 14 Mar 84]

CSO: 4020/84

END