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NATIONAL POLICY AND ISSUES

ENTERPRISES TO REPLACE PROFIT DELIVERY WITH TAX PAYMENT

Beijing GONGREN RIBAO in Chinese 30 Mar 83 p 1

/Article by Wu Xinmin /0702 2450 3046/: "Starting 1 June, State-Run Enterprises Will Completely Switch From Turning Over Profits To Paying Taxes--The Direction Is Correct, The Time Is Right, Circumstances Make It Imperative"/

/Text/ Switching state run enterprises from turning over profits to paying income tax is the correct path we have found to solving the problem of the distributional relationship between the state and enterprises. With the approval of the State Council, state-run enterprises will completely switch from turning over profits to paying taxes starting on 1 June. This was announced by Wang Binggan /3769 0014 0051/, Minister of Finance, at the conclusion yesterday of the National Profits To Taxes Work Conference.

Having state-run enterprises pay taxes in place of turning over profits is an important reform of the economic management system. Certain enterprises in each area throughout the nation have already carried out pilot programs for 3 years and have carried out full deliberations. This conference held that replacing profit delivery with tax payment was the correct direction, that the time was right for it and that it was imperative to do it. It will stabilize the relationship between the state and the enterprises and will play an important role in hastening enterprises to strengthen systems of economic responsibility, to improve economic results and to overcome the bad practice of eating from "the same big pot;" in guaranteeing the steady growth of state revenues; in adjusting enterprise structure and rationally organizing production; and in utilizing the tax revenue lever to adjust production and profits. Implementing the overall principle of replacing profit delivery with tax payment is a good way of handling the relationship among state, enterprise and worker interests, allowing the state to receive the large share, the enterprise to receive the medium share and the individual to receive the small share of annual increases in enterprise income. In this way, the enterprise will have vitality and will also be under pressure; and only in this way can the state gather funds and guarantee the needs of key construction.

The conference analyzed the complexity and the enormity of the switch from turning over profits to paying taxes, determining relatively realistic and

feasible procedures for carrying it out. With the approval of the State Council, it was determined that the time for state-run enterprises throughout the nation to carry out the switch comprehensively would be 1 June of this year. Certain enterprises in every area which have already implemented other methods must be handled based on their individual circumstances. The absolute majority of them must convert to the tax payment in place of profit delivery method quickly, but a small number that truly have difficulties can delay the switch until next year. Retained after tax profits basically must be maintained at the level determined last year at the National Planning Conference, protecting the normal, legal interests of the enterprise and guarding against creating a new dispersement of funds by switching from profit delivery to tax payment. Various dissimilar turn over methods can be adopted in handling the after tax profits of the enterprise, but in principle, the 1982 figures should be used as base figures, and, when calculating base figures, we should embody the principle of encouraging the advanced and spuring on the backward, whipping forward the slow and lazy carts.

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ECONOMIC PLANNING

WAYS TO ASSESS AGRICULTURAL ECONOMIC RESULTS OUTLINED

Shijiazhuang HEBEI RIBAO in Chinese 8 Apr 83 p 4

/Article by Bai Shi /4101 4258/: "An Inquiry Concerning How To Assess Agricultural Economic Results"/

/Text/ Leadership At Every Level Must Personally Carry Out An Assessment of Economic Results

Presently, generally speaking, the matter of economic results, has attracted the serious attention of leaders at every level. But, in terms of improving economic results, merely "paying serious attention" is far from sufficient. It is necessary that leaders personally act, thinking about, analyzing, studying and checking out some important matters. Here, the first problem encountered is how to assess economic results. If a leader does not gather some basic knowledge, then he can only rely on the ready-made conclusions of others, echoing their views, and will fail in his responsibility as a leader and be unable to hold the authority to make policy. Not only will it be difficult for him to measure the dimension of economic results, but he may also be slanted in what he hears and believes, and, failing to distinguish right and wrong, will foster and spread of bad work styles such as exaggerating and false reporting.

Why must leaders personally involve themselves in analyzing and studying the matter of assessing economic results? This is not merely because this is a key matter concerning success or failure, but more importantly because the question of economic results pervades the economic sector. As a leader, you are going to have to make assessments of economic results. Perhaps you have not thought about what the standards for assessments are, but you have a sense of some standards in your mind. But they are not correct standards, only fragmentary, one-sided, unsystematic and changable ones. In this way, it is difficult to avoid production mistakes. Because of this, leaders at every level must use correct standards in assessing economic effects.

There Must Be An Index System For Assessing Agricultural Economic Results

Each trade and industry has its own assessment standards. The situation in agriculture is even more complicated. It is difficult to ask comrades who do the actual work to grasp the various agricultural assessment standards

(in the future we must do so), but I feel that leading comrades shouldering leadership responsibility in agriculture should at least have a grasp of comprehensive agricultural economic results assessment standards for their own areas (localities, counties, communes, brigades, etc.). There are different opinions about this in academic discussions and in actual assessments. There is a great divergence of views on the use of some indices. Here I will offer some ideas on and discuss the matter of comprehensive agricultural economic assessment.

One common failing met with in terms of agricultural economic results assessment is: taking a complicated problem and simplifying it, always using a single index to measure the dimension of the economic results of an area or a unit. For example, a few years ago, we simply took grain production per mu as the assessment standard and, in recent years, we have always taken per capita income as the assessment standard. Some units handle farming, forestry and animal husbandry poorly, but by running a profitable sideline industry, they can raise per capita income a lot. Using one or two indices as assessment standards is to use something pretty to cover 100 blemishes, producing numerous problems. A second common failing is: having indices that are disorganized, are not prioritized and are dealt with arbitrarily. In recent years, many comrades have attached great importance to assessing agricultural economic results from many sides, reflecting the excellent situation in agricultural development--this is an advance over using a single index. But most select several aspects where the record is outstanding and where problems are not reflected. This makes it difficult to avoid obscuring the whole with a part--it does not accurately reflect the state of economic results. A third common failing is: having indices that are not unified, making it difficult to make lateral comparisons, and making vertical analysis over time difficult as well. This makes it difficult to interpret experience and discover problems.

We can see from the situation outlined above that accurately assessing the economic results of the agricultural production of an area or a locality, or analyzing the economic results of various agricultural technical measures and technical programs is not possible if we use a single index. Because each index can only reflect the dimension of economic results from one angle, each has its limitations. Therefore, only by selecting several, or a series of indices, in accordance with the necessary scope of analysis and the goal of the assessment, can we assess the dimension of quality of economic results. These indices are mutually supplementary and mutually restrictive, and are used comprehensively to carry out examination and assessment from different aspects and different angles. For overall assessment of agricultural economic results, we use several major indices, forming an index system.

Several Major Indices That Should Be Used In Present Comprehensive Agricultural Economic Results Assessment

A full index system for assessing agricultural economic results is relatively complicated and is not easy for comrades engaged in agricultural leadership work to grasp. Therefore, I feel that there is a pressing need to come up with a set of indices that are easy to deal with and can reflect actual

conditions to use in comprehensive assessment of the economic results of agricultural production.

In general, based on the present situation, we can adopt the following five indices: the rate of labor productivity; the rate of fund productivity; the rate of agricultural product commercialization; the rate of land productivity; and the peasants' benefit rate. Strictly speaking, some of these do not meet the basic meaning of economic results. But considering the complexity of agricultural economic results assessment, it is desirable for some comrades to use these indices. This is because the aforementioned five aspects can all reflect the comprehensive economic results of agricultural production, each from a different angle and to a different extent. Within each aspect there are various indices, reflecting the economic results of this aspect from different sides. Therefore, these five aspects should be considered as five index groups. For the sake of simplicity, I will now select and discuss one or two major indices within each aspect. In this way it will be easier to become familiar with them.

Rate of labor productivity: The basic meaning of the rate of labor productivity should be the ratio of the volume of labor expended to the volume of agricultural products (or value of output). Labor expended includes the two items of actual labor expended and labor expended in material transformation.

At present, there is no way for labor expended in material transformation to be restored to labor time and therefore various material transformation labor expenditures are not easily calculated using standardized measurements. Because of this, in actuality, we only calculate real labor expenditures in the labor expenditure portion when calculating the rate of labor productivity.

Without a doubt, the rate of labor productivity is a major index. It can comprehensively reflect the level of the rate of agricultural labor productivity and the extent of the utilization of the labor force. Especially now, emphasizing this index can hasten the opening of productive channels, leading to the development of many types of management and comprehensive agricultural, industrial and commercial management, allowing us to fully utilize our labor resources.

Rate of land productivity: Our nation has many people and little land and therefore emphasizing the effective use of land and raising the productivity of the land has particularly important significance. The rate of land productivity is the production or value of output of a unit area of land. It is the index of unit area production (value of output) of which we commonly speak. Its calculation does not exclude the added material transformation effects in production and value of output, and therefore the highest unit area production does not necessarily mean the best economic effects. Because of this, in actual use we should stress the net income from unit area index. This index excludes the added material transformation labor effects, clearly expressing the size of the contribution to society of utilizing the land area. Therefore, it is better able to explain the economic effects of the land utilization.

Rate of fund productivity: The rate of productivity of funds reflects the proportional relationship between fund expenditure and production (value of output). The labor expended in agricultural production is compensated with funds. The funds put into production is the value expression of past labor. Therefore, the rate of fund productivity expresses the economic effects of both labor consumption and fund expenditure. Proceeding from actual rural conditions at present, the rate of fund productivity can mainly employ the two indices of "production (value of output) per every 100 yuan of productive expenditure" and "unit product costs." The unit product cost index not only reflects the consumption levels of real and material transformation labor, it also reflects, in a concentrated way. the level of management work. Therefore, regardless of whether it is an area or a contract household, specialized household or whatever, all should emphasize using this index to measure the economic effects of production.

Rate of agricultural product commercialization: The rate of agricultural product commercialization is the ratio of the volume of commercial products to the total volume of agricultural products. The volume of commercial products includes the agricultural products sold by the production unit and the agricultural tax in kind turned over to the state. In the past, most units did not attach very much importance to this index. Now, our nation's agriculture is in a transition from self-sufficient and semi-self-sufficient production to commercial production. Without developing commercial production there is no hope for our nation's agriculture. In addition to meeting the needs of self-sufficiency, agricultural production must meet the needs of national economic development. Therefore, in judging the agricultural economic results for an area, we must also look at the extent to which they meet social needs. This means looking at the volume of commercial agricultural products it supplies and the rate of commercialization.

The ratio of income from agricultural product sales to total income can be used to reflect an area's comprehensive rate of commercialization.

Peasant benefit rate: This index mainly uses the material benefits gained by the peasants from all items of production to judge the economic results of agricultural production. Frequently used indices are the ratio of per capita distribution, per capita grain ration or commune member distribution to total income. After universally implementing integrated production contract systems of responsibility, there were great differences from previous forms of distribution--per capita distribution should include contract income and other forms of income and per capita grain ration actually should be the level of grain retained after that handed over to the state and that which the collective keeps is deducted. Additionally, besides the income earned from collective contracts, peasants' family economy income represents a large portion of their income. Therefore, in judging the level of peasant income, the family economy income should be included.

Several Matters That Should Be Noted In Assessing Agricultural Economic Results

1. Pay attention to determining the truth and reliability of numerical data. In assessing economic results, we cannot depart from numerical data. Whether or not numerical data is true and reliable directly affects the accuracy of conclusions. At present, many statistical figures on agriculture, including important data on production and income, are calculated after model surveys have been done, while some are no more than estimates. Paying attention to determining reliability is then even more important.

2. Pay attention to the interdependence and restrictive relationships of various factors. There are many factors at play in the process of agricultural production. Many techniques and policy measures are jointly and simultaneously having affects, and therefore when assessing economic results and summarizing the experiences and lessons related to them, we should pay attention to the interdependence and restrictive relationships of various factors, searching for the factors playing the major role or the decisive role and guarding against one-sidedness.

3. Pay attention to comparative analysis in assessing the dimension of economic results. Isolated indices (such as per capita income reached 180 yuan) and simplified comparisons (such as an increase of 9 percent over last year) sometimes cannot explain matters. Generally, we should carry out horizontal comparisons between areas and vertical comparisons between year periods because only then can we gauge the size of achievements and the speed of development. When making this sort of comparison, we must pay attention to the comparability of various indices, statistical specifications, prices and years of abundance and scarcity.

4. Pay attention to the complexity of agriculture. Agricultural production proceeds under the conditions of interaction between life and the environment. The unique features of life itself and the factors in the external environment are all very complicated. Agricultural production is greatly influenced by natural conditions, with a great number of variables, and therefore agricultural economic results are always unsteady. There are great differences between areas and between years, and only by taking this complexity and uniqueness into account in assessment and analysis can our conclusions come relatively close to reality.

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AGGREGATE ECONOMIC DATA

'EXCERPTS' OF HEBEI'S SIXTH 5-YEAR PLAN REPORT

HK090402 Shijiazhuang HEBEI RIBAO in Chinese 5 May 83 pp 1-3

["Excerpts of Report on Hebei's Sixth 5-Year Plan by Liu Bingyan, Acting Governor, Delivered at the First Session of the Sixth Provincial People's Congress on 20 April 1983"--passages within slantlines published in boldface]

[Text] Fellow delegates,

Now, on behalf of the provincial people's government, I will present to you the report on our Sixth 5-year Plan of national economy and social development for your consideration.

The Situation of the Implementation of the Sixth 5-Year Plan in the First 2 Years

In the past 2 years, under the guidance of the line, principles, and policies adopted by the party since the third Plenary Session of the 11th CPC Central Committee and with the continual elimination of "leftist" influences, the emancipation of thinking, the setting of things to rights, the implementation of the principle of readjustment, restructuring, consolidation, and improvement, and the firm grasping of the construction of the material and spiritual civilizations, the whole province has made new achievements on all fronts and there has been a notable turn for the better in the overall situation.

/I. In our guiding ideology, the effecting of the "two shifts" has promoted the development of economic work./

The key to putting an end to the backward situation of our economic work lies in the unswerving implementation of the proposal put forward by the Central Committee to shift the focus of our work to economic construction and to focus all economic work on the attainment of better economic results. In the past 2 years, in particular over the last year, after the provincial committee had demanded that there should be a division of labor between the party committees and people's governments and that the people's governments should concentrate their energy on economic work, people's governments at all levels have further strengthened their leadership in economic work. In actual work, it was emphasized that the production and circulation of

commodities should be organized according to the needs of society and attention has been paid to the attainment of better economic results. In addition to continuously perfecting the agricultural responsibility system and practicing the policy of giving support to agriculture, on the basis of a reform spirit, we have sped up the consolidation of the industrial and commercial enterprises, developed the activity of increasing production and income and economizing, improved business management, popularized the application of new technology, tapped potential in production, and strengthened management in industrial production and the struggle against natural calamities in agricultural production. Consequently, in our economic work, the best situation we have ever had since readjustment has emerged. There was a new breakthrough in agricultural production. In 1982, the total grain output of the whole province was 35,037,000,000 jin, an increase of 15.06 percent compared with that in 1980; the total output of cotton was 772 million jin, an increase of 56.28 percent compared with that in 1980; the total output of edible oil was 1,076,000,000 jin, an increase of 19.17 percent compared with that in 1980. We hit an all-time high in the total output of edible oil and cotton. In addition, there was new development in forestry, animal husbandry, sideline production, and fishery. The gross value of agricultural production was 13,539,000,000 yuan, an increase of 20.9 percent compared with that in 1980. The stagnant situation of rural economy has come to an end. A scene of prosperity emerged. Light industry continued to grow and heavy industry began to improve again. The quality and quantity of certain products improved but the rate of consumption of raw and processed materials and energy resources dropped. The economic results achieved by the enterprises which have been consolidated were especially good. Financially, the income and expenditure situation was good, and revenue and expenditure were balanced with a little surplus. With the development of production, there was an increasingly abundant supply of commodities and the situation of a shortage of consumer goods was greatly improved. Business was brisk and prices basically remained stable. In addition, new achievements were made in foreign trade and tourism.

/II. After readjusting, the principal proportional relations of the national economy tended to be well coordinated./

Over the past 2 years, we proceeded from the actual conditions of our province and readjusted the principal proportional relations and structure of our national economy according to the "8-characters" principle of economic readjustment. Previously, some important proportional relations were gravely dislocated. The situation was greatly improved. The proportion of accumulation to consumption tended to become more rational. The rate of accumulation dropped from 30.2 percent in 1980 to 27.5 percent in 1982. During the readjustment, agriculture was fundamentally strengthened in this respect and the production of marketable consumer goods developed. In the past, heavy industry went too far in serving itself. The situation has been changed. In 1982, the gross value of industrial and agricultural production was 36.5 billion. The proportion of the gross value of agricultural production increased from 33.6 percent in 1980 to 37 percent, and the proportion of the gross value of light industrial production from 28.8 percent to 30 percent, while the proportion of the gross value of heavy

industrial dropped from 37.6 percent to 33 percent. In agriculture, the area of land for the growing of grain was duly reduced while the area of land for the growing of industrial crops such as cotton and oil crops was correspondingly increased. The proportion of forestry, animal husbandry, and fishery in the gross value of agricultural production increased in varying degrees. In industry, the proportion of the gross value of light industrial production increased from 43 percent in 1980 to 47.5 percent. In order to readjust the dislocated proportion of the excavation of coal and the extraction and storage of crude oil, the production of coal and crude oil was duly reduced. In order to solve the problem of a lack of coordination between spinning, weaving, and printing and dyeing, width weaving, printing, dyeing, and after-treatment capacities were enhanced in a planned manner. At the same time, more than 2,000 enterprises whose products were of low quality and not marketable and which suffered losses for a long time and had a high rate of consumption were "shut down, suspended, merged or switched to other production." The production of oversupplied products was put under control. In the light of the "anaemia" that had existed in our scientific, technological, education, and public health undertakings for many years, investment in and outlay on them were increased as far as possible. In 1982, the amount of money spent on scientific and technological undertakings increased by 33.13 percent; the amount of money spent on cultural, educational, and public health undertakings increased by 22.44 percent. Consequently, the situation of the imbalanced development of science, education, and the economy was changed. The above improvements in the proportional relations played an active role in the concerted, healthy development of the national economy.

/III. The relaxation of policy and implementation of reforms has achieved initial success in revitalizing the urban and rural economy./

With the readjustment of the national economy, we proceeded from the actual conditions and carried out reforms in certain aspects of the economic system. Positive results have been achieved. By the end of 1982, all over Hebei, the number of production teams which practiced the system of assigning the households full responsibility for task completion increased to 96 percent of the total number of production teams. In forestry, animal husbandry, sideline production, fishery, production of farm machinery, and water work construction, the number of production teams which practiced the responsibility system grew to over 70 percent of the total number of production teams. They are gradually perfecting and improving the system. More and more key and specialized households emerged. The masses of peasants were unprecedentedly enthusiastic for production, and encouraging changes took place in the countryside of the whole province.

The important changes which took place in the countryside greatly inspired and pushed forward the reform of urban industry and commerce and the whole economic system. Over the past 2 years, the provincial people's government started with enhancing the independence of the enterprises and carried out initial reforms in the production, construction, circulation, and distribution sectors. On the fronts of industry, communications, and capital construction, the activity of emulating the Shoudu Iron and Steel Company

and the Handan No 2 Plant was comprehensively developed, and special attention was paid to the consolidation of the enterprises with the consolidation of the leading bodies and the popularization of the responsibility system as its central features. Of the industrial enterprises which are directly subordinate to the county authorities, 43 percent have consolidated their leading bodies and 80 percent now practice various forms of economic responsibility systems. The province has successively organized and established a number of specialized companies, general factories, centers for the coordination of technological specialization, and combined economic bodies, and begun to study the experience in the organizational restructuring of the enterprises. After ensuring that the state-owned commercial enterprises enjoy a leading position, the department of circulation vigorously developed collective and individual commerce. The number of collective commercial networks and individual commercial households increased from about 120,000 in 1980 to more than 260,000 and the number of workers increased from about 220,000 to more than 580,000. At the same time, a division of labor in commodity production and the opening up of commodity circulation channels between the rural and urban areas were vigorously popularized and a number of branch offices of the wholesale organs were established in the countryside. The system of cooperatives was reformed first in a new place and then in the whole area, and hence markets expanded. Thus, the encouraging situation of the existence of many economic factors, many circulation channels, and many forms of management side by side emerged. All these reforms have enlivened the enterprises, promoted the development of productive force, and made things convenient for the people.

/IV. New achievements have been made in science and technology and there has been new development in education and public health./

With the thorough implementation of the party's principle on science, technology, and education, people paid great attention to the role played by intellectuals in the four modernizations. During the past 2 years, 31,900 scientific and technical cadres were assessed and promoted to higher professional posts and a number of scientific and technological workers were promoted to positions of leadership. Some intellectuals and their wives lived in separate places. This problem was solved at the same time. Scientific and technological workers who went to the forefront of agricultural production, and primary school and secondary school teachers who taught in mountain areas or where the weather is cold, were given personal subsidies. The party's policy toward intellectuals was further implemented and the enthusiasm and creativity of the masses of intellectuals was promoted. At their posts, they worked hard, surmounted all kinds of difficulties, and continued to make new contributions to the four modernizations. In the past 2 years, more than 500 important scientific and technological achievements were made and more than 1,200 important technical transformation projects accomplished. Notable economic results were achieved by the popularization and application of new scientific achievements and new technologies. Mass movements of cherishing science, applying science and learning scientific knowledge sprang up vigorously. The rural areas of our province, there are 229,000 exemplary households and more than 9,000 technical workers who assume contracted responsibilities for 2.56

million mu of demonstration fields with payment linked to output. They have given the popularization of science and technology in the rural areas a bright future.

In education, teaching staffs of schools run by local people were consolidated, primary schools strengthened, length of schooling of ordinary senior secondary schools reduced, agricultural and vocational secondary schools established, work of the colleges strengthened, and various kinds of training courses for workers and adult education courses developed. In 1982, 96.7 percent of school-age children entered schools. The number of students of all kinds of full-time schools reached 9.45 million and the number of students of the television universities, correspondence universities and workers' universities was over 19,000. In public health, movements of patriotic sanitation were comprehensively developed and medical and sanitary conditions improved. Within these 2 years, the number of hospital beds increased by more than 6,200 and the number of public health technical workers increased by 17,000. In family planning, during the high-fertility period, population growth, which was tending to rise again, was put under control. In 1982, the natural growth rate dropped from 17.94 per thousand in 1981 to 13.41 per thousand. Great achievements were made in sports. Within these 2 years, our athletes won 45 gold medals in the national games and matches and so on, broke world records twice, broke national records 7 times and broke provincial records 216 times. In the Asian Games, they won three gold medals, one silver medal, and one bronze medal, bringing credit to the motherland.

/V. With the development of production, the life of the rural and urban populations was improved./

The purpose of socialist production is to continuously meet the growing cultural and material needs of the people. Over the past 2 years, more than 570,000 people awaiting jobs were given jobs through various channels. In addition, the wages of some workers were raised and the bonus system practiced. In 1982, the annual per capita wage of the workers of the whole province was 773 yuan. There was an increase of 6.47 percent compared with that in 1980. After deducting the increase in prices, the net increase was 3.77 percent. According to a sample investigation, the net annual per capita income of the peasants was 238.7 yuan and there was an increase of 35.8 percent compared with that in 1980. With the increase in income, people's living conditions such as food, clothing, shelter, transportation, and so on were improved in varying degrees. Over the past 2 years, there was an increase of 15 percent in the amount of retailed social commodities and an increase of 90.7 in the total amount of savings of the rural and urban populations. A total of 10.86 million square meters of workers' quarters was built and more than 110,000 new commercial services networks established. With the development of the cultural undertakings such as television, broadcasting, movies, the theatre, the press, literature, and the arts, the cultural life of the rural and urban populations was greatly enriched.

Over the past 2 years, in economic construction, we have achieved certain results. They help promote the consolidation and development of the stable and unified political situation. In addition, they have laid the foundation for the thorough fulfillment of the "Sixth 5-Year Plan" in the next 3 years. However, problems still exist in our economic work. Principally, they are: First, industrial production is developing at a slow pace and the economic results are not good enough. In 1981, industrial production of the whole country grew while ours declined. Last year, although our industrial production grew a bit, it was still below the average national growth level. Of the 12 major quotas for economic effects on whcih the state centered assessment, six, including the rate of steady improvement of the quality and quantity of our major products, the level of the part of the profits turned over to the state, the number of days needed for the turnover of a fixed amount of circulating fund, and the labor productivity of the entire labor force and so on, were below the average national level. In industrial readjustment, there still exist the problems of repeated construction projects and blind development.

Second, the increase in the investments in fixed assets has been too sharp. There has been quite a great increase in the number of key construction projects directly arranged by the state such as energy resources and communications. In addition, the amount of investments in capital construction amassed by our province exceeds the state-controlled quota by 140 million yuan. This is principally due to the fact that we have not yet fully controlled the enterprises and local authorities in using the funds not included in the budgets for construction projects. Third, much remains to be done in perfecting and improving the system of contracted agricultural responsibilities with payment linked to output. In supporting agriculture, all professions and trades fail to keep pace with the development of the new situation of the application of the system of contracted responsibilities with payment linked to output in the rural areas. The supply of certain means of production is in particular far from able to meet the demands. Fourth, in the sector of circulation, there are too many obstacles but few channels. In addition, bureaucratic work style and the "difficulty in buying or selling" of certain goods are also problems which have not been completely solved. Fifth, the guiding ideology of relying on scientific and technological progress in the promotion of economic development has not been firmly established and the policy toward intellectuals has not been properly implemented in many respects. Although the existence of the above problems is partly caused by some objective factors, the principal reasons are that the "leftist" influence remains to be eliminated, that thinking has not been fully emancipated, and that we are still restricted by some old conventions. In many areas, reform is not being carried out at a fast pace and little progress has been made. We must adopt feasible and effective measures, work hard, keep abreast of the times, and strive for greater achievements.

The Fundamental Tasks of the Sixth 5-Year Plan

The guiding ideology governing the formulation of the Sixth 5-Year Plan is: To be practical and realistic, to do what we are capable of, and to proceed in an orderly way; to give first priority to the attainment of better

economic results and to combine high speed with good results; to earnestly implement the principle of "first, feeding the people and second, building the country" and to make overall plans and arrangements for all kinds of proportional relations; in economic and social development, it is necessary to rely first, on good policies and second, on science, actively reform the economic system, and vigorously promote science and technology; to adhere to the principle of the leading role of the planned economy and the supplementary role of market regulation, to put the macroeconomy under control, and to revitalize the microeconomy; to pay attention to the socialist material and spiritual civilizations at the same time and to promote the healthy development of the national economy and society. The fundamental tasks of the Sixth 5-Year Plan are: to continue to implement the principle of readjustment, restructuring, consolidation, and improvement, to solve the problems which are a legacy of the past and which affect economic development, to basically regulate the proportional relations in all areas, to effect a turn for the better in finance and the economy, and to create conditions, accumulate strength, and lay a firm foundation for the development in the next 10 years. In this connection, it is necessary to conscientiously strengthen agriculture, energy and the three strategic priorities of communications, education, and science, give full play to our superiority in cotton, peanuts, fresh and dried fruits, textile industry, ceramics, building materials, and coal and so on, fully utilize the favorable conditions of the areas around Beijing and Tianjin, pay close attention to the key professions and key products, and effect new breakthroughs in technological level and economic results. The specific demands are:

/I. Ensuring the attainment of better economic results, and maintaining a fixed growth rate of industrial and agricultural production./

During the "Sixth 5-Year Plan" period, it is necessary to improve the economic results of production, construction, and circulation by every possible means and combine high speed with good results. On the basis of the tasks assigned to us by the state and our production conditions, the "Sixth 5-Year Plan" stipulates that the gross value of industrial and agricultural production of the whole province should reach 41.7 billion yuan with an average annual growth rate of 4.6 percent. Of this, agriculture, with an average annual growth rate of 5.7 percent, will account for 14.8 billion yuan of the gross value of production while industry, with an average annual growth rate of 4 percent, will account for 26.9 billion yuan. Light industry, with an average annual growth rate of 6.1 percent, will account for 12.9 billion yuan of the gross value of industrial production while heavy industry, with an average annual growth rate of 2.3 percent, will account for 14 billion yuan. The major quotas for economic results are as follows: Industrial products should be marketable, their quality and quantity should be up to the standards set by the state, and the proportion of high quality products should be continuously raised; the labor productivity of the whole labor force of the local industrial enterprises owned by the whole people should reach 10,071 yuan with an average annual growth rate of 2.5 percent; the constant production cost of the local industrial enterprises owned by the whole people should on the average drop by 1-2 percent every year; the energy consumption for the production

of every 100 million yuan worth of industrial products should on the average be reduced by 5 percent and the consumption of other important raw and processed materials should also be correspondingly cut down.

/II. Speed up the development of agriculture and light industry and readjust the product mix and service orientation of heavy industry so as to make agriculture, light industry, and heavy industry develop in a more coordinated manner./

Agriculture is the foundation of the national economy and must be placed in the most important strategic position. Industry, communications, finance and trade, science, and education and so on should strengthen their support for agriculture. They should include the important measures adopted to support agriculture in their plans and organize the implementation of them. It is necessary to make full use of our rich natural resources and abundant labor resources in continuing to readjust the structure of agricultural production according to economic laws and laws of nature. It is necessary to earnestly implement the principle of "sparing no effort in promoting grain production and diversified undertakings." Ensuring the steady growth of grain production, we should suit measures to local conditions in speeding up the development of forestry, animal husbandry, sideline production, fishery, and the growing of industrial crops. The "Sixth 5-Year Plan" requires that the area of land for growing grain should be fixed at 70 to 72 million mu and the area of land for growing cotton at 11 million mu. It is necessary to make a success of farmland capital construction and capital construction of water conservancy works in a planned manner, strive to improve production conditions, establish bases for growing fine seeds, speed up the popularization of fine varieties of crops, vigorously practice scientific cultivation of land, and continuously raise the per unit area yield. It is necessary to pay special attention to increasing the output of areas where the yield is about average. In areas where the yield is usually high, we should achieve high and constant yield at low production cost. It is necessary to speed up the construction of bases for growing commodity crops and industrial crops. It is necessary to support the economic construction of the mountain areas and areas where minority nationalities live in compact communities in capital, materials and goods, trained personnel and technology, and further relax policy so that they can take on a new look as soon as possible. It is necessary to pay close attention to the development of the Taixingshan Mountain areas and the overall development of the Heilonggang area, and do a good job of the investigation on the exploitation and utilization of the natural resources of the Yanshan Mountains. It is necessary to vigorously develop the activity of planting trees and grass. Each year, 2.5 million mu of trees should be planted. On the plains, it is necessary to pay special attention to planting trees by the "house sides, villages sides, roadsides, and water-sides." All the places suitable for growing trees or grass should be basically turned green. The first phase of the construction of the shelter-forest in the "three north" areas and the construction of the economic forests, such as the growing of grape vines and Chinese chestnut trees, should be basically finished. It is necessary to resolutely stop the practice of arbitrary felling of trees. It is necessary to adhere to the

leading role of individual households in the breeding of animals, allow the existence of various forms of management and actively develop the keeping of pigs, sheep, and other large livestock and of poultry and domestic animals such as chickens, ducks, and rabbits and so on. It is necessary to pay close attention to the construction of pasture on the plains and animal husbandry bases, develop the fodder industry, and do a good job of the prevention and extermination of diseases. In rural industry and sideline production, it is necessary to rely on local resources and pay special attention to developing the initial processing of food and sideline products, the maintenance and manufacturing of small farm machines, the production of building materials, and the social services before and after agricultural production such as storage and transportation and so on. In addition to protecting the offshore aquatic resources, it is necessary to strive to enhance our deep sea fishing capacity and expand the area of beach for breeding aquatics. During the "Sixth 5-Year Plan" period, it is necessary to pay special attention to the utilization of the more than 1.2 million mu of fresh water surface of Baiyangdian, and more than 1,100 reservoirs, and strive to effect new breakthroughs in the fresh water aquatic products industry.

Accumulation of light industry is the main source of revenue in our province. The development of light industry directly affects the arrangements of market and people's livelihood. Therefore, it should be the stress of the Sixth 5-year Plan and be firmly grasped well. In order to suit the increasing needs of urban and rural people, it is necessary to raise the quality of products, increase varieties, replace the old with the new, and energetically increase the output of medium and high class, new, and famous products, products needed by rural areas, and competitive export products, so that the production of consumer goods will be more or less in line with the growth of social purchasing power. During the Sixth 5-year Plan, we must give full play to our superiority in textile and ceramic industries. The stress of textile industry is to be laid on upgrading the treatment capability after the printing and dyeing of fabrics, and precision processing of knitted and cotton goods, raise the quality and grade of products, and increase varieties. Within the 5 years, the output of cotton yarn and cotton cloth should increase by over 10 percent, printed and dyed cloth by 24.7 percent, chemical fiber by 50 percent, and knitwear, woolen fabrics and silk goods respectively by 100 percent. Attention should be paid to both domestic sale and export of ceramics. We must actively raise our capability in producing medium and high class products, such as funeral urns, art ivory and ceramics, and so on. While enlarging exports, we must also at the same time appropriately arrange the production and supply of marketable bolws, basins, pots and jars. Close attention must be paid to the production of durable consumer goods, such as sewing machines, bicycles, wrist watches, television sets and so on. We must make great efforts to improve the quality of these goods and appropriately increase output. We must continue to develop canning, brewing, confectionery and cigarette factories, and other food industries. In light industry, we must also develop the production of plastic, leather, garments, paper, and so on. We must continue to adhere to the principle of giving priorities

to textile and light industries in six respects, so that in the total output value of industry, the proportion of output value of light industry will increase from 43 percent in 1980 to 48 percent.

In heavy industry, the stress should be laid on developing energy and building materials. Energy has become an important factor restricting the economic development of our province. Therefore, we must pay attention to both increasing production and practicing economy. In coal mining industry, we must speed up the construction of new mines and the transformation of old mines. The planned output quota of coal for 1985 is 55 million tons, an increase of 3.3 percent over 1980. It is essential to rationally divide the resources between the collieries under central planning and local mines, so as to support the development of local mines. By 1985, the coal output of local mines should strive to reach an all-time high. We must continue to readjust the proportion of production and reserve of crude oil, and speed up the progress of prospecting to increase our reserves. According to the state plan, the output quota of crude oil for our province in 1985 should be 8 million tons. We must accelerate the building of power industry. The total generated electricity of the whole province should reach 24.65 billion Kwh. Meanwhile, we must also energetically develop small hydropower and thermal power stations, and popularize stoves that can save coal and firewood. We must also develop new energy such as gas and solar energy, and so on. Even though we have adopted the above measures, we will still have energy shortage during the Sixth 5-year Plan. The additional energy needed by industrial production should be found by practicing economy. The building materials industry is another superiority of our province, and must be vigorously developed during the Sixth 5-year Plan. By 1985, the output of cement should reach 7 million tons, plate glass 5.6 million cases, and ceramic sanitary ware 2 million pieces. In accordance with the increasing needs of agricultural and light industrial markets, in the metallurgical industry, we must develop the production of sheet metal, medium plate, strip steel, welding instruments and so on, which are in short supply, and also develop the production of nonferrous metal. In engineering industry, we must concentrate efforts in improving our technical and management level, cutting down energy consumption, and vigorously upgrading the products and replacing the old with the new. We must supply more advanced equipment for the technical transformation of industry and provide agriculture with more machines and farm tools which are small in size, cheap, of good quality, versatile, and able to save oil and electricity. In the chemical industry, we should persist in the direction of serving agriculture and markets, strive to produce additional chemical materials such as sulphuric acid, sodium carbonates, caustic soda and so on, and increase the output of phosphate fertilizer, compound fertilizer and pesticide which is highly effective and low in toxin. The output of chemical fertilizer of the whole province in 1985 should reach 5 million tons and farm chemicals over 9,000 tons.

After the accomplishment of the Sixth 5-Year Plan, there will be further changes in the proportion relationship between agriculture, light industry and heavy industry, and that within industry and agriculture of our province.

/III. Energetically develop educational, science and cultural undertakings to promote the building of socialist spiritual and material civilization./

The upgrading of the scientific and cultural level of the whole people is an important condition for building material civilization, and also an important substance for building socialist spiritual civilization. Here, education is the basis of all. During the Sixth 5-Year Plan period, we must further strengthen primary and secondary education, run well normal schools in all counties, consolidate the teachers' ranks, improve teaching methods and upgrade the quality of education. While more educational funds are allocated by the state, we must also vigorously encourage the masses to run schools. The educational structure of senior middle schools should be reformed, and more agricultural and professional secondary schools, and special and technical schools should be energetically developed. By 1985, primary education should be basically universal in rural areas and secondary education be universal in urban areas. We must also strive to wipe out illiteracy among young people. It is earnestly necessary to do a good job in the readjustment of specialities in the institutions of higher learning and reform the enrollment and placement system. Under the premise of improving educational quality, we must tap potential and actively enlarge enrollment. The institutions of higher learning will recruit 15,540 students in 1985, increasing by 45.8 percent over 1980. Within the said 5 years, there will be altogether 58,305 university graduates and 161 post graduate students. All kinds of adult education should be run in accordance with the principle of multi-channels and various schooling systems, so as to constantly raise the ideological and political level, scientific and technical knowledge, and production ability of the broad ranks of staff and workers. By 1985, we must basically accomplish the task of making up the elementary technical and literacy lessons for the present staff and workers. We must also train 24,000 talented people of college level by means of running TV, evening and workers' universities.

Science and technology must be closely centered on the strategic objective for the end of this century and be concentrated in studying and solving the key problems which can bring about better results in the economic construction. According to the Sixth 5-Year Plan, special attention will be paid to the popularization and application of 48 major scientific research achievements in the fields of agriculture, energy-saving and exploitation of new energy. The production and technical level of agriculture, coal mining, metallurgy, machinery, textile and seven other industries of our province will be raised by a big margin by using new technology, techniques, equipment, materials and new biological products. In accordance with the needs of the economy and social development, we must also at the same time organize forces from all sides to tackle key problems in the 25 major scientific and technical projects in the fields of agriculture, energy, light and textile industry, comprehensive utilization of natural resources, application of new technology, public health, environmental protection and so on, strive to make new breakthroughs and actively organize the assimilation of 10 imported technological projects. Meanwhile, we must strengthen research in the exploitation and utilization of our own natural resources, environmental protection, ecological balance and other respects. The

provincial computing center must be built up as soon as possible. It must become a network that connects all the cities and a forecast and policy making system that serves planning and statistics. This center should be suited to the needs of society and serve economic construction. While vigorously developing natural sciences, we must also actively develop social sciences.

The ideological and artistic level of cultural and art undertakings should be raised, and the orientation of serving socialism and the people should be adhered to. We must consolidate and readjust the present county level art troupes and try by every means to eradicate the practices of "everybody eating from the same big pot." In addition to the setting up of cultural facilities, we must earnestly strengthen the work in the fields of press, publication, broadcasting, television and cultural relics. By 1985, all cities and counties must have cultural centers; towns and townships have cultural houses; and villages (brigades) have cultural rooms, which will form into a 4-level cultural network. The masses should be organized in carrying out all kinds of cultural and physical recreational activities so as to satisfy the cultural needs of urban and rural people.

In order to strengthen the strategic priority of education and science and technology, during the Sixth 5-Year Plan, we must concentrate our forces on completing or basically completing the building of 10 large projects such as the provincial gymnasium, library, scientific and technological center, academy of sciences, scientific and technological center, academy of social sciences, educational college, teachers' college (to be moved), college of traditional Chinese medicine and institute of finance and trade. Shijiazhuang City should regard this as its own priority and support the construction of the 10 projects. Other cities and counties should also try to improve their scientific and technological and educational conditions. By 1985, all counties should have cinema theaters and two third of the counties should set up libraries.

/IV. Strengthen the construction of key items, and carry on technological transformation step by step in a planned way./

In the period of the Sixth 5-Year Plan, the arrangements for capital construction and technological transformation are:

1. With regard to capital construction, the total scale of investment for our province verified and approved by the state is 1,137,000,000 yuan more than that in the Fifth 5-Year Plan period, and ranks third in the country. The large scale is due to the following reasons: The first is that the investment for the items directly designated by the central authorities amounts to 70.22 percent of the total scale of investment; the second is that the investment for the recovery after the Tangshan earthquake amounts to 12.4 percent of the total scale. After deducting these two portions, the investment within the budget directly controlled by the province, and the investment with funds raised by the province itself, decreases by 82.8 percent as compared with the Fifth 5-Year Plan period. Under the condition that the investment has decreased considerably, we have specially reduced

the investment in industrial departments, with the ratio decreasing from 56.1 percent in the Fifth 5-Year Plan period to 9.5 percent; and the investment in the fields of science, education, and public health increasing by 17.2 percent as compared with the Fifth 5-Year Plan period, its ratio in the total investment being increased from 5 percent to 34.3 percent. Although the investment in agriculture, finance and commerce, and city construction has somewhat decreased, nevertheless the ratio has increased as compared with the Fifth 5-Year Plan period. Other targets with self-raised funds are to be properly arranged by the departments, cities and regions concerned.

During the Sixth 5-Year Plan period, a total of 35 large- and medium-sized items have been designated by the state in our province. Of these items, 17 can be completed and put into operation by 1985. Also by that time eight single-item projects can be completed. The remaining items are to continue their construction work into the Seventh 5-Year Plan period.

During the Sixth 5-Year Plan period, the newly increased productive power and economic results consist primarily of the following: The capacity for coal mining will be increased by 8.8 million tons, mainly as a result of the increased capacity of the No 2 mine of Taozhang in Handan mining area, No 2 mine of Wannian in Fengfeng mining area, Dongpang mine in Xingtai mining area, Linnancang and Fangezhuang mines in the Kailuan mining area, and the Xiandewang coal mine; capacity for generating electricity will be newly increased by 1.0758 million kw, mainly from Douhe power plant, Matou power plant, Xiahuayuan power plant, and Xingtain power plant; as for oil processing, the first set of combination units (with a capacity of 500 thousand tons) of Shijiazhuang refinery will be completed, and the construction of the first-phase project will be expedited; capacity for producing cement will be newly increased by 2 million tons, mainly from the newly-built Jidong cement plant, and expansion of Xuanhua and other cement factories; capacity for producing plate glass will be newly increased by 3.5 million standard cases, mainly from the increased capacity of Yaohua glass factory; water storage capacity in reservoirs will be newly increased by 3.73 billion cubic meters, mainly from Pangjiakou, Daheiding and Zhuzhuang reservoirs; in cities such as Handan, Chengde and Zhangjiakou, the capacity for increasing the daily supply of water will be newly increased by 250 thousand tons; the number of berths will be newly increased by 5 with a handling capacity of 35 million tons; 1,800 kilometers of highways in mountain areas will be newly built, 750 long distance telephone lines will be added, and 50,000 telephone sets will be newly accommodated in city telephone exchanges; the number of enrollments in institutions of higher education will be increased by over 6,200 persons, and more than 10,800 hospital beds will be newly added to the hospitals.

During the Sixth 5-Year Plan period, work will be started to build the Fanshan phosphorus factory, Fengrun power plant, and Bangchuishan iron mine. At the same time, the feasibility studies and the initial-stage preparation work for the eight large-sized items should be done well. These eight items are: Hebei soda ash factory, Jinxian hydrosulfite factory, Weixian coal mining area, Shalingzi power plant, Qinhuangdao power plant,

Taolinkou reservoir, Tangshan steel corporation and Jidong steel corporation. Intensive efforts should be exerted to prepare for the setting up of the provincial Bureau of Civil Aviation, to do a good job in the construction of Daguocun airport so that air flights can be realized as soon as possible; at the same time, the initial-stage preparation work for the construction of the Gaocheng airport should be grasped well. In addition, active support should be given to the 12 transprovincial railways such as Shi De, Shi Tai, Jing Qin, Han Chang, and the railway connecting Datong and Qinhuangdao. The new construction, expansion, and renovation projects of Shijiazhuang railway station should also be actively supported.

2. With regard to technological transformation, it is planned that 2,771 items should be included. Of these items, 57 items are for energy resources and communications, mainly composed of gas popularization project of Shijiazhuang, the project for the recovery of the waste gas of the fertilizer plants, the thermoelectric grid project of Handan city, and the project for continuous casting of Tangshan steel plant, with an annual saving of 420 thousand tons of standard coal when the projects are completed. At the same time, local coal mines are to be improved so as to enhance the production capacity of raw coal by 720 thousand tons, and 1,900 kilometers of key highways are to be transformed. There are a total of 76 items in the fields of machinery and electronics, and among them over 20 kinds of products will reach the international level of the 1970's, 9 kinds of products will reach the international standard, 8 kinds will become products of superior quality, and 10 kinds will reach the advanced level in the country. There are 276 items in textile and light industries, and the aim is to enhance the quality, increase types and varieties, and raise the competitive power. There are 74 items in raw material industries, and the main efforts are to increase the production of suitable steel materials, building materials, short-term chemical materials, compound fertilizers and new farm chemicals. In addition, proper arrangements have been made in the fields of agricultural reclamation, forestry industry, local military industry, industries run by commercial units, and the treatment of pollution. After all these items are completed, an output value of 4,431,000,000 yuan will be newly created, 1,232,000,000 yuan of profits and taxes will be collected, and 70 kinds of products can reach the international level of the 1970's.

/V. Broadly open up financial resources, increase revenue and economize on expenditure, so as to ensure a basic balance in finance and credit./

Under the condition that the normal increase of the people's income and the autonomy of the enterprises can be ensured, through the development of production, economic accounting should be strengthened, economic results should be raised, financial resources should be expanded, and the financial revenue should be increased. According to the principle that expenditures should be kept within the limits of income, various items of expenditure should be rationally arranged and controlled, management and supervision of finance should be strengthened, and funds within and outside the budget should be well managed and used; extravagance should be resolutely opposed, and the results of utilizing the funds should be enhanced.

The role of the bank should be given full play. Floating funds should be concentrated in a planed way and they should be used in construction items urgently needed by the country. The management and control of cash flow should be strengthened, the assignment of the currency for different uses should be strictly controlled, so that the balance of credit and loans can be well kept.

/VI. Broadly open up the circulation channels, arrange well the market supply, and expand foreign trade./

With regard to commerce, the principle of serving the life of the people and serving production, and of treating planned economy as the key and market adjustment as the supplement, should be continuously adhered to. Efforts should be made to increase commodity resources so as to enliven the city and rural markets. Efforts should also be made to realize a balance between the social purchasing power and the quantity of social commodities that can be supplied so that market prices can remain basically stable. Stability should be maintained concerning the most important raw materials, the basic consumer goods and the principal criteria for charges and fees.

With regard to foreign trade, the structure of the products for export should be further altered, and the proportion of textile and light industrial products and other industrial products should be increased. We should adapt ourselves to changes in international markets and enhance our competitive ability, so that emphasis on quantity can be shifted to emphasis on quality. At the same time, the management of imported goods should be grasped well. On the basis of our requirements and possibility, certain advanced technology and equipment should be initiated, and the import of goods which are scarce or lacking in our country and goods which help to boost our exports should be well organized. The tourist undertaking should be developed, nontrade revenue of foreign exchange should be encouraged and organized, foreign capital should be utilized actively and appropriately, and economic exchanges with overseas should be expanded.

/VII. Handle employment problems well, and continue to improve the livelihood of the people both in the cities and in the countryside on the basis of developing production./

During the Sixth 5-Year Plan period, in the cities and towns of the whole province, altogether there are more than 1.69 million people that need us to arrange jobs for them. Apart from those that are able to further their education or to join the army, the number of people that need our arrangement for employment stands at over 1.17 million. It is planned that 1,167,000 persons will be under our planned arrangement. By the end of 1985, all the newly-emerged labor force in the province can be basically accommodated. During the Sixth 5-Year Plan period, regular staff and workers generally can get per capita in wage rises by one grade. This, together with certain reforms in the distribution system, will enable staff and workers to get per capita wages of 822.1 yuan in 1985, an increase of 15.12 percent as compared with 1980, the average yearly increase being 3 percent. The per capita income of peasants will reach 260 yuan in 1985,

an increase of 47.9 percent as compared with 1980, the average yearly increase being 8.1 percent. With the development of the city and rural economy and the increase of the people's income, the people's level of consumption will see a considerable rise. It is planned that in 1985 the total amount of consumption of the people in the cities as well as in the countryside will be 15,465,100,000 yuan, an increase of 43.24 percent as compared with 1980, the average yearly increase being 6 percent. Conditions in terms of food, clothing, and daily necessities will further improve. During the Sixth 5-Year Plan period, it is planned that 26 million square meters of living quarters will be built for staff and workers in cities and towns. As for the construction of peasants' houses, arrangements should be made in a planned way, and the practice of using farmland as building sites should be resolutely stopped. Great efforts should be exerted to improve medical and public health conditions, and speed up the construction of the provincial children's hospital, the tumour hospital, and health facilities in the 22 key counties. The patriotic health campaign should be extensively developed, the rural health care and medicine should be well managed, and common diseases, frequently occuring diseases, and local diseases should be actively prevented and cured, so that the people's health standard can be continuously enhanced.

VIII. To enforce family planning and strictly control population growth.

Enforcement of family planning is a basic policy of our country; it is an important issue vital to the rise or decline of the Chinese nation, and to the success and failure of China's socialist modernization. If the population growth is out of control, it will certainly effect the accomplishment of the state's strategic objective and the improvement of the people's livelihood. The province's population must be kept under 55.42 million by the end of 1985. The natural population growth rate in 1983 must be kept under 12 per thousand, and 10.6 per thousand in 1985. To attain our goal in population control is going to be an extremely important and strenuous task. The whole society must pay great attention to this problem. Importance must be attached to both promoting the growth of material production and controlling population growth. The stress in family planning should be on the rural areas. We must encourage late marriage, late child bearing and the production of healthy offspring, and advocate one child for each couple. We must take effective measures to strictly control second births and resolutely prevent additional births so as to control population growth. Principal leaders at all levels should grasp family planning work themselves and take the lead in carrying out publicity and education. It is necessary to take effective measures for birth control (particularly once-and-for-all measures), and to carry out thepolicy of punishments and rewards in family planning work so as to attain our goal in population control. Meanwhile, efforts must be made to strengthen maternity and child care work and preschool education; it is planned to have at least one teachers' training school for preschool education in each city of our province.

Major Measures For Fulfillment of the Sixth 5-Year Plan

To fulfill the Sixth 5-Year Plan, we must continue wiping out "leftist" influences, firmly implement the principle of readjusting, restructuring, reorganization and upgrading the national economy, insist on improving economic results, resolutely cultivate the idea of taking agriculture as the foundation of the national economy, concentrate main efforts on reforming economic systems, systematically carry out all-round reforms step by step and in a planned way, promote technological progress and further arouse the socialist enthusiasm of the broad masses of cadres and people so as to create a new situation in all fields of socialist modernization. In the next 3 years, we must make a success of the work in the following seven aspects:

/I. To resolutely reforming economic systems in an orderly way./

Reforming economic systems is the guarantee of improving economic results in an all-round way and realizing socialist modernization. Meanwhile, through reforming economic systems, productive forces will be further emancipated and the national economy will be revived. Leaders at all levels must continuously get rid of "leftist" influences, emancipate their minds, have the courage to put theory into practice, and be promoters in reforms.

In agriculture, we must further perfect and consolidate the output-related system of contracted responsibilities, and extend it to all spheres of the rural economy such as agriculture, forestry, animal husbandry, sideline production, fishery, irrigation work and farm machine-building. This system is also applicable for developing barren hills, grassland, sandy wasteland, alkaline land, surfaces of water, and waste beaches, so that peasants will actively exploit and use these natural resources as they do for the fields contracted to them. Meanwhile, the output-related system of contracted responsibilities should also be established in state-run farms, forest farms and pastureland as well as enterprises and institutions related to agricultural production. It is necessary to properly handle the relationship between centralization and decentralization. Any undertakings which are suitable for decentralized management should be managed in a decentralized way. Meanwhile, in decentralized management, if an individual household finds it difficult to run an undertaking with better economic results, then it should be managed in a collective way. Different kinds of service centers for giving technical and economic aid to specialized households and households doing specialized jobs must be established step by step. In promoting the output-related system of contracted responsibilities, whatever form it may be, effective measures must be taken to retain a certain part of profits for the collective and to ensure the execution of all forms of contracts so that the individual economic activities of peasant households can be linked with the guidance of state plans. Now, a number of specialized households and households doing specialized jobs besides crop cultivation have come to the fore, and there has been a steady growth of diverse forms and different levels of economic combination. We must, therefore, make the best of the situation along its course of development toward specialization and socialization so as to promote the successive growth of production for exchange.

The situation in industry, communications, capital construction, finance and trade is relatively complicated, and has some characteristics different from those in agricultural production. Therefore, attention must be given to the following points in the course of carrying out reforms: 1) We must adhere to the socialist orientation in business, protect public ownership in the means of production and guarantee to fulfill the quotas set out in state plans. 2) We must properly deal with the interests between the state, the collective and the individual and follow the principle of dividing big share of interests to the state, medium share to enterprises, and small share to workers and staff. Individual income may increase on condition that a steady rise in state revenue is ensured and that capital accumulation of enterprises is continuously expanded. No enterprise is permitted to withhold state funds under all sorts of pretexts, or to shift its burden onto the consumers under false colors. 3) The principle of distribution according to work must be applied. No egalitarianism is encouraged between enterprises. In remuneration of the individual, the principle of more pay for more work, less pay for less work and no pay for no work must be truly applied. And the diligent must be rewarded while the lazy must be penalized. 4) State policies and decrees must be observed. We must improve management, develop production and increase income through hard work and technological progress. 5) In carrying out reforms, we must proceed from the actual situation and guide them properly according to circumstances. We should not stick to only one form, but should improve various forms in experimental units by summing up experiences from time to time, and then push them forward step by step and in an orderly way.

The substitution of taxes in state-run enterprises for profits delivered to the state is a major strategic decision in carrying out reforms in the economic managerial system; it is also a good form of handling the distribution relationship between the state and enterprises. From now on, all state-run enterprises of our province, with the exception of some special trades, should substitute tax payment for profit delivery according to state plans. When implementing substitution of taxes for profit delivery, state-run industrial and commercial enterprises should energetically introduce diverse forms of the responsibility system for production, and assign tasks of fulfilling state quotas to all workerships, technical offices, and individual workers, in accordance with the principle of combining responsibility, authority and benefit by establishing the system of economic responsibility, and strict rules for assessing, rewarding and penalizing functionaries. Collectively-owned industrial enterprises and enterprises run by communes and brigades may contract responsibilities to directors (managers), a group of workers, or individual worker. This is also applicable to commercial enterprises, but it might be practiced in varied forms and in a more flexible way. For instance, the business of commercial enterprises might be hired out to the collective or the individual.

In order to change over from the commodity circulation system with few channels to a many-channeled system, reinvigorate the economy in the urban and rural areas, and promote the development of production, it is necessary to hasten reforms in the commodity circulation system. Meanwhile, in order to further readjust the policy governing state monopoly for purchase

and marketing of industrial products, we must continue to minimize items that are usually purchased and distributed by the state, release control over commodities of the third category and promote wholesale deals. In order to boost the market of industrial products, we should give full scope to the supplementary role of collective commerce and individual traders and pedlars, and to the development of commercial network run by the collective and the individual on the premise that the state-run commerce must take a leading role. We should reform the wholesale system according to economic regions with cities as centers, and reduce levels of management in wholesale dealing so as to meet the needs of changing over from the commodity circulation system with few channels to a many channeled system. We should continue to relax the policy governing the state purchase and marketing of agricultural and sideline products. We should give more scope to the buying and selling of commodities of the third category at negotiated prices. With fulfillment of the state quotas of purchasing grain and oil crops by the province, the food industry, catering trade, and the fodder, rice, and flour processing industry are permitted to buy grain and oil crops for their own use; supply and marketing cooperatives, communes, brigades and the individual are permitted to transport these goods to other places for sale. Meanwhile, with the accomplishment of the tasks assigned by the state for purchasing farm and sideline products, communes, brigades and individual peasants are permitted to transport and sell these goods through different channels. Efforts must be made to step up the pace of reforming supply and marketing cooperatives in the rural areas. They must become real commercial bodies with the active participation of peasants, democratic management and a thriving business. Supply and marketing cooperatives in the rural areas must expand their scope in business and service so that they will gradually become an economic combination of agriculture, industry and commerce, including the services of processing, grain storing, transportation and technical aid, in order to develop production for exchange and reinvigorate the economy in the rural and urban areas. As for the control of pricing, reforms must be carried out for the pricing system and the methods of controlling prices on condition that commodity prices must be kept stable. The decisionmaking power related to the control of pricing will be gradually transferred to a lower level. There should be some necessary adjustment, either upward or downward, in regard to a small number of commodities whose prices are very unreasonable. But this should be done step by step and in a planned way. When effective control is acquired over the prices of major products, the floating-price system may gradually be applied to some less important products, including industrial products of the third category; their pricing can be decided through consultation between industrial and commercial units. Prices of some farm and sideline products that are usually purchased and old at negotiated prices are allowed to fluctuate in line with market conditions. We should seriously uphold the principle of fixing higher prices for goods of better quality and lower prices for goods of poorer quality. We should rationally set differences in prices for goods of different grades, differences in wholesale and retail prices, and differences in prices between different seasons and between different areas. Enterprises are permitted to price their new products for trial sale in a certain period of time. State-run commercial units must actively promote their business of purchase and

marketing in an effort to keep prices stable. It is necessary to enforce supervision on the control of pricing. Any violation of regulations governing pricing should be handled punctually.

In order to meet the requirements of the reform of the economic system, it is necessary to make a serious success in the reform of labor and personnel system and so on. Labor employment system should be reformed. In the future, if the enterprises want to employ workers, they should practice the contract system by employing fewer permanent workers and more temporary and contract workers. It is essential to bring the role of professional secondary schools and labor service companies into full play, and offer training to workers before they enter the enterprises, not after they do so. They should also sit for literacy and technical examinations, and those who have performed best will be chosen for employment. Labor management should be reformed and the mobility of a certain range of people should be allowed. After the emergence of the new labor composition which has resulted from practicing the contracted responsibilities, we must organize those surplus people to open up other production fields. The wage system should be reformed. All the trades and professions can practice floating wage systems in line with local conditions. Piece rate wages can also be practiced provided the conditions confirm with the state stipulations. Large and medium enterprises can also carry out promotions and reform at their own expenses. All this will manifest the principle of giving more pay for more work. In places where conditions permit, the enterprises can adopt the method of electing the directors (managers) democratically, or inviting applications or letting people recommend themselves. These people should be allowed to form their own "cabinet." Economically, they perform duties according to the contracts, and politically, they enjoy the equal treatment as cadres of the same level.

/II. Continue the overall consolidation and readjustment of enterprises to improve our operation and management level./

The consolidation and readjustment of the existing enterprises is an important job that must be done well during the Sixth 5-Year Plan. The speed of enterprise consolidation should be accelerated and its quality raised by adopting the method of comprehensively carrying it out throughout the province, laying stress on major enterprises, giving guidance, and checking and accepting them in batches. By 1985, the 20,000 odd enterprises of industry and communications, capital construction, finance and trade, agriculture, forestry and water conservancy, military project, reform through labor, and other trades at and above county level should all be consolidated. In light with the current progress, we must particularly pay attention to the following: 1. Conscientiously consolidate and build well the leading bodies of enterprises according to the requirements of being more capable, more revolutionary, younger in average age, better educated and professionally competent. Young and middle aged cadres who possess the above requirements must be elected in large numbers to leading posts, and we must do a good job in the succession of younger cadres to old ones and the cooperation between them. 2. Actively practice and constantly perfect the economic responsibility system. 3. Consolidate

the labor organizations and strengthen labor management. 4. Promote the consolidation work in all areas by drawing upon experience gained at key points.

While carrying out enterprise consolidation, we must continue to do a good job in the readjustment, reorganization and combination of enterprises.

The reorganization and combination of enterprises should be centered on cities and based on marketable and famous-brand products and its manufacturing factories. The role of overall planning, coordination, service and supervision of administrative responsible departments should be given full play. We must do a good job in horizontal and vertical connections, bring along a number of enterprises of the same trade and within the economic area and develop them in coordination so as to lay a solid foundation for the gradual establishment of different type and scale of economic network that combines town with country and areas with departments. The integrated companies and all kinds of economic integrated bodies of the province and cities shich have already been set up must carry out consolidation and readjustment in light of their different circumstances. Those that cannot achieve better economic results must be closed down. With respect to the enterprises and products within a city that are suitable for organizing joint coordination, it is necessary to reorganize and combine, according to economic flow, the enterprises within the city and the surrounding county and commune industrial enterprises, with the city playing the main role, under the overall planning of trades and systematic classification of products. We must set up specialized processing centers within cities, in a unified manner, which offer casting and forging, heat treatment, electroplating, moulding, machine repairing and other services. Whether the reorganization and combination is based on trades or cities, we must break the bounds of different regions, departments and ownership, and persist in the principle of overall planning and being economically reasonable, so that it is advantageous to the technical progress of trades and enterprises, giving full play to our superiority and enlivening the economy, promoting the development of production and achieving better economic results.

/III. Strictly control the scale of investments in fixed assets and ensure the construction of major projects and technical transformation of enterprises./

The stress of technical transformation during the Sixth 5-Year Plan is to be laid on energetically promoting technical progress, saving energy and raw materials, improving the quality of products and raising the capacity to produce certain goods that are in short supply and urgently needed by society.

In order to strictly control the scale of investments in fixed assets, strengthen the construction of major projects and technical transformation, and achieve better investment results, we must adopt the following measures.

1. Strengthen the management on various construction funds and strictly follow the construction procedures. In order to control the scale of

investments in fixed assets, it is necessary to reform the present financial management methods. We must firmly practice unified planning in financial affairs. With regard to the budgeted funds, the funds not included in the budget, bank credit funds and China's funds available abroad, we must strengthen planned management, make overall arrangements and utilize them in a coordinated way. It is necessary to strictly follow the construction procedures and approval formalities stipulated by the State Council and the provincial government. Any practice that attempts to expand the scale of construction without authorization will be punished as breach of discipline. Those who have exceeded the state quota will, in addition, have to pay 130 percent of excess as major construction funds for energy and communications.

2. Conscientiously and properly do the preparatory work of construction projects. From now on, we must conduct experiments in all the major capital construction and technical transformation projects to prove their technical and economic feasibility. Otherwise, they should not be allowed to proceed with the design. If the preparatory work of those projects are not fixed, they will not be listed in the annual plan. Those construction projects listed in the plan should all fix their construction scale, investment amount, construction period, investment results and conditions of external cooperation, so as to assure that the projects will go into operation according to the due plan and bring about effective results. In the future, we must release a certain amount of funds every year from the investments of capital construction and technical transformation for the preparatory work of projects, so as to prevent blindness.

3. In construction funds, we must practice the system of royalties for patents. As for those construction projects which can pay back, we must gradually turn the financial allocation into bank loans, transform the state of everybody eating from the "same big pot" and set up local fixed assets construction funds.

4. In accordance with the characteristics and specific conditions of the construction projects, we must implement various kinds of economic contracted responsibilities. In the projects that have implemented the economic contracted responsibilities, both the construction unit and the unit that invests in the project should sign contracts of "guarantee" and "assuming overall responsibilities," which clearly defines the details of responsibility, reward and punishment.

5. The method of distributing construction tasks merely by administrative means should be reformed. Under the guidance of state unified planning, we must actively carry out the system of inviting and submitting tenders, so that the units that invest for projects have the right to choose the best design and construction units.

/IV. Carry out the activity of increasing production and revenue, and practicing economy and saving expenditure to effect a further turn for the better in financial and economic situation./

In order to ease the tense financial situation in our province, during the latter 3 years of the Sixth 5-Year Plan, it will be necessary to carry out the activity of increasing production and revenue, and practicing economy and saving expenditure in a broad and thorough way. All the enterprises should constantly make efforts in raising their labor efficiency, improving product quality, increasing varieties and saving energy consumption. It is necessary to strengthen basic work which is directly related to product quality and variety, and strengthen enterprise management to increase output and income. In order to solve the problem of improper management and serious wastage existing in their units, all trades and professions should work out feasible measures for practicing economy, establish and perfect the rules, regulations and methods of reward, and try to economize all the energy, raw materials and funds that can possibly be saved.

It is essential to lay stress in creating, accumulating and utilizing our wealth to ensure the balance of revenue and expenditure. Governments and departments at all levels should strengthen their work in finance and tax revenue, manage the available funds well and rigorously enforce financial discipline. We must ensure the fulfillment of state revenue. According to the state policies, the taxes that have to be levied must be collected in due time. It is necessary to strictly practice the financial and taxation system, and stop those people who attempt to evade taxation by all means. No unit or individual should be allowed to appropriate state revenue, or retain the profits that have to be handed to the state, or remit the taxation without authorization, or be in arrears with tax payment. During the reform of the economic system, all kinds of enterprises should fix the financial turnover tasks, so as to ensure the steady increase of state revenue. The unreasonable level of profit retention in a few enterprises should be readjusted. It is necessary to earnestly carry out the relevant policies stipulated by the state concerning the distribution of financial resources and change the decentralized state of funds that exists at present to ensure the construction of major state projects. A general investigation on strictly sorting out the funds not included in the budget will be conducted this year. Next year we must earnestly work out an overall financial plan, set up the system of budget and final accounts for capital not included in the budget, and strengthen the management on funds. It is necessary to rationally arrange all the expenditures. All trades and professions should adopt an overall point of view and strive to make contributions toward effecting a fundamental turn for the better in the financial and economic situation in our province.

/V. Vigorously strengthen science and education, make active progress in technology./

In order to fully promote the role played by science and technology in the four modernizations, it is necessary to continue to eliminate the outworn ideas of despising science and discriminating against intellectuals, and firmly establish the guiding ideology that economic revitalization must rely on progress in science and technology. In order to bring about an increase in production, and in particular to realize the strategic objective of quadrupling the gross annual value of industrial and agricultural production

by the end of this century, we cannot rely on the increase in the quantity of old products alone. We should extensively apply new technologies and new techniques and continue to develop new products. Thus, in formulating the economic development plans, in addition to including the quotas for quantity and quality, it is necessary to determine the technologies and techniques applied in the production of major products, fix the economic and technological quotas which must be fulfilled, and conscientiously shift production onto an advanced technological basis. It is necessary to earnestly regard intellectuals as an important force in the four modernizations, further implement the party's policy toward intellectuals, strive to improve their working and living conditions, organize them to carry out economic and technological discussions on the major construction projects, and make our decisions more scientific. It is necessary to pay close attention to the key technical problems in the development of our national economy, and organize and recruit the technological forces both inside and outside our province to combat and tackle the key problems in close cooperation. It is necessary to strengthen the application and popularization of scientific and technological achievements, organize well the digestion and assimilation of imported technologies and transfer of technology, actively promote the application of scientific and technological achievements in production, and turn science and technology into direct productive forces as soon as possible.

Scientific research should be geared to the needs of production and serve economic construction. It is necessary to bring about the three-in-one combination of workers, scientific and technological personnel, and cadres, and the three-in-one combination of education, scientific research, and production. Scientific and technological workers should adhere to the principle of scientific research which stresses application and exploitation, enthusiastically devote themselves to the great practice of economic construction, closely combine production with construction, and meticulously select and decide on scientific research topics. In order to suit scientific and technological work to the needs of the four modernizations, it is necessary to reform the scientific and technological work system and restructure the scientific research organs. First, it is necessary to combine the reform of the prefectural and city administrative organs and the reorganization and readjustment of the enterprises and carry out the necessary reforms in the existing professional scientific research organs according to the principle of making overall and reasonable arrangements and strengthening the focal points, so that there can be a clear division of the level of research work and a clear division of labor among departments at the same level as regards directions and tasks. In addition, it is necessary to vigorously promote the development of the professional scientific research units toward socialization, strengthen factory-run scientific research, further perfect the technological exploitation system in the countryside, establish multilevel technological exploitation centers, and gradually establish scientific research, popularization, and training systems with distinctive local features, in order to make progress in industrial and agricultural production technologies. Second, it is necessary to practice all forms of contracted technological responsibility systems, support and encourage the scientific research units, colleges, and scientific

and technological personnel to establish close the direct ties with the rural areas, factories, and mines, assume contracted responsibilities for scientific research topics, train people for them, provide advisory service, and give full play to the intelligence and wisdom of the scientific and technological personnel. Third, it is necessary to reform the system of management of scientific and technological personnel and center the unified deployment and reasonable utilization of the technological personnel on tasks such as making plans, tackling key scientific and technological problems, the preliminary work of major construction projects, ahd the technical transformation of the key sectors.

In order to develop science and technology, it is extremely necessary to pay close attention to the training of qualified people. It is necessary to earnestly implement the party's guiding principle for education and enable the students to develop morally, mentally, and physically in an all-round way. In order to reform the educational system, it is necessary to run all kinds of schools at all levels by various means. In order to make the training of qualified people meet the needs of economic construction, colleges specialized in a certain field should be run by the departments concerned. It is necessary to readjust the curricula of the institutions of higher education, raise the proportion of professional studies such as light industry, textile industry, building construction, finance, economics, political science, and law, and develop management studies. In addition, it is necessary to revise the teaching plans, reform the contents, links, and methods of teaching, and improve the quality and quantity of teaching. It is necessary to considerably raise the degree of autonomy of the institutions of higher education, and the cities where the institutions are located should actively help them gradually effect the socialization of their services. It is necessary to reform the enrollment system of the universities and the special or technical secondary schools and the system of assigning jobs to graduates, in order to open up the path for the flow of trained people to the countryside. The majority of the agricultural colleges, forestry colleges, medical schools, and teachers' colleges should recruit more students from the rural areas, recruit students from specific areas, train people for specific professions, and assign graduates to specific posts. Each county should establish one key agricultural secondary school, and counties endowed with favorable conditions should establish one more county-run technical school for the peasants as a base for the training of junior agricultural technical staff and the popularization of agricultural technologies. It is necessary to run schools by various means, speed up the in-service training of cadres and workers, and support and encourage self-study. In the last 3 years of the "Sixth 5-Year Plan," with the consent of the higher authorities, each medium-size city endowed with favorable conditions can establish one short-term university, local spare-time universities for workers, and adult education centers and institutions of higher education, which should provide all kinds of professional training courses. It is necessary to make active preparations for the organization of examinations for people who study on their own. All the people who have fine political character and whose examination results reach undergraduate or professional levels will be given certificates, and their qualifications will be recognized accordingly, regardless

of how they studied. Such people, if they are originally workers of the state, will enjoy the proper pay and conditions according to arrangements made by the state; if they are not formally employed by the state, they should be given the same treatment as those formally employed. In addition, it is necessary to combine the training, utilization, assessment, and promotion of the workers with the system of economic responsibilities in order to arouse the enthusiasm of the workers and cadres for acquiring scientific and cultural knowledge.

/VI. Persist in paying close attention to the construction of the two civilizations at the same time and bring about a further turn for the better in social customs./

In addition to paying close attention to the construction of the socialist material civilization, it is necessary to earnestly pay close attention to the construction of the socialist spiritual civilization. It is necessary to mobilize the people of the whole province to develop the "five stresses, four beauties, and three loves" drive in a more comprehensive, in-depth, solid, and effective manner. It is necessary to earnestly adhere to the four fundamental principles and carry out thoroughgoing education on the superiority of socialism and patriotism, on the communist ideal, conviction, and morality, on professional ethics, professional responsibility, and professional discipline, on democracy, legality, the correct aesthetic standards, and the socialist life style, in order to enhance people's consciousness in observing law and discipline and people's level of communist consciousness and morality. It is necessary to vigorously promote the communist attitude toward labor, and combat the hired-labor point of view and the tendency of "putting money first in everything." In building the socialist spiritual civilization, it is necessary to promote the role of a mainstay played by the young people, women, and militiamen and militiawomen and vigorously popularize the experience in building "civility villages" by the armymen and the civilians in cooperation. It is necessary to do a good job of cherishing the army and giving preferential treatment to families of armymen, and further strengthen the unity between the army and the government and between the army and the people. In addition, it is necessary to do well in conscription, making arrangements for ex-servicemen and armymen transferred to civilian work, militia work, and giving support to army building. It is necessary to continue to crack down on serious criminal activities in the economic sphere, concentrate energy on investigating and handling of important and serious cases, and achieve new victories in this struggle. It is necessary to further consolidate social order, make good use of the powerful state apparatus and public opinion, strengthen the overall improvement of social order, and severely crack down on counterrevolutionary activities deliberately conducted by hostile elements in order to undermine the socialist system and all kinds of criminal offenses. It is necessary to resolutely forbid gambling, fight against feudal superstition, and ban pornography. It is necessary to resolutely eliminate the disgusting phenomena of drowning or abandoning baby girls, discriminating against women, maltreating aged people, and poisoning social customs. It is necessary to create a good social environment and effect a further turn for the better in social customs so that the people can wholeheartedly carry out the socialist modernizations.

/VII. Pay close attention to structural reforms and earnestly improve the style of leadership./

Since August 1982, we have begun to carry out the structural reform of the provincial people's government and the organs subordinate to it according to the plans made by the CPC Central Committee and the State Council. With the approval of the State Council, we have decided to reduce the 69 work departments and offices of the provincial people's government and organs directly subordinate to it (excluding the units under the joint leadership of the ministries of the State Council and the provincial people's government) to 41. That means, we have decided to reduce the number of organs by 28 and the size of the staff by 30 percent. According to such a scheme, the leading bodies of 18 offices and bureaus of the provincial people's government have so far been basically decided. However, at present, much remains to be done in conducting structural reforms, consolidating the leading bodies, defining the limits of authority of the departments, and making arrangements for retired cadres. We must make a success of this reform with a revolutionary spirit.

In addition to conducting the structural reform of the provincial departments, with the approval of the State Council, we have launched a pilot project on the combination of the Tangshan City People's Government with the Tangshan Prefectural People's Government, abolished the Tangshan Prefectural Administrative Office, and put the counties subordinate to it under the administration of Tangshan City and Qinhuangdao City respectively. Anci County and Hengshui County have been abolished and incorporated into Langfang City and Hengshui City respectively. Structural reform of other prefectural and city leadership will be conducted in accordance with the principle of facilitating the coordinated development of the rural and urban economic and cultural undertakings on the basis of investigation in a planned and step-by-step manner. This form will have been completely finished by the end of September 1983. It is necessary to reasonably control the sizes of large and medium-size cities and actively make a success of the building of small cities and towns under unified planning.

According to the stipulations of the new constitution, it is necessary to speed up the separation of communes from administrative organs and strive to accomplish the tasks of separating commune from administrative organs and establishing the political power of townships before the spring ploughing season in 1984, on the basis of summarizing the experience in the pilot projects. In addition, it is necessary to pay close attention to the establishment of village administrative offices or village residents' committees, consolidate town and city residents' committees, and bring the role played by them into full play.

In conducting structural reform, it is necessary to earnestly improve the style of the leaders and work method, get rid of bureaucracy, and heighten efficiency in order to meet the demands of creating a new situation in all fields of socialist modernization.

Fellow Delegates:

Our economic situation is improving and there is quite a solid foundation for all our work. Under the guidance of the line, principles, and policies of the party since the third Plenary Session of the 11th CPC Central Committee, the people of the whole province, who possess a glorious revolutionary tradition, are increasingly enthusiastic about changing the face of the province. All these are the favorable conditions for the implementation of the "Sixth 5-Year Plan." We believe that, following approval and publication by this session, our Sixth 5-Year Plan and the 1983 annual plan will certainly further mobilize and encourage the people of the whole province to march with full confidence toward the magnificent strategic goal by the end of the century. Workers, peasants, intellectuals, and cadres of our province will certainly be able to shoulder heavy responsibilities, surmount difficulties, and, with a firm, persistent, and pioneering revolutionary style, make new contributions to creating a new situation in all fields of our socialist modernization!

CSO: 4006/577

AGGREGATE ECONOMIC DATA

HEILONGJIANG 1982 ECONOMIC FULFILLMENT COMMUNIQUE

SK080413 Harbin HEILONGJIANG RIBAO in Chinese 15 May 83 p 2

[Communique on fulfillment of the province's 1982 national economic plan issued on 10 May 1983 by the Provincial Statistical Bureau]

[Text] In 1982, the people throughout the province, under the leadership of the CPC Central Committee, the State Council, the provincial CPC committee, and the provincial people's government, scored steady and harmonious development of the national economy by continuously implementing the principle of readjusting, restructuring, consolidating, and upgrading in line with the target set forth by the 12th CPC Congress and by actively making concerted efforts. The society's total product reached 44.3 billion yuan, a 7.3 percent increase over the 1981 figure. The total output value of industry and agriculture was 36.41 billion yuan, up 6.4 percent from 1981. The preliminary estimate of national income is 20.15 billion yuan, up 6.7 percent from 1981. Growth in production brought a brisk market and prices were basically stable. The living standards of the people continued to improve. New progress was made in building spiritual civilization. The major problems in the development of the national economy were an excessive increase in investment in fixed assets and a poor concentration of used funds. There was no marked improvement in economic results in production, construction, or circulation, and many places suffered shortages in energy supply and fairly strained transportation.

The fulfillment of the 1982 plans for the national economy and social development is as follows:

1. Agriculture

In 1982, though there were natural disasters more serious than any since the founding of the PRC, our province still made some development in agricultural production by earnestly implementing the party's policies on the rural economy, introducing various contracting systems with payment related to output and by bringing into play the production enthusiasm of the broad masses of peasants. Total agricultural output value reached 9.57 billion yuan, up 4.4 percent from 1981.

Of this, farm crops brought 6.76 billion yuan, a 2.3 percent increase over the 1981 figure. Of this output value, grain crops brought 4.22 billion yuan, a 0.4 percent increase over the 1981 figure. This is mainly because of the output increase of soybean and rice. Cash crops brought 800 million yuan, basically being equal to the 1981 figure. Total vegetable and fruit output value reached 1.74 billion yuan, an 8.8 percent increase over the 1981 figure. Total forestry output value reached 588 million yuan, a 2.8 percent increase over the 1981 figure. Total animal husbandry output value reached 1.333 billion yuan, a 17.7 percent increase over the 1981 figure. Total sideline occupation output value reached 849 million yuan, a 2.8 percent increase over the 1981 figure. Of the output value, brigade-run industrial enterprises brought 572 million yuan, a 3.7 percent less than the 1981 figure. Gross output value of forestry, animal husbandry, sideline occupation and fishery reached 2.813 billion yuan, a 14 percent increase over the 1981 figure, increasing their proportion in the total agricultural output value from 27.2 percent in 1981 to 29.4 percent in 1982. Of major farm products, except for theoutput of grains, tubers, flue-cured tobacco, beet and flax declined because of natural disasters, the output of soybean and oil-bearing seeds surpassed the plans and the 1981 figure on a large scale.

Output of major farm products follows:

	1982		Percentage increase over 1981 figure
Grain	23	billion jin	-8
of which			
paddy	1.42	billion jin	26.8
wheat	5.56	billion jin	-11.5
corn	6.56	billion jin	-25.7
tubers	870	million jin	-3.3
soybean	5.11	billion jin	26.8
Oil-bearing seeds	9	million dan	1.3
Beet	59.6	million dan	-11.0
Flax	1.18	million dan	-67.7
Flue-cured tobacco	1.38	million dan	100

In 1982, the province planted 3.996 million mu of trees, 16.2 percent less than the 1981 figure. The province planted 28.254 million trees on scattered land (calculating in line with the number of survived trees, 34.5 percent less than the 1981 figure.) The acreage of saplings reached 726,000 mu, an 11.5 percent increase over the 1981 figure. Of this acreage, new sapling forests reached 416,000 mu, a 14.9 percent increase over the 1981 figure. The province's reafforestation acreage reached 1.857 million mu, an 18.1 percent increase over the 1981 figure.

In 1982, animal husbandry production showed a certain development. The number of hogs and slaughtered hogs was smaller than that of 1981 because of consecutive grain reductions over the past 2 years. However, the declined scope in this regard was much smaller than that 3 years ago.

The annual rate of hogs slaughtered reached 60 percent, restoring it to the previous peak. Egg output increased on a large scale, basically improving the supply to markets.

Output of major animal by-products and the number of livestock follows:

	1982	Percentage increase over 1981
Output of pork, beef and mutton	299,000 tons	-8.6
of which:		
Pork	276,000 tons	-9.9
Beef	11,000 tons	-9.5
Mutton	12,000 tons	50.0
Sheep wool	25.76 million jin	21.8
Hogs slaughtered	3.695 million head	-6.9
Hogs in stock at year end	6.086 million head	-1.1
Large animal at year end	2.534 million head	1.2
of which:		
Milk cows	137,000 head	38.9
Sheep and goats at year end	3.818 million head	11.3
Milk	310,000 tons	100
Fresh eggs	3.57 million dan	13.0

In 1982, on the improved basis over the last 3 years, output of aquatic products increased again. Total aquatic output reached 35,200 tons, a 6.7 percent increase over the1981 figure. Of this output, raising undertakings brought 16,300 tons, a 49.6 percent increase over the 1981 figure, increasing their proportion in the province's total aquatic output from 33.1 percent in 1981 to 46.3 percent in 1982, resulting in a new situation in fishery production.

The number of farm machines continued to increase. In 1982, the province had 82,900 large- and middle-sized tractors, surpassing the 1981 figure by 7,000 machines; 12,616 agricultural trucks, surpassing the 1981 figure by 1,357 trucks; and 19,500 combined harvesters, surpassing the 1981 figure by 1,600 harvesters. Gross driving force of farm machines reached 11.077 million horsepower, a 5.8 percent increase over the 1981 figure. The volume of agricultural chemical fertilizer reached 1.056 million tons, a 1.1 percent increase over the 1981 figure. The province increased its per mu application volume of chemical fertilizer from 15.9 jin in 1981 to 16.1 jin in 1982. Rural power consumption reached 1.53 billion Kwh, 9.5 percent less than the 1981 figure. The province reduced per-mu farming power consumption from 12.9 Kwh in 1981 to 11.8 Kwh in 1982. The province had 61,000 electric pump wells, basically the same as the 1981 number. There was a pumpwell for every 2,144 mu of farmland. Farming work done by farm machines was completed on 93.84 million mu of farmland, accounting for 71.7 percent of the total farming acreage. Of this farm machine operation, plowing and sowing work done by farm machines was completed on 60.51 million mu of farmland, accounting for 64.5 percent of the total farmland acreage on

which farming work was totally done by farm machines. The harvesting work done by farm machine was completed on 35.71 million mu of farmland, accounting for 33.1 percent of the total acreage.

2. Industry

In 1982, by strengthening enterprise consolidation, readjusting industrial structures and conducting technical transformations in a planned manner, industry mounted a road of steady development. Total industrial output value reached 26.84 billion yuan, accounting for 103.6 percent of the annual production plan, a 7.1 percent increase over the 1981 figure, surpassing the demand set forth by the provincial CPC committee in regard to "ensuring a 4 percent increase and striving to achieve a 5 percent increase." Of 87 major products, the production of 56 products, including cotton cloth and yarn, wool thread, dairy products, sewing machines, bicycles, watches, television sets, recorders, cigarettes, sugar, beer, raw coal, crude oil, power output, caustic soda, steel, pig iron, timber, cement, plate glass, and chemical fertilizer, surpassed their annual production plan. Output of 31 products including artificial boards, agricultural chemicals and ferro-alloys was lower than the production plan. Of 87 major products, the output of 65 commodities surpassed the 1981 figure, while output of 22 commodities was lower than the 1981 figure.

In 1982, on the basis of showing a yearly average increase of 12.8 percent over the past 3 years, light industry production continued to increase over the 1981 figure. Light industrial output value increased its proportion in the total industrial output value from 33.7 percent in 1981 to 33.9 percent in 1982. According to statistics compiled by the output of 37 major light industrial products, production of 22 products equaled or surpassed the annual plan and 29 products scored an increase over the 1981 output. The province effectively controlled the production of overstocked commodities in excessive supply.

	1982	Percentage increase over 1981
cotton yarn	22,816 million meters	20.0
chemical fibers	26,010 tons	1.1
woolen piece goods	1.978 million meters	-0.1
woolen thread	1,787 tons	10.4
linen	87 million meters	5.4
silk	29.1 tons	142.4
gunny sacks	7.509 million	32.3
machine-made paper and paper boards	307,000 tons	8.1
sugar	394,000 tons	18.2
cigarettes	368,000 boxes	14.2
bicycles	378,000	31.4
sewing machines	183,000	12.4
watches	380,000	26.6
television sets	76,000	9.6
radio sets	91,000	-82.3

	1982	Percentage increase over 1981
electric recordplayers	908	-68.4
detergents	10,465 tons	29.2
dairy products	26,132 tons	43.3
beer	172,000 tons	27.2
washing machines	93,315	1.8
cassette recorders	40,000	3.5 times
cameras	10,010	-84.0

Through readjustment, heavy industry began to pick up in 1982. The total industrial output value of heavy industry in 1982 was 17.73 billion yuan, an increase of 6 percent over the previous year. The upward trend in heavy industry was caused mainly by increased investment in fixed assets and a greater demand for the products in short supply that are badly needed in state construction. Compared with the previous year, output value of the building materials industry rose 20.5 percent, that of the machine building industry, 10.7 percent, that of the metallurgical industry, 6.7 percent, that of the forest industry, 13.2 percent, that of the coal industry, 12.2 percent, and that of the power industry, 9.1 percent. In addition, thanks to the restructuring of the previous 2 years, heavy industry was able to increase the scope of its services, provide more energy-saving products and more products for export and to serve the needs of agriculture and light industry. Statistics show that 30 out of 40 major heavy industrial products fulfilled or overfulfilled the annual output plans and about 26 products increased in output over the previous year.

Output of major heavy industrial products follows:

	1982	Percentage increase over 1981
raw coal	45.69 million tons	9.5
crude oil	51.49 million tons	0.4
amount of crude oil processed	6.16 million tons	4.1
electricity	14.9 billion kwh	9.8
steel	556,000 tons	17.2
pig iron	148,000 tons	6.9
coke	522,000 tons	6.8
aluminium	396,000 tons	9.8
sulphuric acid	115,000 tons	-0.2
soda ash	33,000 tons	4.7
synthetic ammonia	396,000 tons	-1.0
chemical fertilizer	323,000 tons	2.3
chemical insecticides	2,500 tons	-53,7
timber	16.06 million cubic meters	4.3
cement	3.211 million tons	14.7
plate glass	1.313 million standard boxes	20.4
power generating equipment	552,000 kw	2.1 times
outer rubber tires	692,000	22.6
calcium carbide	53,000 tons	26.8
plastics	12,000 tons	33.7

The quality of industrial products improved. Ninety-eight of the 114 major quality indices for industrial products rose, accounting for 85.9 percent. About 12 products received gold and silver medals from the state, 49 were named as good quality products by the State Council, and 436 were graded ad quality products of the province. A number of new products were trial produced in 1982, thus enriching and invigorating the market.

The industrial economic results were improved. The per-capita productivity for state-owned enterprises was 10,456 yuan, an increase of 0.13 percent over the previous year. Turnover period for working funds was 125 days, 7 days less than the previous year. Income from marketing products of industrial enterprises covered by the local budget was 88.99 billion yuan, an increase of 9.2 percent. Profits totaled 520 million yuan, up 9.6 percent. Profits handed over to the state totaled 237 million yuan, an increase of 11.1 percent over the previous year. On balance, the economic results were not good enough. Eighty-eight of the 127 major indices for unit consumption of materials began to pick up as compared with the previous year, accounting for 69.3 percent. Turnover in the forms of profits and taxes per 100 yuan of industrial output value was 26.9 yuan, 2 yuan less than the previous year. Of the 721 industrial enterprises covered by the local budget 39.9 percent suffered deficits of varying degrees, which totaled 294 million yuan, an 8.7 percent increase over the previous year. Many enterprises continued to put one-sided emphasis on output value to the neglect of economic results.

3. Investment in Fixed Assets

Total investment in fixed assets of state-owned units came to 5.19 billion yuan in 1982. Of the investment, 3.062 billion yuan went to capital construction, which was 612 million yuan more than in the previous year--a 25 percent increase--and 2.128 billion yuan went to projects involving renewal of equipment and other technical transformation measures, which was 651 million yuan more than in the previous year--a 44.1 percent increase.

Of the investment in capital construction, 2.038 billion yuan was for projects directly led and supplied by the central authorities--27.2 percent more than in 1981--and 1.024 billion yuan was for local projects--a 20.8 percent increase. Investments covered by the state budget totaled 962 million yuan and investment not covered by the state budget totaled 2.104 billion yuan, a 2.6 percent and 38.9 percent increase, respectively, over those of 1981. Of the investment not covered by the state budget, domestic loans amounted to 358 million yuan, a 2.9 percent increase over 1981; foreign funds amounted to 312 million yuan, 11 times greater than in 1981; and self-raised funds accounted for 1.431 billion yuan (funds for projects directly led and supplied by the central authorities were 780 million yuan--a 20.9 percent increase over those of 1981--and funds for local projects were 751 million yuan--a 32 percent increase, 25.8 percent more than in 1981.) The proportion of investment not covered by the state budget increased from 61.7 percent in 1981 to 68.6 percent.

Of investment in projects involving renewal of equipment and other technical transformation measures, 1.378 billion yuan was used in central projects--a 34.9 percent increase over 1981--and 750 million yuan was used in local projects--a 64.8 percent increase. State funds accounted for 50 million yuan--a 66.7 percent increase over 1981; domestic loans accounted for 369 million yuan--a 67.1 percent increase; and self-raised funds totaled 1.674 billion yuan (of which 328 million yuan was raised by central ministries, 140 million yuan by province and 1.207 billion yuan by enterprises and establishments), a 38.9 percent increase.

Readjustment of the orientation of investment continued. The investment in productive projects was 3.495 billion yuan, which represented 67.3 percent of the total investment. This was 1.3 percent higher than the 66 percent of the previous year. The investment in nonproductive projects was 1.695 billion yuan, which represented 32.7 percent of the total investment. This was 1.3 percent lower than the 34 percent of the previous year. Among the productive projects, energy and communications construction was strengthened. Petroleum departments fulfilled 1.283 billion yuan of investment and coal departments 425 million yuan. The increase was 37.8 and 64.7 percent, respectively, over the previous year. Power departments fulfilled 246 million yuan of investment, which was equal to that of the previous year. Communications, transportation and postal and telecommunications departments fulfilled 251 million yuan of investment, an increase of 21.8 percent over that of the previous year. Construction of the Daqing 300,000-ton ethylene project resumed. The investment in this project was 308 million yuan in 1982 and the accumulated investment was 750 million yuan, which represented 16.1 percent of the total investment planned to be used in this project. Among the nonproductive projects, priority was given to scientific and educational projects. Scientific research departments fulfilled 35 million yuan of investment--a 40 percent increase over the previous year. Cultural, educational and public health departments fulfilled 234 million yuan of investment, which showed a 44.4 percent increase over that of the previous year.

In 1982, 2,387 capital construction projects were started, of which 1,036 (including 2 large and medium-sized projects) were completed and went into operation. The rate of projects completed and put into operation was 43.4 percent, which was 0.4 percent lower than in the previous year. A total of 2,236 projects involving renewal of equipment and other technical transformation measures were undertaken, of which 1,137 projects were completed. The rate of completed projects was 50.8 percent, a decline of 0.9 percent from that of the previous year. Newly added fixed assets totaled 4.089 billion yuan, 23.1 percent more than in the previous year. Of these assets, 78.8 percent were put into operation, a drop of 5.8 percent from the previous year. The year 1982 saw the completion of a combined housing floor space of 8.8 million square meters, a 12 percent increase over 1981. The proportion of housing completed to the total under construction was 58.0 percent, a drop of 1.9 percent.

The investment in fixed assets helped add the following major production capacities: 703,000 tons of coal, 2 million tons of oil, 237,600 kilowatts of power generating capacities, 200,000 cubic meters of timber, 178,000 tons of cement, 113,000 tons of sugar and 4,080 wool spindles.

The 1982 investment covered by the state budget was basically brought under control, but the investment not covered by the state budget increased too sharply. Of the total investment in fixed assets, 3.14 billion yuan, or 60.5 percent, was self-raised. Because of a failure to bring the self-raised funds under strict control, the scope of capital construction extended, which resulted in a short supply of some building materials, rises of the prices of these materials, an increase in per-unit construction cost and a drop of the returns of investment. A large amount of investment in projects involving renewal of equipment and other technical transformation measures was instead, used in building or expanding projects.

4. Transportation, Posts and Telecommunications

Under the situation in which there was a shortage in transport facilities in 1982, the transport, posts and telecommunications departments tapped the potential of the existing means of transportation and speeded up the circulation of vehicles. The total volume of goods transported by all means of transportation was 173,43 million tons, an increase of 7.6 percent over the previous year, or 6.9 percent above the annual plan. Of this, the volume of railway freight was 98.74 million tons, an increase of 6.6 percent; that of highway freight, 30.62 million tons, up 16.8 percent; that of waterway cargo, 2.97 million tons, an increase of 5.6 percent; that of air freight, 974 tons, down 2.6 percent; and that of oil and gas carried through pipelines, 41.1 million tons, an increase of 0.6 percent.

The total number of passengers traveling by all means of transportation in 1982 was 172.46 million persons, an increase of 9.5 percent over the previous year, or 9.8 percent above the annual plan. Of this, the number of passengers by railway reached 106.69 million persons, an increase of 7.9 percent; by highways, 64.83 million persons, an increase of 12.6 percent; by waterways, 890,000 persons, a decline of 17.9 percent; and by air 48,000 persons, an increase of 10.5 percent.

The total provincial posts and telecommunications transactions in 1982 totaled 84.77 million yuan, 0.2 percent above the annual plan, or an increase of 2.1 percent over the previous year. Of this, letters dropped by 3.5 percent; circulation of newspapers and magazines, increased by 3.7 percent; telegrams, by 0.5 percent; and long-distance telephone calls, by 8.9 percent as compared with the previous year.

5. Provincial Commerce

With the development of industrial and agricultural production and the enhancement of the people's purchasing power, the urban and rural markets are becoming more invigorating day after day, the circulation links of

commodities are increasingly smooth and the prices of commodities are basically stable. Such a good situation has seldom been seen in the past 20 years and more.

The total value of commodities purchased by the commercial departments in 1982 reached 10.27 billion yuan, an increase of 9.4 percent over the previous year. Of this, the total value of farm and sideline produce procured totaled 2.95 billion yuan, an increase of 8.3 percent over the previous year; and that of industrial goods procured, 6.16 billion yuan, an increase of 28.5 percent over the previous year. Among the 50 imported major commodities, 29 increased in volume and 21 decreased.

The volume of retail sales for commodities in 1982 reached 11.24 billion yuan, an increase of 896 million yuan, or 8.7 percent. Of this, the volume of retail sales for commodities to residents totaled 8.71 billion yuan, an increase of 7.6 percent over the previous year; for agricultural capital goods reached 1.23 billion yuan, an increase of 2.9 percent over the previous year. The value of retail sales by institutions totaled 1.299 billion yuan, an increase of 23.1 percent. The value of retail sales by collectively-owned commercial units and the catering units was 1.98 billion yuan, an increase of 30.3 percent over the previous year; by individual commercial units and catering units reached 250 million yuan, up 62.8 percent over the previous year. The proportion of retail sales by the collective and the individual in the total volume of retail sales of commodities rose from 1.5 percent in the previous year to 19.8 percent. The total value of products marketed by industrial departments was 683 million yuan, up 6.2 percent over the previous year. Trade fairs are getting more invigorating. The number of trade fairs increased from 489 in the previous year to 610. Of this, 433 trade fairs were set up in the rural areas and 177 in the urban areas. The total business volume of village trade fairs totaled 199 million yuan, up 36.6 percent over the previous year, and the business volume of farm and sideline produce in the urban areas totaled 141 million yuan, up 40 percent over the previous year.

The sales volume of major commodities and the varieties of most products increased over the previous year.

	1982	Percentage increase over 1981
grain	8.83 billion jin	11.1
edible vegetable oil	274 million jin	9.2
pork	3.163 million head [as published]	-10.6
mutton	235,000 head [as published]	1 time
fresh eggs	488,000 dan	18.3
aquatic products	68,000 tons	15.6
sugar	165,100 tons	7.8
cotton cloth	231.81 million meters	-6
woolen piece goods	8.96 million meters	4.6

	1982	Percentage increase over 1981
silk textiles	17.67 million meters	4.4
synthetic fibers	16.94 million meters	14.3
watches	1.128 million	22.7
bicycles	753,100	24.3
valve radio sets	29,700	-9.2
television sets	294,100	36.7
sewing machines	306,400	11.2
alluminum pots	524,500	15.6

Market prices were basically stable in 1982. The purchasing prices of farm and sideline produce by and large remained the same as in 1981. But as less farm and sideline produce was purchased at negotiated prices or at higher-than-normal prices for produce purchased beyond state quotas, the total purchasing price index for farm and sideline produce went down 9.8 percent from 1981. The 1982 overall level of retail prices went up 2.8 percent. The index for the cost of living of the non-agricultural population rose 3 percent over 1981. Retail prices of daily consumer goods rose by 3 percent and the prices of services 3.2 percent.

In 1982 retail prices rose 3 percent in the cities and 2.5 percent in the rural areas. Among the retail prices for various consumer goods, the price of foodstuffs went up 3.6 percent (the price for vegetables, up 10.5 percent and that for tobacco, alcoholic drinks and tea, up 14 percent), that of pharmaceuticals, up 1.4 percent, fuel, up 0.4 percent. The price of goods for cultural and recreational purposes dropped 0.1 percent, clothing, 1.6 percent, and goods of daily use, 0.9 percent. There was a 2.2 percent increase in the retail price of means of farm production.

The year 1982 saw a fairly abundant market supply. Variety increased and quality was improved. However, due to changes in market demand and consumers' demand for greater choice, some high-priced goods of inferior quality and other goods which could not find a ready market because of their variety were overstocked. Brand-name products fell short of demands and small farm tools and machines and building materials were in short supply.

6. Foreign Trade, Tourism

In 1982, our province continued to expand foreign trade. Commodities worth 1.954 billion yuan were purchased for export in 1982, overfulfilling the plan by 3.5 percent and increasing by 21.1 percent over 1981. The total value of direct imports and exports came to $198.47 million which was a 24 percent increase over 1981. Total value of exports was $174.69 million--an increase of 30.7 percent--and total value of imports was $23.78 million--decline of 9.9 percent. The value of exports was $150.91 million more than imports. The province has established business ties with 79 countries and regions of the world.

A total of 13,241 foreigners, overseas Chinese and compatriots in Hong Kong and Macao came to our province in 1982 on tours and visits and for trade, sports, scientific and cultural exchanges. The number was 25.5 percent more than in 1981. There were 4,967 foreign tourists, a drop of 11.8 percent from 1981. The foreign exchange income from these sources was valued at 4.833 million yuan Renminbi.

7. Finance, Banking

The provincial local revenue in 1982 was 1.557 billion yuan, which was 9.8 percent more than planned and was 7.11 million yuan, or 0.5 percent, less than in 1981. Enterprise deficits totaled 837 million yuan, a 24.5 percent decrease from 1981. Taxes totaled 2.319 billion yuan, which was 5.2 percent more than planned and was 5.7 percent more than in 1981.

The provincial local expenditure was 2.801 billion yuan, up 8.3 percent over 1981. Expenditure for capital construction accounted for 440 million yuan, a 15.6 percent increase over 1981, and that for enterprises to tap potential and carry out technical innovations and transformations accounted for 246 million yuan, down 20.6 percent from 1981. With the support and assistance of the state, the province achieved a balance between revenue and expenditure, with a small surplus.

By the end of 1982, the balance of loans issued by all the banks in the province was 15.8 percent and the balance of deposits was 6.9 percent more than in the early 1982. The urban and rural people's savings was 3.15 billion yuan, which was 564 million yuan, or 21.8 percent, more than in 1981. Urban people's savings was 2.236 billion yuan, representing 478 million yuan, or 27.2 percent, more than in early 1982. Rural people's savings was 914 million yuan, representing 86 million yuan, or 10.4 percent, more than in early 1982. Balancing their cash revenue and expenditure, the banks put 514 million yuan in circulation, a drop of 66 million yuan from 1981.

8. Science, Technology, Education, Culture, Public Health and Sports

Implementing the principle of gearing scientific and technical work to economic construction, the province achieved encouraging results in science and technology in 1982. A total of 122 scientific and technological findings were awarded after being approved by the provincial people's government. Of these findings, those of agriculture amounted to 27, or 22.1 percent; industry, 62, or 59 percent; environmental protection and public health, 20, or 16.4 percent; and applied theory, 3, or 2.5 percent. Ninety-five percent of those awarded findings were applied in socialist construction. Ninety-seven findings yielded remarkable economic results. The contingent of scientists and technicians continued to expand. Calculated at the end of 1982, the province had 418,900 specialized technical personnel, of whom 284,500 specialized in natural sciences and 134,400 in social sciences.

Continued development was made in educational undertakings. In 1982, the province had 31 institutions of higher learning with a total enrollment of 43,100 students, a decline of 11.1 percent from the previous year. Meanwhile, there were 94 secondary vocational schools in the province with a total enrollment of 43,100 students, an increase of 10.8 percent. There were 186 technical schools with a total enrollment of 31,500 students, a decline of 38.6 percent from the previous year. There were 3,137 middle schools and the student body numbered 2.037 million, a reduction of 3.5 percent. The number of professional and agricultural middle schools reached 297 and 139,800 students were enrolled in them, an increase of 71.5 percent. This included the 77,800 students attending the professional and agricultural classes attached to regular middle schools. The number of primary schools reached 18,791 and the student body numbered 5.034 million, a decline of 1.1 percent. The number of kindergartens totaled 2,572, and 417,100 children were enrolled, an increase of 14.7 percent. A total of 1.271 million peasants, workers, and staff members received cultural and technical education in all kinds of sparetime industrial and agricultural schools, of whom, 34,800 were enrolled in television college.

The propaganda and cultural departments made new contributions to the work of promoting spiritual civilization and enriching the people's cultural livelihood. In 1982, the province had a total of 10,200 film projection teams and 2 million shows were projected. The province also had 123 performing art troupes, which staged 27,000 performances and had 1,242 mass art halls, cultural houses, and cultural stations. There were 11 broadcasting stations across the province, 35 radio transmitting and relay stations and 45 television transmitting and relay stations each with a capacity above 1,000 watts. A total of 31,200 copies of local newspapers, 6.49 million copies of magazines of all kinds and 16,276 copies of books and pictures were published in 1982.

The medical quality and service level were raised after the health departments consolidated and reformed health organizations. In 1982, the total number of hospital beds for the province reached 91,500, a decline of 1.2 percent from the previous year. The number of professional health workers totaled 145,700, an increase of 5,400 people or 3.8 percent. This included 10,800 practitioners of Chinese medicine, 44,700 doctors, and 29,300 senior nurses and nurses. Health departments at all levels launched the patriotic health campaign and family planning work. Great achievements were scored in prevention and treatment of such endemic diseases as the Keshan Disease and the Kaschin-beck Disease and the incidence of these diseases dropped continually. The maternity and child health protection work was strengthened and improved. Noticeable results were achieved in family planning work. In 1982, the rate of birth control reached 71.1 percent, and 84.3 percent of the people received certificates for bearing only one child.

The mass sports activities became more lively each day. Throughout the year, sportsmen in the province broke five national records, including one weight lifting record, one track and field record, one shooting record, one swimming record and one speed-skiing record. A total of 2,032 sports meets were held at or above the county level and 837,900 people participated in these

meets. As many as 635,100 people reached the "state standards for physical training," an increase of 30.4 percent over the previous year.

9. People's Livelihood

A continued improvement in the people's living standards in both cities and countryside was seen in 1982. At the end of 1982, the number of workers and staff members reached 6.923 million, an increase of 203,000 or 3 percent, over the previous year. Of them, 5,008 million were employed by the units owned by all the people, an increase of 105,000 or 2.1 percent, and 1.914 million were employed by the units owned by collectives in cities, an increase of 97,000 or 5.3 percent. In addition, 81,200 people in the urban areas were self-employed as individual laborers, an increase of 1,162 or 1.5 percent.

Owing to the increase in the number of workers and staff members and to the general wage increase for the workers and staff members in cultural, educational, and public health departments, the annual wages of workers and staff members in the province totaled 5.82 billion yuan, an increase of 7.9 percent over the previous year. The total for state-employed workers was 4.51 billion yuan, an increase of 6.3 percent, and for collectively employed workers in cities and towns was 1.31 billion yuan, an increase of 13.3 percent. The average annual monetary wage for workers and staff members in the province was 855 yuan, an increase of 2.9 percent. Of this, the average annual monetary wage for workers and staff members in state-owned units was 912 yuan and that for workers and staff members of collective units was 703 yuan.

In 1982, the state invested 902 million yuan in building residences, an increase of 13.7 percent over the previous year and housing projects with a total floor space of 4.76 million square meters were completed, a record high. A continued improvement was seen in the people's housing conditions in cities and towns.

A sample survey of 1,000 worker households in seven cities showed: In 1982, the number of employed people in each household increased from 2.18 in the previous year to 2.22, an increase of 1.8 percent. The number of family members supported by each employed person decreased from 2.01 in the previous year to 1.95, a decline of 3 percent. The average annual per capita income which can be used for living expenses was 413 yuan, a rise of 7.2 percent. Deducting the increase in the cost of living index, real income rose by 4 percent. The possessed amount of durable consumer goods increased by a big margin.

	Possessed amount for each 100 households	Percentage increase over 1981
bicycles	141.6	4.8
sewing machines	63.3	3.8
radio sets	103.4	4.8
watches	226	5.2
color TV sets	0.5	400
black-and-white TV sets	51	45.3
cassette recorders	11.7	36.0
washing machines	30.6	135.4
cameras	3.4	21.4

Although agricultural output reduced in 1982 due to natural disasters, peasants' income still increased over the previous year as a result of vigorous development of diversified undertakings and household sideline occupations. The average annual net per capita income was 250.4 yuan, an increase of 38.9 yuan or 18.4 percent. Of this, 120.9 yuan was distributed by collectives, basically the same as the previous year, and 108.5 yuan was earned from developing household sideline occupations, an increase of 43.7 percent.

A sample survey of 2,120 commune member households in 22 counties and cities showed that 3.4 percent of such households built new houses, and the expenses in housing construction accounted for 18.2 percent of the total expenses. The rooms occupied by each household increased from 2.44 in the previous year to 2.52, an increase of 3.3 percent. Per capita living space increased from 9.09 square meters to 9.35 square meters, an increase of 3.8 percent. Per capita living expenses were 200.6 yuan, an increase of 14.6 percent. The proportion of per capita living expenses in the expenses as a whole increased from 81.8 percent to 82 percent. The possessed amount of durable consumer goods increased rapidly.

	Possessed amount for each 100 households	Percentage increase over 1981
Bicycles	54.6	0.4
Sewing machines	55.3	11.0
Radio sets	78.3	1.2
Watches and clocks	145,0	14.5
of which:		
Watches	96.0	22.0
TV sets	0.76	380.0
Large furniture	95.1	96.6

The main problems for people's living standards are: Peasants in some areas seriously stricken by natural disasters still have a rather difficult life. The prices of some commodities are increased in a disguised way or through presumptious upgrading, thus adding to the consumer's burden.

Housing for part of the workers and staff members in cities and towns is still crowded; buses are crowded; the two-shift rate of primary and middle schools is still high and child-care stations are insufficient. All these problems should be solved speedily.

10. Population

By the end of 1982, the province's population totaled 32.81 million, an increase of 420,000 or 1.3 percent. Of them, population in cities and towns was 13.09 million, an increase of 340,000 or 2.7 percent over the previous year; population in the rural areas was 19.27 million, an increase of 80,000 or 0.4 percent.

CSO: 4006/577

AGGREGATE ECONOMIC DATA

LI QINGWEI DELIVERS SHAANXI GOVERNMENT WORK REPORT

HK290706 Xian SHAANXI RIBAO in Chinese 7 May 83 pp 1-2, 4

[Shaanxi Provincial People's Government work report delivered by Li Qingwei, acting governor of Shaanxi Province, at first session of the Sixth Shaanxi Provincial People's Congress on 27 March 1983]

[Text] Fellow deputies:

Entrusted by the provincial people's government, I would like to make a report on the work of the government at this first session of the Sixth Provincial People's Congress for your examination and approval.

I. The National Economy Is Advancing Forward in the Readjustment

Five years have passed since the first session of the Fifth Provincial People's Congress. During this period, in August 1978 the CPC Central Committee made a decision on solving problems in Shaanxi, and since then, especially since the third plenary session of the 11th CPC Central Committee, the work in various fields of our province has followed a road of healthy development. The provincial revolutionary committee was abolished and the provincial people's government was established at the second session of the Fifth Provincial People's Congress in December 1979. This symbolized an important step toward strengthening provincial political power and bringing order out of chaos.

Since the third plenary session of the 11th CPC Central Committee, our party and state have been undergoing a great historical change. Under the loving care of the CPC Central Committee and the State Council, and the direct leadership of the Shaanxi Provincial CPC Committee; under the supervision of and with the support of the provincial people's congress and its Standing Committee, the provincial people's government and the people of our province have resolutely implemented the party's line, policies, principles, and a series of decisions and measures of the provincial CPC Committee. They have done much work, have brought order out of chaos, eliminated the "leftist" influence, and realized the transfer of the focal point of our work. Since September last year, the broad masses of cadres and people in our province have conscientiously studied the documents of the 12th CPC National Congress and the fifth session of the 5th NPC and have thus acquired a better understanding of the great strategic goal

of the construction of socialist modernization in China by the end of this century and the strategic stress and steps for reaching this goal. Their political enthusiasm and spirit of blazing new trails have been aroused. It is reasonable to say that the present political and economic situation in our province is one of the best since the founding of the PRC.

In his report at the Sixth Provincial CPC Congress, which concluded recently, Comrade Ma Wenrui talked about the work in our province in an all-round and systematic way. Here, I would like to mainly discuss the problems in our economic work.

Over the past 4 years, we have conscientiously implemented the policy of readjusting, restructuring, reorganization, and upgrading and have achieved a continuous development of industrial and agricultural production and other undertakings. In 1982, the total industrial and agricultural output value reached 17.62 billion yuan, an increase of 12.8 percent over the previous year and an increase of 21 percent over 1978. According to preliminary calculations, the national income reached 9.27 billion yuan, which was an increase of 9.9 percent over the previous year and an increase of 20.4 percent over 1978. A profound and inspiring change has taken place in all fronts of our province.

1. All-round bumper harvests have been achieved in agricultural production.

Since the third plenary session of the 11th CPC Central Committee, we have conscientiously implemented a series of important policy decisions of the CPC Central Committee on agricultural production, and have overcome the long-standing "leftist" mistakes. We have restored and expanded the decisionmaking power of the communes and brigades and the private plots of the commune members. We have encouraged the development of household and collective sideline production and country fair trade and cut down some grain purchase tasks. We have raised by a big margin the prices for purchasing main agricultural and sideline products and reduced the prices of the means of agricultural production. Thus, the party's economic policies have been implemented step by step in the countryside and the peasants have had a time to rest and build up strength. Especially since the adoption of various forms of contract responsibility system with payment linked to output, the old conventions which hampered the initiative of the peasants and obstructed the development of productive forces have been broken down and such maladies as giving arbitrary and impracticable directions and egalitarianism have been overcome. As a result, the initiative of the broad masses of peasants has been mobilized and a path leading to prosperity and overall agricultural development has been opened up.

We have conscientiously summed up our past experience and lessons in guiding agricultural production and have worked out policies for agricultural production in light of the different natural conditions in north and south Shaanxi and the Guangzhou area. We have readjusted the distribution of crops and adopted active measures to foster the development of a diversified economy. As a result, a trend of overall development and mutual promotion of agriculture, forestry, animal husbandry, sideline production, and fishery has appeared in production. In 1982, the gross agricultural output

value reached 6.27 billion yuan, an increase of 27.7 percent over 1978. Grain output was 18.5 billion jin, the highest in history. The output of cotton was 2.51 million dan, and that of oil crops was 3.185 million dan. The outputs of silkworm cocoon, tobacco, tea, sugar crops, and other industrial crops were also rather high in comparison with the past. During this year, we afforested 5.78 million mu of land, which was the largest since the founding of the state. New development was also achieved in animal husbandry in 1982. The total output of pork, beef, and mutton increased by 35.8 percent over 1978. The internal strcutre of agriculture was improved and became more reasonable. The proportion of the diversified economy in the total agricultural output value increased from 41.4 percent in 1978 to 45.6 percent in 1982. A dynamic and prosperous scene has appeared in agricultural production.

What must be specially mentioned here is that agricultural production in our province in the last few years was no plain sailing. It was developed in a constant struggle against serious natural disasters. In 1980 and 1981, we successively suffered from serious drought and excessive rain; especially during the 3 months from July to September in 1981, 68 counties and cities, involving 11.83 million people and more than 20 million mu of farmland, were seriously afflicted by natural disasters. A large number of water conservancy projects, railways, highways, communications, and power transmission lines, mines, factories, shops, schools, hospitals, and houses were destroyed. The state, and the life and property of the people suffered a great loss. Such serious disasters which afflicted a vast area and caused heavy losses were rare since the founding of the state. Thanks to the loving care of the CPC Central Committee and the State Council, the powerful support of the PLA, and the fraternal provinces, cities, and districts, and the heroic struggle of the broad masses of militiamen, the industrial and agricultural production and the people's daily lives in the disaster areas were soon returned to normal and developed, and great successes were scored in the struggle to restore production and rehabilitate our homeland.

2. Industrial production has steadily developed.

Over the past few years in industrial production, we have mainly grasped the central task of raising economic returns, readjusting the ratio between light and heavy industries, expanding the decisionmaking power of the enterprises, and reorganizing the enterprises. The total industrial output value in 1982 was 11.35 billion yuan, an increase of 7.8 percent over the previous year, and an increase of 15.6 percent over 1978. In communications and transportation, geological prospecting, and post and telecommunications, we have overfulfilled the annual plans.

During the readjustment, in order to speed up the development of light industry, we have adhered to the principle of giving priority to its development in six aspects, that is, the supply of raw materials and energy resources, granting loans, technical transformation, capital construction, using foreign currencies and importing technology, and communications and transportation. In addition, the provincial CPC Committee and provincial people's government have issued a "decision on developing the production

of industrial consumer goods." In the 4 years, we have invested a total of 416 million yuan in developing light industry, which equals to the total investment in light industry during the 10 years of turmoil. The production of major daily consumer goods has been developed more quickly. In comparison with 1978, the number of bicycles in 1982 increased by 1,700 percent, sewing machines by 86 percent, wristwatches by 78.5 percent, and TV sets by 2,700 percent. At the same time, most chemical fiber, knitting wool, wool fabric products, and cigarettes and wine also increased by some 100 percent or so. In 1982, the total light industrial output value in our province was 5.8 billion yuan, an increase of 35.5 percent over 1978. The proportion of light industrial output value in the entire industrial output value was increased from 43.1 percent in 1978 to 51.1 percent in 1982. Since the readjustment, heavy industry has expanded its service to light industry, the market, agriculture, and export, rather than mainly serving itself and capital construction as it did in the past. In 1981 alone, the engineering industry provided light industry with more than 5,000 sets of equipment and more than 46 million pieces of spare parts. More than 1,200 kinds of daily consumer goods have been produced directly by heavy industry, the output value of which was more than 460 million yuan. The gross heavy industrial output value in 1982 was 5.55 billion yuan, which was an increase of 16 percent over the previous year. At the same time, changes have taken place in the internal structure of heavy industry. The production of products in sufficient supply has been reduced and that of the products in short supply has been developed. The energy and raw material products have also been improved. During these years, some 362 state-owned industrial enterprises above the county level, whose products were in excessive supply and of very poor quality and whose consumption of energy and raw materials was too high, or which had incurred losses over the previous years, were shut down, suspended operation, amalgamated with other enterprises, or switched to the manufacture of other products. At the same time, some 851 industrial enterprises separately joined in 49 economic combinations. Collective industry was restored and developed. According to incomplete statistics, there are 7,800 collective industrial enterprises (not including brigade-run enterprises) in our province, which have 390,000 staff and workers and create an output value of 1.55 billion yuan. This is an increase of 23.4 percent as compared with 1978.

Starting with the experiment to expand the decisionmaking power of enterprises, we have carried out initial reform of the management system of industrial enterprises. In more than 1,000 locally state-owned enterprises of our province, experiments have been carried out on the system of retaining the full amount of profits and sharing the exceeded-plan profits, the system of responsibility for all losses, and the system of substituting taxes for delivery of profits. Within the enterprises, the management responsibility system has been adopted at various levels. As a result, the potentials of the enterprises have been tapped, management improved, and production promoted.

Since last year, on the basis of the reorganization for rehabilitating production, more than 2,000 cadres have been sent to grassroots units to conduct investigations and to help 350 state-owned enterprises carry out

reorganization for promoting production. The situation of these enterprises has been greatly changed. Their leading bodies have been strengthened and basic management has been improved. At the same time, labor discipline has been strengthened and better economic results have been achieved.

3. The orientation of investment in capital construction has been readjusted and better results have been achieved.

During the readjustment, the control of the scope of capital construction and the readjustment of the orientation of investment have been emphasized in order to solve such problems as overextension of the capital construction front, dispersion of strength, and unsatisfactory economic results. Since 1979, those projects under construction in which more than 50,000 yuan have been invested, have been carefully reexamined. The construction of some 341 projects which repeated other projects, were blindly put under construction, or did not have the conditions to be built, have been suspended or postponed, and some 666 million yuan have been reduced from the investment in incompleted projects. From 1979-82, the state-owned units in our province fulfilled an accumulative total investment of 6.62 billion yuan in capital construction, of which 4.15 billion yuan were for the capital construction of central-level projects, and 2.47 billion yuan for local projects. The fixed assets were increased by 5.36 billion yuan and some 2,939 projects were completed.

While reducing the scope of capital construction and readjusting the orientation of investment, we have made comparatively more investment in nonproductive construction. The proportion of investment in this construction was increased from 19.2 percent in 1978 to 43.4 percent in 1982. This has played an important role in developing education, science and technology, public health, and cultural undertakings and in improving the livelihood of the people. Of the investment in productive construction, that for key projects, such as the projects of light industry, energy, communications, and raw material industry, has been increased so that we can have a greater productive capability in producing coal, electric power, petroleum, chemical fertilizer, cement, color TV tubes, sewing machines, bicycles, wristwatches, beer, and textile goods.

4. Finance, credit loans, revenues and expenditures are basically balanced.

Over the past few years, financial work has played an important role in healing the economic wounds left over by the 10 years of internal disorder, in readjusting the proportional relations in the national economy, in improving the livelihood of the urban and rural people, and in developing production and various undertakings. In order to mobilize the initiative of various localities and departments in increasing income and retrenching expenditure, a new financial system characterized by "differentiating between revenues and expenditures and assigning revenue and expenditure tasks to the departments at various levels" has been adopted throughout the province since 1980. At the same time, the method of enterprises assuming sole responsibility for their own profits and losses has been actively carried out and experiments have been made for reforming the tax

system. An overall examination of tax and other financial systems has been conducted and management in levying taxes has been strengthened. As a result of increasing income and retrenching expenditure, the financial income for 1982 reached 1,356.22 million yuan, which was 69.37 million yuan above the original plan. Thus, the trend of successive drop over the previous 3 years was stopped. The financial expenditure was 1,729.93 million yuan, which was 96.8 percent of the budgeted figure. In addition, some special funds have been allotted to our province by the central authorities. The financial income and expenditure are basically balanced. The plan for bank credit and cash revenue and expenditure has also been carried out well. The balance between bank credit receipts and payments has been basically achieved. The remaining sum of deposits at the end of 1982 increased by 79 percent over 1978. A series of reforms have been carried out in the banks to improve their credit management system, which have played an active role in aiding production and stimulating circulation.

Here, I would like to say something about the financial revenue and expenditure of our province in the last few years.

Financial revenues for 1978 were more than 1,975 million yuan, which was the highest in history. They then dropped in succession in the next 3 years. The revenues for 1981 totaled 1,345 million yuan, 630 million yuan less than 1978. Although a regrowth was achieved in 1982, revenues were still 610 million yuan less than 1978. The main reason for this is that during the readjustment, in order to improve the proportional relations between accumulation and consumption, to lighten the burden on the peasants, to improve the people's livelihood, and to mobilize the initiative of the workers and other laborers, the state adopted a series of important economic measures to transfer nearly half of the provincial income to the peasants, workers, and enterprises, or to the central financial departments. For example, on an average, the annual financial income was reduced by 160 million yuan after the purchase prices of some major agricultural and sideline products were raised, by 72 million yuan after urban and rural taxes were reduced or remitted, by more than 200 million yuan after raising the prices of some raw materials and reducing the prices of some industrial products, by more than 154 million yuan after readjusting the wage scales for enterprises and giving out bonuses and nonstaple food subsidies, by more than 187 million yuan after retaining profits for enterprises, by some 140 million yuan after the central financial departments took over 80 percent of the income from power industry in 1980, and by more than 83 million yuan after this sum was excluded from the enterprises' budgeted depreciation funds. In the last 1 or 2 years, more loans were granted to medium- and short-term projects as well as to capital construction, and interest rates were also increased. In 1982 alone, such loans increased by more than 108 million yuan over 1978. Affected by the above-mentioned factors, the annual financial revenues were reduced by about 1 billion yuan a year. If not exactly by this amount, they have nevertheless been increased by a relatively big margin.

In 1982, the available funds in our province were 1,319.05 million yuan, excluding those from cigarette taxes and depreciation funds which should be turned over to the state. Besides this, last year, the Ministry of

Finance allocated to our province some funds for commercial capital construction, for tapping potentials and reforming enterprises, for scientific and technical researches in three fields, for supporting agriculture, and for the construction of northern Shaanxi, as well as subsidies for building small water conservancy projects and natural disaster relief funds, which totaled 399.45 million yuan. Together with the budgeted expenditures brought forward from last year and some unbudgeted income, they came to a grand total of 529.07 million yuan. Thus, in 1982, our province had 1,848.12 million yuan available for expenditures. Our actual financial expenditures were 1,729.93 million yuan, which came to a grand total of 1,809.55 million yuan when the special funds and the funds for purchasing the treasury bonds which were brought forward to this year were included. Thus, revenues and expenditures were basically balanced.

5. The urban and rural markets are brisk and prices are basically stable.

In order to stimulate the economy, we have implemented the principle of ensuring the leading role of planned economy supplemented by market regulation, adopted a flexible policy, and developed a diversified economy. We have broadened the channels of circulation and initially changed the status of state monopoly of commercial business and single channel circulation. Up to 1982, the number of both state and collective commercial and service units and points was increased to more than 51,800, and 30 percent of the commercial, supply and marketing, and grain enterprises had adopted the management responsibility system. The number of self-employed businessmen was increased to more than 37,800, and that of the urban and rural agricultural products trading markets was increased to more than 1,100. The turnover from the peasants' retail trade increased by 290 percent over 1978. In 1982, the total amount of purchase in state shops was 4.88 billion yuan, an increase of 29.5 percent over 1978. The social commodity retail turnover was more than 5.91 billion yuan, an increase of 42.2 percent over 1978. There was a more ample supply of goods, and the sales of durable consumer goods were increased by a big margin. Some commodities which had been in short supply were supplied without limits. In particular, a good situation which had appeared for more than 20 years now appeared in the purchase of agricultural and sideline products and the supply of agricultural productive means. In 1982, the total purchase of agricultural and sideline products reached more than 1.59 billion yuan, an increase of 18 percent over the previous year. The sales of agricultural productive means increased by 30 percent, and walking tractors increased by 101 percent. Both the urban and rural markets in our province were brisk.

We have conscientiously implemented the policy of ensuring basically stable prices in the market and strengthened the management and supervision of prices. In accordance with the overall arrangements of the state, we have readjusted the prices of a small number of commodities which did not have reasonable prices. The commodity prices are generally suited to the income of the masses, and are basically stable.

We have greatly developed foreign economic trade. In 1982, the purchase of commodities for foreign trade totaled 503 million yuan, an increase of 86.8 percent over 1978. The total export volume of our province was

92.78 million yuan, twice that of 1978. We have also achieved new developments in exporting technology and labor, and contracting foreign projects, as well as in making use of foreign funds, processing materials supplied by customers, and importing technology and key equipment.

A new situation has appeared in tourism and external affairs. In 1982, we received more than 91,300 visitors from other countries and regions, including foreign guests, overseas Chinese, ethnic Chinese of foreign citizenship, compatriots of Hong Kong and Macao, compatriots of Taiwan, and other foreign visitors, which was an increase of 500 percent over 1978. Income from tourism was 31.72 million yuan in terms of renminbi, an increase of more than 900 percent over 1978.

6. New developments have been achieved in education, science, culture, public health undertakings, and sports.

We have implemented the party's educational policy step by step and in an all-round way and have scored remarkable achievements in the readjustment on the educational front. Ideological and political work has been strengthened and the quality of education has been improved. In 1982, there were 40 universities and colleges in our province, 6 of which were established after 1978, with more than 57,000 students, an increase of 67 percent over 1978. There were also 41 broadcasting and television universities, workers and peasants' part-time universities, and correspondence and night universities, with more than 17,000 students. There were 80 technical or special secondary schools, which had 38,000 students, an increase of 55 percent over 1978. After readjustment, the distribution of ordinary middle schools became more reasonable and the agricultural and professional secondary schools as well as cultural and technical schools for workers and staff were developed. At the same time, primary education was strengthend and made universal in 24 counties (districts).

Science and technology have achieved a comparatively quicker development. By the end of 1982, there were 352 scientific research institutes and offices in our province, which had more than 249,000 professional and natural science workers. Over the past few years, we have made continuous efforts to correct the erroneous ideas of looking down upon knowledge and discriminating against intellectuals and to implement the party's policies toward intellectuals. More than 32,000 professional and technical cadres in our province have been granted titles of their technical or professional posts or have been promoted. More than 13,000 of them have been selected and promoted to leading bodies at various levels. The problem of husband and wife living in separate places, which affected more than 15,000 professional and technical cadres, has been solved, and the work of more than 4,800 technical cadres, who had not been assigned appropriate jobs according to their professional knowledge, has been rearranged. The housing problem of some professional and technical workers has also been solved, and special medical treatment has been provided for senior intellectuals. The working and living conditions of the intellectuals have been improved. Since 1978, more than 1,700 achievements have been scored in scientific researches, many of which have brought about remarkable economic returns since application. Science and technology are playing an important role in economic construction and in serving the development of production.

In literature and art, as a result of implementing the policy of "letting a hundred flowers blossom and a hundred schools of thought content," a scene of prosperity has been brought about. Many good pieces, which are much liked by the people, have been created, such as "The Xian Incident," "The Six-Jin County Magistrate," "Music and Dances in the Tang Dynasty Style" and so on. More cultural facilities have been set up, and mass recreational activities have been enlivened. Management over cultural relics has been strengthened and much work has been done to investigate, discover, unearth, renovate, and exhibit cultural relics. New developments have also been achieved in journalism, broadcasting, television, publications, and other undertakings. Mass sports activities have been widely developed and the level of sports has been raised.

In medical and health work, we have implemented the policy of putting prevention first and have carried out mass patriotic health campaign in depth. The general level of the people's health has markedly improved. Since 1978, 771 new medical and health institutions have been established, and more than 11,000 beds have been added to hospitals. The three-level medical and health service network has been initially established in the countryside, and some diseases have basically been controlled or eliminated.

Marked achievements have been scored in birth control work. Since 1978, we have made efforts to control the birth rate in our province at the height of the baby boom, and initial results have been achieved. The natural population growth rate for 1982 was 1.234 percent.

7. The people's living standard has been greatly improved.

Since the third plenary session of the 11th CPC Central Committee, despite the financial and economic difficulties in our country, the party and the government have made rearrangements in the national income and allocated some 4 billion yuan to improve the living standard of the people. In the countryside, we have raised the prices of agricultural and sideline products and expanded the range of agricultural and sideline products to be purchased at negotiable prices. Thus, the peasants' income has increased by more than 1.17 billion yuan. Some taxes have been reduced or remitted, which means an increase of more than 170 million yuan for the peasants. As a result of the development of agricultural production, the peasants' income has greatly increased. According to a sample investigation, in 1982 the peasants' per capita income reached 218.3 yuan, an increase of 64 percent over 1978. In towns and cities, 850,000 people have jobs, and after readjusting the wage system and practicing the bonus and piece rate wage systems, the staff members' and workers' income has increased by 2.06 billion yuan. Labor insurance and welfare funds have increased by 590 million yuan. The staff members' and workers' per capita income for 1982 was 797 yuan, which was an increase of 21.9 percent over 1978.

The increase in income has brought about an increase in purchasing power. In 1982, it increased by 52 percent over 1978. Savings deposits of both urban and rural residents reached 2.05 billion yuan, an increase of 160 percent over 1978, and cash in their hands was 780 million yuan, an increase

of 79 percent over 1978. We have also achieved relatively greater development in urban construction. Attention has been paid to and measures have been taken to strengthen the construction of urban public facilities and the work of environmental protection and production safety. Housing conditions particularly have been improved. In the last 4 years, with an investment of more than 1.48 billion yuan, we have built a large number of dwelling houses covering a space of more than 10 million square meters. In the countryside, more than 79.6 million square meters of country houses were built or rebuilt, and nearly 1 million peasants moved into the new houses. Such a construction scale was never seen before since the founding of the state. Moreover, under the loving care of the CPC Central Committee and the State Council, the provincial CPC Committee, people's government, and the broad masses of cadres and people in northern Shaanxi have done a great deal of effective work to strengthen the construction of this area and have obtained valuable experiences. A great change has taken place in the production of the old liberated areas in northern Shaanxi and the livelihood of the people there. They have basically solved the problem of food and clothing, and about 1/3 of the peasants have moved into new houses.

8. Initial results have been achieved in the construction of socialist spiritual civilization.

While carrying out the construction of material civilization, the construction of spiritual civilization, with education in communist ideas as its core, also has been strengthened. In the construction of spiritual civilization, we have developed education, science, and cultural undertakings. Under the unified arrangements of the provincial CPC Committee, the governments at various levels have carried out education in communist ideals, morality, revolutionary discipline, and sense of legality, and education in resisting the corrosive influence of bourgeois ideas and opposing feudalist superstitious activities among the young staff members and workers, and have closely related these educations to various production activities. They have strongly given publicity to good people and good deeds as well as the new atmosphere in socialist construction. The activities of "five stresses and four beauties" and "all-people civility and courtesy month" have been widely carried out throughout the province. In all trades and professions, various rules, regulations, and systems have been established in light of realities. In the vast countryside, education has been carried out in depth for the peasants to help them correctly implement the party's policies and principles and correctly deal with the relations between the state, the collective, and the individual. A "five-good household" drive has been launched and measures have been taken to oppose mercenary marriage and to encourage freedom of marriage, late marriage, and birth control. In the process of building socialist spiritual civilization, a large number of heroes and models who have high communist consciousness, lofty revolutionary spirit, and the spirit of self-devotion, and who love the party, the motherland, and socialism have emerged, such as outstanding representatives Luo Jianfu, Zhang Hua, Shao Xiaoli, Ma Junyou, and Mai Yajun. At the same time, the unhealthy tendency which existed among some cadres with regard to "recruiting, changing registration, and housing" has been checked. All this has brought about a gratifying change in the mental attitude and

moral character of the broad masses of cadres and people in our province. The phenomenon characterized by "being dirty, disordered and discourteous" in the cities has been changed and the entire social atmosphere has been improved.

9. Public order has markedly changed for the better.

The public security and judicial departments have forcefully carried out propaganda on the legal system and, together with various units in society, have tackled problems in a comprehensive way in order to improve public order. The work to prevent crimes and to reform criminals has been strengthened and struggles have been further carried out against special agents, spies, and counterrevolutionaries, and against the sabotage of criminal offenders. The crime rate in our province has begun to drop, while the rate of solving cases has increased. A marked improvement has been made in public order. The masses feel safer in our society and the society has become more stable. Great successes have been achieved in our struggle against serious criminal activities in the economic field. Such criminal activities have been reduced.

Great achievements have been scored in various aspects of our civil administration work, such as social relief facilities, giving special care to disabled servicemen and martyrs' family members, making arrangements for demobilized soldiers, and social welfare work. The work concerning nationalities, religion, and nationals living abroad also has been strengthened.

The broad masses of commanders and soldiers of the PLA units stationed in our province and the provincial military district have scored remarkable achievements in military training, in the training of militiamen, and in defending and supporting socialist construction, especially in fighting floods and other natural disasters, in building spiritual civilization, in the tree-planting drive, and in maintaining local social order. They are loved and praised by the broad masses of people. The unity between the army and government and between the army and the people has been further strengthened.

Fellow Deputies:

What has been mentioned above shows that the situation on various fronts in our province is becoming better and better. The economic construction has got onto the right track of suiting our provincial conditions, proceeding in an orderly and step-by-step manner, striving for efficiency, and steadily developing. This is the result of resolutely and firmly implementing the party's line, policies, and principles mapped out since the third plenary session of the 11th CPC Central Committee and a result of the hard struggles of the people throughout the province. However, we must clearly realize that there are still problems and difficulties in our work. We have not yet fully emancipated our minds and have not carried out the reform boldly enough. We have not yet greatly improved our work style. The level of management in the enterprises is still very low, and the economic returns have not been satisfactorily raised. The funds raised by local departments

and enterprises to invest in their own capital construction have exceeded the planned figures and have thus affected the construction of some key projects. The progress of technical reform is slower than expected. We still have difficulties in our financial affairs. The funds reserved for emergency use are still insufficient. Agriculture is still a weak link in the national economy. We must continue to do a good job in these respects so that these problems can be solved.

II. The Sixth 5-Year Plan and the Tasks for 1983

In his report to the sixth provincial CPC Congress, Comrade Ma Wenrui made an explicit exposition on the sixth 5-year plan for economic and social development in our province. It is necessary to further emancipate our minds, to carry out the reform more boldly, and to do a more solid job in accordance with the strategic goal, steps, and stresses set by the 12th CPC National Congress so as to strive for quadrupling the total industrial and agricultural output value by the end of this century. It is necessary to do a solid job in the first 10 years so that a sound foundation can be laid for the economic development in the second decade. It is necessary to take the development of agriculture, the daily consumer industry, raw material industry, energy resources, communications, science and education as the key to economic development. This is an important policy decision which conforms to the realities in our province and is in keeping with the aspirations of the people. Our province has very good natural conditions and is rich in underground mineral resources, which are conducive to the development of agriculture and energy and raw material industries. In our construction over the past 30 years or so, we have laid a comparatively sound foundation for the development of engineering, textile, coal, and light industries, and have built up a comparatively strong contingent of scientific and technical personnel. Provided we give full play to these advantages and favorable conditions, mobilize the people throughout the province, and unite as one and work with one heart and one mind, the goal of our struggle in the next two decades, which was set by the provincial CPC Committee, will surely be attained.

"The Sixth 5-Year Plan for Economic and Social Development in Shaanxi Province" (draft), which was drawn up in accordance with the strategic goal set by the provincial CPC Committee, has been printed and distributed among the deputies to this congress for discussion and approval. The fundamental task in this plan is: to further implement the policy of readjusting, restructuring, reorganization and upgrading, and under the leadership of the party and government, to carry out the reform of the economic system step by step, so that the entire economic work can be led onto the right track of raising economic returns, so that our financial and economic situation can be basically changed for the better, and so that necessary preparations can be made for economic and social development in the seventh 5-year plan period. The provincial total industrial and agricultural output value will be increased from 15.52 billion yuan in 1980 to 20.4 billion yuan in 1985, an increase of 30.8 percent, or an average of 5.6 percent per year. The national income from production will be increased from 8.08 billion yuan to 10.74 billion yuan, an increase of 32.9 percent, or an average of 5.6 percent a year. The total agricultural output value will be increased

from 10.6 billion yuan to 13.9 billion yuan, an increase of 31.2 percent. The annual grain output will reach about 18.5 billion jin, and that of cotton, 3 million dan. This is a plan for the steady development in the readjustment, a plan for making preparations for the "seventh 5-year plan" and the development of the second decade, and an important step toward the goal of our struggle in the next two decades.

The year 1983 is an important year in fulfilling the "sixth 5-year plan." We must continue to advance forward on the basis of our achievements in 1982, maintain a steady growth in industrial and agricultural production, and strive for a further improvement in our financial situation. According to the 5-year plan, the total industrial and agricultural output value will be increased to 18.495 billion yuan, an increase of 5 percent, of which the total agricultural output value will be 6.35 billion yuan, an increase of 1.3 percent over 1982, and the industrial output [passage indistinct] be 12.14 billion yuan, an increase of 7 percent. The fulfillment of this year's targets will provide a good foundation for the smooth realization of the "sixth 5-year plan."

In this connection, I would like to mainly talk about the following main tasks for the fulfillment of the "sixth 5-year plan" and the tasks for 1983.

1. Never slacken our efforts in grain production, and actively develop a diversified economy.

In order to ensure the overall growth of the national economy and the improvement of the people's living conditions, it is necessary to continue to put the development of agriculture in a position of strategic importance. The relations between grain production and the development of a diversified economy must be handled well, with the former given first priority. As a result of the growth in population and the increase in consumption of grain, the state has allocated about 500 million jin of grain to our province each year over the past few years. The reasons for the allocation of grain are: 1) Grain supply has increased due to the growth in population. In 1981, the urban population who lived on commodity grain increased by 1.98 million over 1963, of which the number of staff officers, workers, and their family members who came to work on the third line was already higher than 1 million. The annual grain supply was increased from more than 1.2 billion jin in the past to more than 1.95 billion jin. 2) More grain is needed for industry and for awarding excess sales of agricultural and sideline products. In the past, the grain used for these two purposes was less than 200 million jin, but in 1981, it reached 530 million jin. 3) The purchase of grain has been reduced as a result of implementing the policy of letting the peasants build up their strength. The purchase has been reduced from the original 20 percent of the total output to about 13 percent of the total output. In order to maintain balance in the purchase and sale of grain, the central authorities have decided to continue to allocate some grain to our province in the near future. This is an important measure to ensure an ample supply in the market and to promote the development of the national economy. We must firmly grasp and work hard to promote grain production so as to reduce the state-allocated grain. In order to increase the output

of grain, it is necessary to preserve the present acreage under grain and endeavor to increase the per mu yield. In addition to our efforts to increase the output of thehigh-yield areas, such as the Guanzhong plain and the south-Shaanxi basin, we must tap potentials in the ordinary areas so that the output in these areas also can be increased. It is necessary to take measures to build the dry plain on the north bank of the Wei River and the south-Shaanxi hilly areas into a "second granary" of our province. These areas have 17 million mu of cultivated land, of which 12 million mu are suitable for growing grain crops. If the average per mu yield is increased from the present 230 jin to 300 jin, there will be an increase of more than 800 million jin a year. It is necessary to do a good job in the management of existing cultivated land, to strictly control the scope of capital construction and the building of peasant houses and not allow farmland to be occupied, and to resolutely check the unhealthy tendency of seizing cultivated land, especially fertile farmland.

It is necessary to make full use of natural resources and surplus labor in the countryside and open all avenues to develop a diversified economy. Not only must we promote the production of cotton, oil crops, vegetables, tobacco, and other industrial crops, and practice scientific farming, we must also make use of all barren hills, valleys, and grassland and water areas to vigorously develop animal husbandry, fishery, and forestry, such as the production of silkworm mulberry, tong oil trees, raw lacquer, tea leaves, medical herbs, dried and fresh fruits, and paulownia. It is necessary to build commodity bases of various scales for the development of a diversified economy. It is necessary to develop in a planned way commune- and brigade-run enterprises and processing industry for agricultural and sideline products as well as forestry and animal products. It is necessary to speed up the construction of storerooms, transport facilities, and commodity bases which relate production with supply and marketing. In agricultural production, we must also pay attention to reducing costs, to business accounting, and to raising comprehensive economic returns.

It is necessary to make continuous efforts to stabilize and perfect the agricultural production responsibility system. It is necessary to make the diverse contract responsibility systems, chiefly the system of assigning households full responsibility for task completion, a fixed long-term practice and to popularize them in an all-round way in forestry, animal husbandry, sideline production, and fishery, in commune- and brigade-run enterprises, and in state farms, forestry, and fishing grounds. It is necessary to actively foster the development of specialized and key households so that they can set an example for thousands upon thousands of households in promoting grain production and increasing the commodity rate of the diversified economy.

It is necessary to do a good job in agricultural capital construction in light of local conditions. It is necessary to implement the policy of combining biological measures with engineering measures and cultivation measures, and to improve the basic productive conditions as soon as possible. It is necessary to make full use of water resources, improve the methods of irrigation and management, and raise the efficiency of irrigation. It is necessary to actively popularize dry crop cultivation techniques in dry and

plain areas, to preserve soil moisture by deep plowing, and to fertilize the soil so that a balanced increase in output can be achieved. It is necessary to forcefully popularize Heyang County's experiences in preserving soil moisture and fighting drought, and Yanan Prefecture's experiences in fertilizing the soil by deep plowing, so that a bumper harvest can be achieved. It is necessary to speed up the work of controlling the small drainage areas and preventing soil erosion. It is necessary to do a good job in forestry and take effective measures to protect forests, reduce the felling of trees and stop the random felling of trees. It is necessary to launch a mass tree-planting drive and speed up afforestation. It is necessary to vigorously develop livestock farming and gradually change its structure by raising more cattle, sheep, and chickens while maintaining a proper number of pigs. In all barren and sandy areas, commune members must be allowed to plant as many trees and grass as they like without restriction, and these trees and grasslands can be inherited by their descendants. No one is allowed to damage or destroy the forests and grasslands or to open up these lands to grow crops.

All walks of life must enthusiastically serve the peasants and agriculture, and vigorously support agriculture by every possible means. The engineering industry must produce more small-sized, multipurpose, low energy consumption and less expensive farm machinery and processing machinery. In the chemical industry, it is necessary to adopt measures to transform existing chemical fertilizer enterprises and to increase the output of chemical fertilizer. It is necessary to develop compound fertilizer, granulated fertilizer, high-efficiency farm chemicals, and plastic sheeting for agricultural use.

It is necessary to attach importance to the training of agricultural technicians, to strengthen scientific research, and to speed up the popularization of scientific and technical achievements. We must strive to fulfill the agricultural resources survey task within this year so as to provide a scientific basis for drawing up the agricultural development plan. At present, it is necessary to emphasize the importance of tackling key problems in scientific research and popularizing agricultural science achievements. Organizations should be established and perfected to spread agricultural science and technology, and attention should be paid to the training of peasant technicians and the development of rural scientific and technical households. Consultative services in this field should be strengthened. It is necessary to popularize the responsibility system of contracting technical jobs with payment linked to output so that scientific and technical achievements can be transformed into real productive forces as soon as possible and a rapid development can be achieved in agricultural production.

2. Endeavor to run the present industrial enterprises well and vigorously raise economic returns.

Industrial and communications work, it is necessary to take raising economic returns as the central task and quicken the pace of the reform, firmly grasp the reorganization and readjustment of enterprises, and achieve greater progress in technological work so that the state plan can be fulfilled or overfulfilled.

Since last year, we have paid attention to the problem of raising economic returns and have scored some achievements. However, we have not done our jobs well enough. The phenomenon of one-sidedly pursuing output value and output still exists. In our industrial production in the future, it is necessary to pay special attention to the raising of economic returns and, on this basis, strive for a higher speed in development, so that the raised economic returns can be related with the speed of development. This is a fundamental guiding ideology in organizing industrial production. In 1983, we must set a higher demand in fulfilling the main economic and technical targets. Taxes and profits turned over to the state will be increased by 4 percent, the consumption of various raw materials will be reduced by 1 to 2 percent, the energy utilization rate increased by 5.7 percent, the circulation of floating funds speeded up by 4.6 percent, labor productivity of all laborers increased by 3 percent, constant cost of products reduced by 2 percent, and losses due to ineffective management reduced by more than 30 percent. It is necessary to further implement the principle of ensuring safety in production and do a good job in this respect. It is necessary to strengthen production management and vehicle dispatch work and to reduce irrational transport, so that more transport capacity can be preserved.

It is necessary to vigorously promote the development of light and textile industries and the development of collective industry and quicken the pace of readjustment of engineering industry. Light industry provides our province with its main financial resources and provides the market with main commodities. We cannot achieve a big financial increase in our province and a greater improvement in our market situation unless we vigorously promote the development of the light and textile industries. It is necessary to continue to implement the principle of "giving preferential consideration to the development of the light and textile industries in six aspects" and to concentrate our efforts to speed up the technical reform of the light and textile industries, so that the planned projects can be finished and put into production as soon as possible. As to those products which are needed by the market and the production of which can be increased, such as tobacco and sewing machines, it is necessary to try every possible means to expand production. It is necessary to blaze new trails in light industrial production and vigorously develop the food industry, arts and crafts industry which bears the characteristics of the ancient city of Xian, and the production of tourist products. Light industrial production must develop along the orientation of high quality, low price, being rich of varieties, new design, and being up to standard, so that it can satisfy varying needs of the consumers. It is especially important to open up the broad rural market to satisfy the peasants' needs.

Our province is rich in industrial raw material resources. We must work hard to promote construction and development in this field. The production of wire rods and fine quality wires and other ferrous metals must be increased. Research on the feasibility of developing the Daxigou iron mine, building an alloy ironworks there, and developing the Yangjiaba iron mine must be carried out. We must speed up the exploitation of molybdenum, aluminium, gold, silver, lead, zinc, and other nonferrous metals. We must expand our

capacity to produce construction materials, such as cement, plate glass, and building ceramics, through building new factories and through technical reform. We must vigorously develop the production of chemical industrial materials, such as caustic soda, soda ash, sulphuric acid, and calcium carbide. We must greatly change the backward situation in our province's raw material industry.

The collective ownership system is an important component part of the socialist public ownership system. We must attach importance to the development of collective industry. We must continue to carry out a flexible policy in this respect and support, guide, and help the collective-owned industry in economic and technical affairs and in management, so that the role of this industry can be brought into full play in expanding commodity production, satisfying the people's needs, enlivening urban and rural markets, increasing exports, and raising employment rate.

Our province has a comparatively better foundation for the development of the engineering industry. It is necessary to give full play to the role of the existing engineering and national defense industrial enterprises, which is of great significance to economic development in our province. It is necessary to continue doing a good job in the technical reform of these enterprises, to further readjust the product mix, and to expand the range of services. It is necessary to give prominence to the production of machines and set equipment which are needed by society and which are of high technical level and are difficult to produce, and the production of exported mechano-electrical products, so as to provide various departments with advanced equipment in their technical reform and make contributions to improving market supply and promoting export trade.

We must quicken our pace in the reform of the industrial management system and gradually put some provincial enterprises under the administration of cities so that the pivotal role of cities and industrial bases can be brought into full play. In large and medium-sized state-owned industrial enterprises, the contract system will not be adopted. Instead, the system of substituting taxes for delivery of profits will be practiced. As to small state-owned enterprises and collective enterprises, a flexible policy and various forms of contract responsibility system must be adopted. In all enterprises, we must actively carry out various forms of economic responsibility system, mobilize the initiative of staff members and workers, and work hard to increase economic returns. During the reform it is necessary to correctly deal with relations between the state, the enterprises, and the individual, and adhere to the principle of the state getting the largest share of interests, followed by the enterprises and then the individual. Under the premise that production has been increased and more contributions have been made to the state, the living conditions of staff members and workers should be gradually improved. It is necessary to do a good job in the reorganization of enterprises. According to the original arrangement, the reorganization of 2,500 state enterprises should be completed in 1984. It is required that a good leading body which is capable of opening up new prospects and which is more revolutionary, younger, better educated, and more professionally competent should be formed during

the reorganization, new progress should be achieved in the reform of the management system and in carrying out the diverse economic responsibility systems, and economic returns should be increased compared with those before the reorganization. It is necessary to attach importance to the quality of reorganization in the 40 major enterprises in our province. If the quality is not good, the work should be repeated. With regard to enterprises whose products are of very poor quality, or which have incurred losses over the years or have been blindly developed, we should resolutely shut them down, or suspend their operation, or amalgamate them with other enterprises, or switch them to the manufacture of other products.

3. Make greater efforts in technical transformation and give prominence to the construction of key projects.

In order to quadruple the industrial and agricultural output value, we must rely on the construction of key projects and on technical transformation. While fully tapping the production potentials of existing enterprises, it is necessary to carry out technical transformation in some old enterprises in accordance with our strategic stresses, and build a number of new key enterprises. During the "sixth 5-year plan" period, a total investment of 6,603 million yuan will be made in fixed assets, and a sum of 7.3 million yuan will be invested for fixed assets of local projects in 1983.

In 1982, since the entire economic situation was improved, the sum of investment in self-arranged capital construction also exceeded the original plan. In order to preserve and develop this good situation, it is necessary to control the scope of investment for fixed assets in strict accordance with the state plan, so that the construction of key projects can be guaranteed. It is necessary to reduce the funds raised by various departments, localities, and enterprises for self-arranged projects and appropriately control the scope of nonproductive construction.

To strengthen the work of technical transformation is a fundamental way to tap the potentials of existing enterprises and to develop industrial production. Many of our provincial industrial enterprises were built in the early 1950's and 1960's. The tasks of technical transformation for these enterprises are heavy. In the near future, it is necessary to grasp the following four tasks: 1) Work out a plan for technical transformation in various trades, main cities, and key enterprises during the "sixth 5-year plan" period (chiefly the last 3 years), in light of the targets, tasks, and principles of technical transformation in various trades and professions. 2) Do a good job in promoting technical transformation in the main trades and professions determined by the state and provincial plans. During the "sixth 5-year plan" period, the focal points in our province are engineering, electronics, and light and textile industries. It is necessary to give priority to technical reform in the 30 key enterprises directly under the administration of the central or provincial authorities, so that some of their products can reach the world level of the 1970's or early 1980's, and that the export of complete sets of equipment can be increased. In light and textile industries, it is necessary to adopt new techniques, new technology, and new materials to strengthen the weak links. In energy production, prominence must be given to the expansion of the existing coal pits and the renewal of their equipment. It is necessary

to improve working conditions and ensure production safety. 3) Promote the import of technology and fulfill the tasks the state has assigned to our province for importing 75 technical projects. 4) Manage and use the funds for technical transformation in a correct way. They must actually be used to improve technology, to reduce consumption of energy and raw materials, to improve the quality of products, and to increase the varieties of products. In order to promote technical transformation, 3 billion yuan will be used according to the sixth 5-year plan, which accounts for 45.4 percent of the investment for fixed assets. The sum to be used for this purpose in 1983 is 470 million yuan, 60.8 percent of the investment for fixed assets of local projects. It is necessary to manage and use them in a correct way so as to bring about better economic results.

While controling the general scope of investment for fixed assets and reducing investment in nonproductive construction, it is necessary to strengthen our work in various aspects and endeavor to do a good job in the construction of key projects and large and medium-sized projects in accordance with state and provincial plans. These projects mainly include the following: projects of the agricultural and light and textile industries consist of eight water conservancy projects including the Shitouhe reservoir and the Donglei project to divert water from the Huanghe River, and more than 120 projects to tap potential in the light and textile industries and to transform the old and build new enterprises. Projects of the energy and communications industries, including the Wangchun, Nanjingtou, Hanjing and Jinhuashan coal mines, the second phase project of the Qinling powerplant, the Ankang hydropower station, the railway between Dongpo and Hanjing and the Qinjiachuan section. Projects of the raw material industry, including the Tongchuan aluminium plant, the Jinduicheng molybdnum company's second-phase expansion project, the Xinchuan cement factory, the Shaanxi plate-glass factory, the Shaanxi sulphuric acid factory, the Xian sodium carbonate factory, the Hanzhong phosphorus mine, and some nonferrous metal mines in Zhashui, Tongguan, Yuehe, and Shangxian counties. Priority should be given to these projects with regard to investment, material supplies, and labor force, so that they can be finished and put into production according to plan. When these projects and some other projects are completely or partly put into production during the sixth 5-year plan, there will be 20.2 million mu of irrigated fields in our province. At the same time, coal mining capacity will be increased by 3.4 million tons, oil recovering capacity will be increased by 130,000 tons, the power installed capacity will be increased by 800,000 kilowatts, and 124 km new railways will be opened to traffic. Moreover, in order to make things easy for the seventh 5-year plan and construction in the future, the state has also decided that our province should carry out preparatory work such as studying the feasibility of and making prospecting and designs for the 13 major construction projects. The provincial authorities have also selected more than 10 projects for preparatory work, including the Heihe reservoir, the coal bases in Huangling, Binxian, and Shenfu counties, the powerplants in Pucheng and Hancheng counties, three hydropower stations along the Hanjiang River, the railways between Xian and Ankang, between Sanyuan and Zhongwei, and between Qinjiachuan and Diantou, and the Shaanxi aluminium factory. We must do the preparatory work well with the relevant central departments so that these projects can be listed in the state plan and be put under construction as soon as possible.

In order to suit the needs of economic development in our province, it is necessary to strengthen our geological prospecting work and speed up its development, so as to promptly prove the reserves and the hydrological and geological status of some important mine resources.

It is necessary to improve our designing work and strengthen the construction workers' ranks. It is necessary to take a correct attitude in management, to correct our work style, to improve management in construction, to shorten the period of construction, to improve the quality of projects, and to raise the rate to fixed assets which are made available to the users. In construction enterprises, it is necessary to gradually improve the method of management. At present, the main task is to practice the contract system in the construction teams. It is necessary to change the old method of assigning tasks merely by means of administrative measures. The units in charge of the construction of a project must be allowed to choose the designing and building units according to their needs and to practice the system of making bids.

4. Endeavor to broaden sources of income and reduce expenditure, and to maintain a basic balance between revenues and expenditures in financial affairs.

Financial difficulties and insufficient funds constitute a prominent problem in the economic work in our province. We must work hard to strive for a fundamental improvement of the financial situation in our province as soon as possible so that our financial income can be steadily increased and so that our productive expenditures can be increased by a comparatively big margin. According to plan, the financial income of our province must reach 1,350.27 million yuan this year, and strive to reach 1.4 billion yuan. Provided that all localities and departments work with one heart and one mind, we surely will achieve this goal.

The most important tasks in solving our financial problems are to broaden the financial sources, to develop production, to raise economic returns, and to increase results and profits. Banks and financial and tax departments must work hard to support and promote the development of production, especially the development of light and textile industries. On the other hand, in view of the financial difficulties at the provincial level, the provincial authorities plan to collect a certain sum of funds from the extra-budgetary funds of various departments and enterprises and to use these funds in the construction of major projects which have a bearing on the overall development of our provincial economy. We are sure that all departments and enterprises will take the [economic situation] into account and will actively support the construction of major projects.

It is necessary to adopt effective measures to make up deficits and increase surpluses. All enterprises which have suffered losses due to poor management must promptly change their backward situation and reduce losses by 30 percent this year. Various localities and departments must sign contracts with these enterprises so that measures and time can be determined for making up deficits. If losses are reduced in an enterprise according to plan, both the subsidies provided by financial departments and the base of

the contract for the next year will not be reduced. If an enterprise cannot fulfill the contracted tasks and cannot make up the deficits as scheduled, the bank will no longer provide them with loans, the financial departments will not increase subsidies, the enterprise must stop distributing bonuses, the wages of the staff and workers will not be increased, and the leaders of this enterprise must be relieved of their posts immediately. As to subsidies for losses due to the implementation of certain policies, it is necessary to make an examination of the case. If the policy is not reasonable, it must be abolished. In these enterprises, it is necessary to explore more avenues for increasing income and reducing losses and endeavor to reduce subsidies.

The reform to popularize the system of substituting taxes for delivery of profits is an important policy decision of the CPC Central Committee and the State Council. It is a good form to handle well the relations between the state and enterprises and is conducive to mobilizing the initiative of the enterprises and staff and workers. We must firmly grasp the work of investigation, make concrete plans for implementation, and resolutely and conscientiously do a good job in this respect. It is necessary to strengthen tax organizations so that all taxes which [could] be levied can be levied. It is especially necessary to strengthen the work of levying scattered taxes from urban and rural fairs and individual industrial and commercial traders.

It is necessary to make a reasonable use of and conduct good management of various expenditures and cut down nonproductive expenditures. All productive funds must be used for their specific purposes and must not be diverted to any other purpose. The funds for the construction of northern Shaanxi, funds for assisting the poor and difficult counties in southern Shaanxi, funds for the development of a diversified economy, and funds for tapping potential and carrying out innovation and reforms in the enterprises must be gradually changed into interest-bearing loans so that better economic results can be achieved. All administrative and institutional units which have fixed income must set a target for their income so that financial subsidies and allocation of funds can be reduced. It is necessary to adopt resolute measures to cut meetings to a minimum and reduce expenditures in this respect. The counties which receive subsidies must work out plans for developing the economy and broadening the sources of income so that the subsidies can be reduced or abolished step by step. It is necessary to strengthen supervision over financial affairs, strictly observe discipline, and take serious measures to prevent all forms of tax evasion. It is also necessary to carry out struggles against serious criminal activities in the economic field and against all phenomena of corruption and waste.

To maintain the basic stability of currency is an important condition for the development of the economy and a fundamental improvement of the financial and economic situation. Banks must carry out their credit plans in a serious manner, and do their best to raise funds and tap potentialities of funds, to expand the withdrawal of currency from circulation, and to control irrational allocation of funds. They must strengthen the control of credit funds and help the enterprises accelerate the circulation of funds and reduce expenditures.

5. Endeavor to do a good job in market supply and in maintaining a basically stable price.

Although at present more goods have been supplied in the market, according to investigation, there is still a gap of more than 100 million yuan between the social commodities which can be supplied and purchasing power. Some commodities are still in short supply. We must also realize that along with the development of the national economy and the improvement of the people's livelihood, especially the development of rural commodity production and circulation between towns and the rural areas, the quantity of daily consumer goods needed by the people will continue to increase by a big margin. For this reason the realization of the balance between society's purchasing power and its ability to ensure a steady supply of commodities, and guaranteeing both market supply and commodity price stability are important tasks for us, which cannot be ignored. At present, the most important task is to ensure a steady growth of light industrial production so that it can provide us with more and more marketable commodities. The commercial departments must take the initiative in contacting industrial departments and do their best to "promote" and "lead" industrial production, to dredge circulation channels, and to open up more markets.

To reform the commodity circulation system is an urgent need for the development of both urban and rural commodity economy. We must quicken the pace of this reform. The basic task of the reform is to gradually establish an open commercial system in which there are various economic and management forms and diverse circulation channels with state commerce playing the leading role, so as to mobilize the initiative of the state, the collective, and the individual commercial and service trades to better serve industrial and agricultural production and improve the people's standard of living. It is necessary to actively develop the collective and individual retail and service trades in cities and countryside while doing a good job in the management of state-owned commercial and service trades and the work of the supply and marketing cooperatives. Most service trades, such as the catering trade, sewing service, public bathhouses, barbershops, and repair shops can be run by the collective or individuals. The management responsibility system must be adopted in an all-round way in the state retail shops and service trades by stages and in groups within this year. It is necessary to speed up the reform of the system of the rural supply and marketing cooperatives and to restore the nature of commercial cooperation of the primary-level supply and marketing cooperatives, so that they can become mass organizations with democratic and flexible management. It is necessary to change the county supply and marketing cooperatives into county federations of cooperatives so that they can become joint economic entities of cooperatives at the primary level and comprehensive service centers which provide the countryside with such services as supply, marketing, processing, storing, transportation, and technical guidance. Experiments in this respect must be carried out in the first half of the year in 1/3 of the primary-level supply and marketing cooperatives, and the entire work must be completed by the end of this year. It is necessary to readjust and set up wholesale departments in light of the reasonable circulation of commodities. It is necessary to break down the barriers of administrative areas, reduce

the links in the circulation chain, and give play to the role of country fairs in the commodity circulation in rural areas. In the wholesale of industrial products, except for those commodities distributed by the state under unified plan, which should be purchased from appointed units, the purchasing units can freely place purchase orders with the units they select without being restricted by area boundaries and wholesale departments. It is necessary to continue to adopt the six forms of purchase and sale in dealing with industrial products and continue to practice the new system breaking down the boundaries between cities and the countryside in the purchase and sale of commodities. A flexible policy must be adopted step by step toward small commodity business so that it can play the role of regulation in the market. The policy of state monopoly must be continuously implemented in the purchase of major agricultural and sideline products which have an important bearing on the national economy and the people's livelihood. It is necessary to take measures to ensure that these purchase tasks be fulfilled. However, the varieties of such products to be purchased by the state alone should be gradually reduced. Except for cotton, all third-category agricultural and sideline products and some first and second-category products of which the state purchase tasks are already fulfilled can be transported and sold through diverse channels. It is necessary to continue doing a good job in the reorganization of commercial enterprises. In the reorganization and reform, it is necessary to strictly carry out the relevant policies made by the state and to give overall consideration to the interests of the state, enterprises, staff and workers, and consumers so as to promote commodity production and make the market brisk.

It is necessary to maintain basically stable prices in the market and, on this basis, readjust a few prices which are really very unreasonable, during the sixth 5-year plan period in accordance with the unified arrangement of the State Council. It is necessary to continue to conscientiously implement the "provisional regulations on price management" issued by the State Council and the relevant regulations issued by the provincial government, and strengthen the management, examination, and supervision of prices. After the management responsibility is adopted, the industrial and commercial enterprises must continue to attach importance to strictly implementing the price policy. They must not randomly raise their prices or do it in a disguised form. They must not encroach upon the interests of the consumers.

6. Speed up the development of education, science, culture, public health, and physical culture, and make constant efforts to raise the cultural and scientific level of the people.

In order to vigorously develop the economy, it is necessary to promote science and technology, and science and technology on their part must serve economic construction. We must work out a plan for the development of science and technology as soon as possible, which suits the development of the national economy and social development in our province, so that science and technology can better serve our economic development. In scientific research work, our stress must be laid on the research of applied technology and exploitation science. It is necessary to give full play to the advantages of our province in the scientific and technological fields and carry

out reforms of the existing science and technological system. It is necessary to organize science and technical workers in scientific research institutes, universities and colleges, and in various agricultural and industrial departments to tackle the 20 key scientific research projects in agriculture, light and textile industries, energy production, raw material industry, engineering and electronics industries, new technology, and social development, which are listed in the sixth 5-year plan. It is necessary to go a step further to popularize scientific and technological achievements. During the sixth 5-year plan period, 44 scientific and technological achievements, which have been proved effective in raising economic returns, will be popularized throughout the province. All departments and enterprises must actively adopt new scientific and technological achievements to reduce the consumption of raw materials and energy, to increase varieties of their products, and to raise quality and labor productivity. It is necessary to encourage them to do so by giving them preferential treatment with regard to prices and loan interest. It is necessary to encourage the reasonable exchange of talented people, and endeavor to improve scientific and technological research methods and working conditions. It is necessary to launch a drive to popularize scientific and technological knowledge.

Education is the basis. Talented people must be trained before construction projects are started. In 1985, there will be 68,900 students in universities and colleges, which is an increase of 29.5 percent over 1980. It is necessary to make experiments in the reform of the enrollment system and assignment method. Directional enrollment and assignment can be practiced first in some agricultural, forestry, medical, and teachers' colleges. It is necessary to continue the reform of the structure of secondary education and vigorously develop specialized secondary shools and vocational schools. In areas inhabited by 2/3 of the provincial population, primary education must be made, or basically made, universal. In those cities and areas where primary education has been made universal, progress must be made in making junior secondary education universal. It is necessary to attach importance to preschool education and education for minority nationalities. While running well the regular full-time schools, education for cadres and workers who are at their posts and for peasants must be strengthened, and spare-time, television, and correspondence universities should be vigorously developed so as to encourage people to become educated by teaching themselves. It is necessary to take active measures to eliminate illiteracy among young and middle-aged people and to raise the cultural level of the peasants.

It is necessary to further develop medical and health work and launch a patriotic health campaign. During the sixth 5-year plan period, we must lay stress on the construction and expansion of the provincial academy of traditional Chinese medicine, the hospital for veteran cadres, the provincial tumor hospital, the provincial health center for women and children, and the children's hospital, and the construction of medical and health facilities in 33 major counties, to which 10,000 hospital beds will be added. It is necessary to step up the construction of the three-level medical and health network in rural areas, attach importance to dietetic and labor hygiene, and do a good job of prevention and cure of endemic and occupational diseases. Medical and health departments at all levels must improve

techniques in medical affairs and attitude of service, and make things convenient for the masses in medical treatment.

Literature and art, broadcast and television, journalism and publication, and other cultural undertakings and physical culture must also be developed. During the sixth 5-year plan period, 45 new feature films will be made and 24 new cinemas will be built. The provincial central TV station will be established, and 58 percent of the provincial area can receive TV programs. Several broadcasting stations and medium-wave relay stations will be built or expanded so that 60 percent of the population can listen to broadcasts. It is necessary to further do a good job in the construction of the cultural centers in towns and rural areas, and to strengthen the work of collecting, unearthing, repairing and protecting historical relics, and research and management in this respect. It is necessary to launch mass sports activities in schools, factories, mines and the countryside, to strengthen our sports contingent, and to raise the quality of our sports. It is necessary to build more sports grounds and to complete the construction of the provincial gymnasium.

With the improvement of the national economy and the financial situation, we shall gradually increase investment in education, science, and cultural undertakings, so that they can develop more quickly.

To strictly control the growth of population is a basic national policy. Our province is in a period of baby boom in recent years and the natural population growth rate is rising again. It is still an arduous task to control population growth. We must regard the control of population growth as important as the developm-nt of material production and encourage one child for one couple. It is necessary to strictly control the birth of a second child and to resolutely put an end to the birth of a third child. While mainly carrying out ideological education in this work, economic, organizational, and technical measures should also be adopted so that the trend of a big population growth can be controlled and a balanced development can be achieved during the sixth 5-year plan. It is necessary to achieve a natural growth rate of under 1 percent by 1985.

7. Expand economic and technological exchanges with foreign countries and develop tourism.

In order to achieve a quicker development in our province's economic construction, it is necessary to further develop foreign trade, to actively contract for the construction of foreign projects, to engage in cooperative production, compensation trade, and joint ventures with foreign countries, and to expand economic and technological exchanges with them. The most important thing to do in this respect is to develop the superiority of our province's natural resources so that our provincial foreign trade can be promoted. It is necessary to allow all localities, cities, and counties to directly export their goods with the help of foreign trade departments. It is necessary to train as soon as possible a number of foreign trade cadres who know well the international market and economic and technological development in foreign countries. It is necessary to do a good job in international market information and in promoting the sales of our products.

It is necessary to further expand transregional economic and technological cooperation, and try in every possible way to transport and well more coal to other provinces and regions so as to get in return the goods which are in short supply in our province. It is necessary to conscientiously learn from the advanced technologies and management methods of some coastal cities and areas. It is necessary to develop economic cooperation with other provinces, cities, and autonomous regions through jointly running factories, cooperative mining, jointly tackling technical problems, processing materials supplied by customers, and through compensation trade and the exchange of technical and professional workers.

There are many historical relics and scenic spots in our province, which provide us with very good conditions for the development of tourism. During the sixth 5-year plan, we must further step up the construction of the tourist spots, build a number of guest houses and hotels, and speed up the construction of roads and other facilities in tourist spots. We must increase the production and supply of souvenirs and improve service, so that greater progress can be achieved in tourism.

8. Endeavor to build socialist spiritual civilization and bring about a good social atmosphere.

In order to fulfill the sixth 5-year plan in an all-round way and to fulfill various tasks for 1983, it is necessary to make continuous efforts to build a high degree of socialist spiritual civilization and to strengthen our ideological and political work. It is necessary to cite the advanced, to widely publicize the new people, new deeds, and the new atmosphere appearing on various fronts, and to unfold a vigorous mass campaign to learn from Luo Jianfu, Zhang Hua, Shao Xiaoli, Ma Junyou, Mai Yajun, and other heroes and models. It is necessary to carry out in depth the activity of the "five stresses and four beauties," and the activity of good service, good order, and good environment, and to actually improve attitude, measures, and quality of service. While strengthening our daily ideological and political work, it is also necessary to establish and perfect various forms of village rules, peasant pledges, and professional regulations, and to carry out various activities, such as building civilized villages, civilized groups and civilized shops, and electing "five-good families." It is necessary to adopt resolute measures to check unhealthy trends and evil practices, such as feudal superstitious activities, gambling, theft, fighting, mercenary marriages, and extravagance and waste in marriages and funerals.

Public security and judicial departments and various social departments must take concerted action to tackle social security problems in a comprehensive way. We must give first priority to preventing crime and educating those who have committed crimes, strengthen education among the youngsters, take measures to help youths and children who have committed crimes, and vigorously unfold a campaign to prevent crimes and transform criminals. It is necessary to widely publicize and implement the new constitution, carry out frequent education on the legal system, and strengthen mediation work, so that the broad masses of people can understand and abide by the law and so that

contradictions can be solved before they become acute. It is necessary to further struggle against serious criminal activities in the economic and other fields and the counterrevolutionary activities of the hostile elements who deliberately sabotage our socialist system. It is necessary to take resolute measures to eliminate all ugly phenomena which endanger the safety of women and children and poison social atmosphere. It is necessary to give wide publicity to exemplary people who dare to struggle against bad people. It is necessary to create good order in production, work, and society in order to carry out the construction of socialist modernization smoothly.

It is necessary to further strengthen work concerning nationalities, religion, and overseas Chinese, and do a good job in various aspects of civil administrative work, such as social relief facilities and the settlement of retired soldiers. It is necessary to further strengthen militia-building and give full play to the role of militiamen. It is necessary to further carry out the activity of supporting the army and giving preferential treatment to families of revolutionary armymen and martyrs and continuously strengthen the unity between army and government and between soldiers and civilians.

III. Further Improve Government Work, Endeavor to Raise Work Efficiency

In order to successfully attain the great goal set by the party's 12th National Congress, to fulfill the tasks put forward by the sixth provincial CPC Congress, and to create a new situation in the construction of socialist modernization in our province, it is necessary to improve our government work, to acquire a new ideological and work style which suit the demands of the new situation, and to establish capable and efficient administrative organizations which maintain a close tie with the masses.

1. Quicken the pace of the reform of government organizations and administrative and management systems, and make the cadres contingent more revolutionary, younger, better educated, and more professionally competent.

The organizational reform is an important link in the chain of the entire reform, and one of the main tasks in 1983. We must quicken the pace of this reform in a resolute and orderly manner in line with the policies, principles and arrangements of the central authorities and the unified arrangements of the provincial CPC Committee. The tasks for the first stage of organizational reform at the provincial level have been basically fulfilled. We are not doing the work for the second stage. Since the reform, the number of organizations at the provincial department and bureau level has been reduced from 62 to 40. The number of chiefs and deputy chiefs in the 33 committees, offices, departments, and bureaus has been reduced from 278 to 115, and the average age from 58 to 53. Seventy-four of them have received an education above senior-middle school, accounting for 64.3 percent of the total number, of which 44 are university or college graduates, accounting for 38.3 percent of the total. The main tasks for the second stage are to reorganize the organizations under various committees, offices, departments, and bureaus, to retrench staff and assign them definite

responsibilities, and to establish the system of personal responsibility. The structural reform at the prefectural and city level must generally be completed by the end of September. It is necessary to gradually adopt the system of city administration over counties, with the economically developed cities as the center and the vast countryside as the basis. The suburban areas of some large cities will be expanded, and some counties and prefectures will be changed into cities. The reform in the organizations at and under the county level must be finished this winter or next spring. In rural people's communes, government administration and economic management must be separated. We must first make experiments in the first half of the year in one county in all prefectures and cities, and then popularize their experiences by stages in the whole province this winter and next spring. We still lack experience in the reform of cities. It is necessary to realize that this is not only an important and urgent task but also a complicated task. It is necessary to apply the experiences we have accumulated in the rural reform to the city reforms. It is necessary to actively practice and conscientiously make explorations, and to carry out the reform step by step under leadership. Such phenomena as rushing headlong into mass action and taking uniform methods must be prevented. The major task for the structural reform is to select and promote capable people to leading posts. It is necessary to boldly select and promote a large number of comrades who have both ability and political integrity, who are brave in blazing new trails and are in the prime of life, and who have received an education above senior-middle school to the leading posts at various levels, so that our cadres' ranks can be made more revolutionary, younger, better educated, and more professionally competent. During the reorganization, quite a number of veteran comrades will retire, leave their posts for convalescence, or withdraw from the forefront to work in the second line. We must actually do a good job in making arrangements for them and taking good care of them. All localities and departments must appoint one of their leading members to take charge of the work in this respect.

2. Reform and perfect our work system.

After the organizations are streamlined, it is necessary to define the duties incumbent on each organization under the departments at various levels. All leading cadres are dutybound to do their jobs well. As to the work concerning several departments, the department which is chiefly responsible for it should take the initiative in discussing it with the departments concerned and solve the problems actively, rather than disputing over trifles and adversely affecting the work. The system of personal responsibility must be established and work regulations must be made for all staff members, so as to give full play to their initiative and creativeness and raise work efficiency and quality. The work which can be finished in one day should not be left for the next day. All government departments must conscientiously and promptly fulfill the tasks assigned to them by the CPC Committee and government, and submit a report in 3-5 days on the progress of their work. The reports submitted by various departments to the CPC Committee and government must be discussed collectively and signed

by the chief responsible cadre. All departments must study and analyze the new situation in their work at regular intervals, solve new problems, and sum up new experiences.

3. Strengthen education and training among the cadres.

To strengthen the work of educating and training cadres by rotation is an important matter of strategic significance in improving the quality of the cadre ranks. We must lose no time in doing it well. It is necessary to adopt diverse forms and make use of all forces that can be used to organize training for cadres in light of their realities and the demands of various professions. It is necessary to train cadres through organizing both centralized and separate study groups, and make education for cadres a regular practice and a system, so that the theoretical, policy, and professional level of the government staff at various levels can be markedly raised within 3 or 5 years.

4. Further display the Yanan spirit and take effective measures to improve the work style of the leadership.

The governments at various levels must conscientiously implement the eight-point regulation made by the provincial CPC Committee on improving work style, and greatly improve the work style of leadership. We encourage cadres to go deep into the grassroots to make investigation and study and give on-the-spot guidance. Every year, at least 1/4 of the leading cadres at and above county level should be sent to the grassroots level by rotation to make investigations and study in some selected points. After gaining a clear idea of the situation, they must solve the problems and make decisions resolutely and promptly, rather than hesitantly, so that the work can be done well without losing time. If a decision is made, the government and departments at various levels must conscientiously implement it and examine the implementation at regular intervals. It is necessary to reduce the number and scope of meetings. The responsible cadres of the prefectural and city governments must not be frequently invited to professional meetings. On most occasions, the responsible comrades of the provincial government will not attend these meetings or give addresses. Photos must not be taken for leaders who attend meetings, and visits and sightseeing must not be organized during the meetings. It is necessary to take resolute measures to reduce the number of documents. Those which are not absolutely necessary must not be issued. The documents must come straight to the point and must be succinct. Starting from the organs of the provincial government, all departments must examine and sort out the existing documents, bulletins, and inner-party materials, and make a thorough simplification and reduction of them, so that we can free ourselves from the "mountains of documents and seas of meetings," and so that our government work can become full of vitality.

Government functionaries at various levels must conscientiously abide by and exemplarily implement the constitution and other laws and decrees, and act in strict accordance with the laws. They must respect, trust, and rely on the masses, and protect the people's rights in administering state

affairs according to the law. The people's governments at various levels are responsible to people's congresses at the corresponding level. They must promptly and effectively carry out the decisions made by the people's congresses and their standing committees, conscientiously and seriously handle the motions of the people's delegates, and listen to criticisms and suggestions on government work. The work of treating the letters and visits of the people is an important channel to hear the voices and opinions of the masses of people. It is necessary to strengthen the work in this field, and handle the people's letters and receive the visiting people without delay. Moreover, leading cadres must personally deal with the letters and visits which concern important matters. It is necessary to strengthen the close ties between the governments at various levels and the masses of people.

Fellow deputies:

Inspired by the spirit of the party's 12th National Congress, the people in our province are full of confidence toward the construction of the four modernizations in our province. We are convinced that under the correct leadership and loving care of the CPC Central Committee and the State Council, under the direct leadership of the Shaanxi Provincial CPC Committee, and with the efforts of the people throughout the province, who are united as one, working hard with emancipated minds, carrying out bold reforms, and overcoming the difficulties on their way of advance, the tasks in the sixth 5-year plan and various tasks for 1983 will surely be fulfilled successfully, and the great goal of quadrupling the total industrial and agricultural output value by the end of this century surely will be achieved.

CSO: 4006/552

PROVINCE ISSUES NOTICE ON COMMERCIAL CONTRACT SYSTEM

Chengdu SICHUAN RIBAO in Chinese 18 Feb 83 p 1

[Article by staff correspondent Fan Yongyu [1331 3938 0151]: "Universally Practice Contract System, Usher in a New Situation in Commerce"]

[Text] The provincial commerce department and finance department have issued a notice to commerce and finances departments in all cities, prefectures, autonomous zhou, and counties, asking all of them to put into practice--swiftly, universally, and in line with local conditions--various forms of the working contract responsibility system and to open up a new situation in commercial work.

Practicing the working contract responsibility system in commerce is an important part of commercial reform. In the past several years this system has been tested at selected points in many places, and some experiences and good results have been obtained. The notice calls on all places, on the basis of summing up experiences, to put into universal practice the working contract responsibility system and to quicken the pace of commercial reform. In order to meet the demand to put into practice within commerce the working contract responsibility system, it was decided, with regard to finance, to put into practice the profit-contract system or the loss-contract system. As for the contracting unit and scope, specialized companies and large enterprises directly under the province can be the units that contract, as can commercial bureaus. The principle for determining the profit-contract system's base figure is to insure a steady and increasing income so that part of the profits turned over by an enterprise to the state grows, and to be beneficial to arousing the enthusiasm of an enterprise and its staff and workers. The state gets the big part of the profits, the enterprise gets the medium-sized part, and the staff and workers get the small part. The method of awards and compensations is: in the profit-contract system, superprofits are divided up; in the loss-contract system, losses are divided up. If the base figures of the profit-contract system are not met or there are losses, the enterprise is to use other funds it has raised itself to make up the amount to be handed over the state; after the base contract figures are met, and after deducting according to the stipulations the amount under the financial profit-contract system that should be turned over to the state and the amount that should be retained by the enterprise, the excess part of the profits is to be calculated and divided up in a proportion

to be determined by each place. The contract period can be 1 year, and it can also be 2 or 3 years.

The notice points out that after financial contracts are made with the state, contracts within the enterprises must be handled well, separately implementing them in the various independent accounting enterprises, and then in the counter groups, contracting or leasing tasks to staff and workers for collective operations, and also contracts can be given to staff and workers for individual operations. No matter whether it is a collective or individual contract of the staff and workers, for the contract period their subordinate relationship does not change; the nature of the state's staff and workers does not change (those within a collective enterprise who are under a contract are still staff and workers of the collective enterprise); and seniority continues to be calculated, and wage adjustments for proficiency, retirement, and resignation pay and conditions do not change. If a person leaves a shop to fulfill a contract, he may return to the shop and work, and he will enjoy equal treatment along with the shop's workers and staff.

The notice emphatically points out that, after the working contract responsibility system is put into practice, leadership and management must be strengthened, the workers and staff must be educated to implement conscientiously the party's line, principles and policies and the government's laws and decrees, the socialist direction of development must be maintained, the interests of the consumer and the producer must be protected, the quality of service must be improved, and the economic results must be improved.

At the same time, the notice points out that there must be an expansion of tests at selected points for "substituting tax for profit" and that overlapping in the wholesale administrative structure must be reduced.

9727
CSO: 4006/389

ADVANTAGES OF PROGRESSIVE TAX RATE FOR SMALL ENTERPRISES OUTLINED

Beijing JINGJI RIBAO in Chinese 1 Mar 83 p 2

[Article by Li Yonggui [2621 3057 6311]: "Why the Eight-Level Above-Quota Progressive Tax Rate Was Imposed on Small Enterprises"]

[Text] The eight-level above-quota progressive income tax for collective enterprises was determined in the 1963 "Trial Provisions of the State Council on Readjusting the Industrial and Commercial Tax Burden and Improving Methods of Collecting Taxes." The method of collecting income tax at the eight-level above-quota progressive tax rate was put into practice for handicraft industry cooperatives and for communications-transportation cooperatives (including handicraft cooperative groups and transportation cooperative groups in which members share profits and losses). This method takes the total annual income of an enterprise, divides the amount into eight brackets, with eight different tax rates from lowest to highest; if the total income exceeds one level, then only that part that is in excess is taxed at the rate of the higher bracket. Therefore, the actual tax burden rate on the taxpayer is smaller than the basic tax rate. For example, for the lowest bracket, which is an annual total income of 300 yuan and below, the tax rate is 7 percent, and the actual tax burden rate is 7 percent; for the sixth bracket, which is an annual income of over 10,000 yuan to 30,000 yuan, the tax rate is 40 percent, but the actual tax burden rate is 37.35 percent; for the seventh bracket, which is an annual income from over 30,000 yuan to 80,000 yuan, the tax rate is 50 percent, but the actual tax burden rate is 45.26 percent; and for the highest bracket (the eighth), which is an annual income of over 80,000 yuan, the tax rate is 55 percent, and even if the annual income is 200,000 yuan, the actual tax burden rate is 51.1 percent.

The advantages of this method of collecting taxes are that it follows the principle of "the more profit the more tax levied, the less profit the less tax levied," and the tax burden is comparatively rational; by collecting taxes according to the above-quota progressive tax rate, the tax burden increases are fairly small and the degree of progression is fairly moderate, so that at the progressive tax intersects irrational burdens are avoided. Therefore, the method of above-quota taxation is a comparatively good method for collecting income taxes.

Why did some areas refer to the collective enterprises' eight-level above-quota progressive method when levying income taxes on small state-run enterprises in tests on substituting tax for profit? This was because of their consideration of the following aspects:

1. The characteristics of a small state-run enterprise normally are that its structure is small, its foundation poor, its equipment poor, and its labor efficiency low, so that its profit level is not high; the tasks of filling up gaps and of replacing and substituting are comparatively large. In this respect they are similar to the vast majority of collective enterprises. By referring to the eight-level above-quota progressive tax rate in collecting income taxes from small enterprises, the more the income the more tax is paid and the less the income the less tax is paid, thereby suiting the capacity of these enterprises to bear their tax burden. For the enterprises it both puts "pressure" on them and gives them energy, and is able to promote the development of their production and management.

2. Small state-run industrial and communications enterprises and commercial retail enterprises are numerous, are widely distributed, comprise many trades, and have extremely complex conditions. The products they produce and the items they handle directly relate to the people's material and cultural life, and so it is advantageous to give preference to these enterprises. In collecting taxes according to the eight-level progressive method, the actual tax burden rate must be a little lower for small enterprises than for large and medium-sized enterprises, giving the enterprises appropriate leeway in their activities, thereby being advantageous to arousing their enthusiasm and promoting the improvement of their management and administration, and being greatly advantageous to invigorating the market and improving the people's life.

3. For the small state-run enterprises, the collection of income tax according to the eight-level above-quota progressive tax rate, and their after-tax responsibility for profit and loss, integrates responsibilities, rights, and interests, and is advantageous for the launching by these enterprises of the working contract responsibility system and gives an impetus to the process of reforming their economic system of organization.

4. Referring to the eight-level above-quota progressive tax rate of collective enterprises when collecting income taxes from small state-run enterprises is advantageous for unifying policies and tax laws.

In view of the above-mentioned reasons, it is rational for the eight-level above-quota progressive tax rate of collective enterprises to be referred to when collecting income taxes from small state-run enterprises; from looking at the situation at test points in various places, this method is also feasible.

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FINANCE AND BANKING

ARTICLE URGES CURB ON INVESTMENTS IN FIXED ASSETS

Yinchuan NINGXIA RIBAO in Chinese 17 Feb 83 p 2

[Article by Jian Zong [1696 4844]: "Scale of Investment in Fixed Assets Must Be Strictly Controlled"]

[Text] Last year our autonomous region's planned investment in fixed assets was over 307 million yuan. However, by the end of September, the actual scale of investment reached 430.9 million yuan, over 140 percent of the planned figure, breaking the plan by over 123.6 million yuan.

Losing control of the scale of investment in fixed assets often creates an adverse chain reaction. Our autonomous region's construction force is insufficient in manpower. In the past several years, about 40 percent of the annual capital construction tasks have required construction teams from other provinces and cities outside the region or from communes and first-level streets and towns within the region to complete the tasks. In these construction teams, the trades are not complete, the technical force is poor, and waste is great; to certain degrees the cost of building and results of investment in the projects have been affected. With regard to material, for a long time in the state's allocation and transfer of lumber, steel, and cement, supply has not met demand. According to the reports of construction banks in some countries, for every project for which there is an investment budgeted at 10,000 yuan only 1 cubic meter of lumber is alloted, and a project which must raise funds itself cannot guarantee the allotment of even 1 cubic meter, and other funds are not given for lumber. Under these circumstances, some construction units, seeking a way out of their difficulty, do not hesitate to up the price or exchange commodities in order to purchase lumber. For example, last year Wuzhong County was short of over 600 tons of steel, over 680 cubic meters of lumber, and over 2,000 tons of cement. A tight supply of these three materials has become a widespread problem in our region's capital construction. Even though every year large quantities of cement are transferred to our region from Nei Monggol, Gansu, and other places, work stoppages while waiting for materials, work holdups, and waste still occur at times. Moreover, because the scale of fixed assets is inflated, projects outside the plan and projects inside the plan contend for materials, for land for a specific use, and for dismantling and moving to another place, all of which make an assault on projects within the plan. According to an investigation, in

October of last year in Yinchuan city alone, 10 units could not start work because the problems of land for building and of dismantling and moving were as yet unable to be settled. Last year, 26 percent of the investment tasks were not completed. Among them, with the exception of some projects carried over to the next year which required continued construction, a considerable part of them were projects started last year that became this year's "beard projects" and "fishing projects."

Loss of control of the scale of investment in fixed assets is a big fear in capital construction. Subjectively, it stems from wanting to start a project early and put it into operation early, but objectively it forces manpower, funds, and materials to be used in a dispersed fashion, with the result that the desired speed is not attained, causing delays in projects, a big waste of funds, and poorer and poorer results of investment. Therefore, there must be increased control of the scale of investment in fixed assets.

Based on the situation in our region, with regard to beginning work on a project, things must be done in strict accordance with capital construction procedures, and those projects for which the initial designs and working plans have not been approved must not be listed as formal construction projects. Self-raised funds must be derived legitimately and deposited uniformly in construction banks, from where they will be allocated for use according to plans approved by the autonomous region. For a formal construction project there must be the "three suitabilities" and "five practicables" (suitable construction project, investment source, and construction content; practicable site, design, materials, equipment, and construction force), and projects outside the plan and unauthorized changes in construction content are strictly prohibited. In order to insure that plans are taken seriously, units and personnel who without authorization raise construction standards, change the construction content, and engage in projects outside plan, must be investigated and responsibility affixed, and the banks may freeze their allocations and close their accounts.

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INDUSTRY

TECHNICAL ADVANCEMENT OF MACHINE BUILDING, ELECTRONICS INDUSTRIES URGED

Beijing JINGJI RIBAO in Chinese 6 Apr 83 p 1

/Article by Guo Shao /6753 2556/ and Shao Jian /6730 0256/: "Energetically Promote the Technological Advance of the Machine Building and Electronics Industries--The State Economic Commission and the State Planning Commission Jointly Convene a Work Conference in Shanghai"/

/Text/ On the afternoon of 5 April, at the National Machine Building and Electronics Industries Technological Advance Work Conference convened in Shanghai, Lu Dong /0712 2639/, Deputy Director of the State Economic Commission, announced the first 550 key technology reform projects for the machine building and electronics industries that were approved by the State Council, and he raised 12 measures for promoting technical advancement.

The 12 measures are: (1) on the foundation of improving economic results, resolutely and rapidly shift the guiding ideology of economic work onto the track of relying on technical advance; (2) taking products as the "lead in a coordinated process," draw up comprehensive and concrete technical improvement plans for every industry and every enterprise; (3) forcefully strengthen the research and development of new products, be firm in attacking technical problems and in spreading new technology, and work hard at moving ahead in research and design work; (4) do a good job of managing and using funds for the first approved reform projects and speed up the rate of reform; (5) speed up the pace of technology introduction and strengthen efforts at self-reliance; (6) combine the three aspects of scientific research, manufacturing and utilization and also the three aspects of the main engine, subsidiary construction and raw materials, being persistent in developing "coordinated processes"; (7) fully foster the active role of the central coastal cities, such as Shanghai and Tainjin, in hastening technical advance; (8) combine technical advance and specialization reorganization, seeing to it that technical modernization and the rationalizing of production move ahead together; (9) spread and develop mass technical innovation and rational suggestion movements; (10) get a firm grasp on training work, working hard to raise the quality of the rank-and-file staff members and workers; (11) promote modern management methods, strictly carry out technical systems of responsibility; and (12) bring reform into the heart of the entire process of technical advance, seeing to it that enterprises feel both motivation and pressure and continually innovate and advance.

Lu Chen pointed out that, on the foundation of improving economic results, energetically promoting the technical advancement of the machine building and electronics industries, carr ing out technical reforms in a focused and orderly way and realizing the revitalization of the machine building and electronics industries are important strategic measures in developing the national economy. In terms of the procedures for realizing national technical reforms, the machine building and electronics industries must have an appropriate lead time of at least 5 to 10 years if they are to be able to supply other industries with advanced equipment. For this reason, the task and overall goals of the technical advancement of the machine building and electronics industries are: on the one hand to use advanced technology and equipment to reform existing enterprises and on the other hand to use complete sets of advanced technology and equipment to build new key industries and to strive forcefully so that within 10 to 15 years, our major products will have attained the technical level of those of the industrialized nations in the seventies and early eighties, realizing a revitalization of our nation's machine building and electronics industries.

Lu Dong emphasized that the technical advancement of our nation's machine building and electronics industries is now entering a new stage. At present, our basic principles and tasks are clear, funding sources and channels have already been determined and relevant encouraging policies have already been determined in principle. Because of this, the major task at present is to implement things firmly. Only by truly getting a firm hold on and solidly realizing each item of work can we make a breakthrough in technical advancement.

This conference was jointly convened by the State Economic Commission and the State Planning Commission.

9705
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BRIEFS

SHANDONG OIL TANKER CONSTRUCTION--Shenyang, 4 Jun (XINHUA)--Building of a 65,000-ton oil tanker, China's biggest to date, began today at the Dalian Shipyard of Liaoning Province, northeast China. The ship, built for the Guangzhou Maritime Transport Administration under the Ministry of Communications, is scheduled to be in service in 1985, a spokesman for the shipyard said. The ship will be fitted with the world's latest equipment to meet international standards for prevention of fire and oil leakage, the spokesman said. [Text] [Beijing XINHUA in English 1514 GMT 4 Jun 83]

BAOSHAN STEEL ROLLING MILL--Shanghai, 7 Jun (XINHUA)--Pile-driving began today for the construction of China's biggest continuous strip steel cold rolling mill at Baoshan near Shanghai. Upon completion, the mill will be able to produce annually 2.1 million tons of steel sheets from 900 to 1,850 millimeters in width and 0.3 to 3.5 millimeters thick. The mill will have 18 production lines and the main equipment is to be imported from the Federal Republic of Germany and four other countries. It will produce a variety of products including cold rolled steel sheets, galvanized sheets, hot galvanized sheets and corrugated steel, most of which have to be imported at present. These sheets are to be used in light and machine-building industries and building construction. A total of 10,000 steel tubular piles and 5,000 concrete piles will be driven in the first phase of construction of the rolling mill, which will cover 265,000 square meters. The mill is part of the second-stage project for the Baoshan Iron and Steel Company. Other items involved are a sintering plant, a blast furnace, a coking plant, a continuous ingot casting unit, and a continuous strip steel hot rolling mill. Earlier this year, the State Council decided to go ahead with the second-stage construction at the Baoshan Iron and Steel Complex which had been deferred. [Text] [Beijing XINHUA in English 1616 GMT 7 Jun 83]

CSO: 4013/248

COMMENTARY ON NECESSITY FOR REFORMING COMMERCIAL SYSTEM

Fuzhou FUJIAN RIBAO in Chinese 4 Mar 83 p 1

[Commentary: "Reform Commerce in a Firm, Orderly Fashion"]

[Text] Following the putting into practice of the agricultural production contract responsibility system, the rural economy was invigorated and the peasants urgently requested to enter the circulation domain. The industrial departments are also putting the economic responsibility system into practice and making every effort to improve economic results. The raising of the living standards of the broad masses imposes higher demands on commercial work. But in commercial work itself, because there is a serious insufficiency in network outlets and necessary facilities, an excessive number of transfer links, and weak market forecasts, there exists many problems in operational thinking and management systems, and the commercial work is very unsuited to the requirements of the situation that is developing. On the economic front, the reform of commercial work has become a problem that urgently requires solution.

Reform is a revolution. Currently, commercial reform is still encountering some resistance. Up to now, there are still people who lack a profound understanding of the necessity for components of the diversified economy to exist side by side during the socialist period, and they do not go all out to develop collective and individual commerce; the problem of unifying too rigidly and taking on too much still exists; the phenomena of eating out of "one big pot" and equalitarianism, and the problems of bureaucrat-merchant work style and poor quality of service, are still very prominent; and the thinking about commercial reform and system reform is not emancipated, and there is an unwillingness to break through old restrictions. Therefore, in commercial reform, we must make a point of getting rid of the mistaken influences of the "left," truly change our ideological work style and operational work style, and explore a new path to making business boom.

Our country's commerce should be a circulation system with few links and of an open style in which state-run commerce is dominant, the diversified economy is a component part, and many patterns of operation and many channels of circulation exist side by side. This is determined by the nature of our country's socialism and the present level of its productive forces. The content of commercial reform should include the setting up separately

by the government and enterprises of state-run commercial companies; the reform of the wholesale structure; the reduction of wholesale administrative layers; the reform of the system of supply and marketing cooperatives; the restoration of the nature of cooperative commerce; the effecting of joint industrial and commercial operations; a vigorous development of collective and industrial commerce; an expansion of the construction of commercial network outlets; etc. These reforms conform to objective economic laws and are imperative. What should be particularly pointed out is that, following the development of specialized households in the rural areas, the commodity economy will develop day by day, and the state commerce cannot and will not need to engage in a line of business without competition. Therefore, it is necessary to expand commodity circulation channels, permit the peasants to enter the circulation domain, and develop circulation buying and selling. As long as the state plans are not assaulted and the policies, laws, and decrees are not violated, no matter whether it is short-distance transportation and sale or long-distance transportation and sale, they should both be supported. In reforming commerce, various forms of the operational responsibility system must be gradually practiced. Some small retail shops and catering service establishments can practice the contract responsibility system, thereby thoroughly changing the idea of equalitarianism, of eating from "one big pot," arousing the enthusiasm of the vast number of staff and workers, and improving social service results. Of course, no matter which responsibility system is implemented, rights, value, and interests must be integrated; and the interests of the state, the enterprise, the staff and workers, and the consumer must be simultaneously considered. Some commercial reform experimental points inside and outside the province have been fruitful. The ways of viewing and talking that maintain that "once you let go there is chaos, and it is hard to regain control," "if you lose your position your rice bowl will be broken," and "reforms deviate from the correct direction" are all mistaken. Of course, the reforms must proceed from reality.

The commercial system is part of the entire system of the national economy. It deals with a wide range of things, and its tasks are arduous. Leaders at all levels should become deeply involved with its reality, investigate and study it, personally conduct tests at selected points, sum up experiences, and become clear about the necessity for commercial reform. In line with the spirit of "emancipate the mind a little more, be a little bolder in making reforms, and do work in a little more solid fashion," they should be bold in blazing new trails, accelerate their pace, and usher in a new situation in the reforms, so that commercial work better suits the development of new situations.

9727
CSO: 4006/389

TRANSPORTATION

MINISTER OF RAILWAYS ON CONSTRUCTION OF LOCAL RAILWAYS

Beijing JINGJI RIBAO in Chinese 13 Apr 83 p 1

/Article by Li Rongzu /2621 2837 4371/ of the Central People's Broadcast Station and Wang Ruozhu /3769 5387 4371/: "Advocating Different Approaches to Railway Construction--Chen Puru Speaks At the National Railway Industry Work Conference"/

/Text/ Chen Puru /7115 3877 1172/, the Minister of Railways, said that in the future we must change the situation of single enterprise construction and management and advocated opening many channels to railway construction, especially advocating that each province, municipality and autonomous region build local railways, mobilizing enthusiasm on all sides and seeing to it that railway construction develops rapidly.

For the last few years, along with the development of the national economy and with the carrying out of the policy of opening to the outside, in addition to state investment, there have been a number of ways of collecting funds for railway construction: first, there are already more than 3,700 km of local railways built with investments made by many provinces, municipalities and autonomous regions themselves--these support 400 million ton-kilometers of passenger and freight volume; secondly, there are railways constructed by combining state and local funds, such as the Nanning to Fangcheng line in the interior of Guangxi Province and the Yidu to Yangkouzhi line in the interior of Shandong Province, both of which were constructed in this way; thirdly, there are railways constructed using domestic loans, with the principal and interest being paid off from the profits of the units receiving the benefit and from the newly increased profits after the railway begins operation; fourthly, there is a portion utilizing foreign loans, such as the Jingqin /Beijing-Shanxi/ line, the Shandong Yanzhou to Shijiu line and the Guangdong Dayao Tunnel, built with funds borrowed by and to be repaid by the state.

Under conditions in which the funds used by the state for railway construction cannot be greatly increased, using these approaches to railway construction will play a definite positive role in speeding our nation's railway construction. Chen Puru said that the Ministry of Railways will actively support the construction of local railways by supplying specialized material and equipment, and will actively offer aid in technical and transportation organization.

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TRANSPORTATION

HENAN MAKES LARGE INVESTMENT IN RAILWAY CONSTRUCTION

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/Article by Zhou Qingchang /0719 1987 2490/ and Sun Jianping /1327 1696 1627/: "Henan Province Gives Priority to Construction of Local Railways"/

/Text/ Henan Province is actively constructing local railways and, at present, has already formally completed basic construction of and moved into operation 14 rail lines, totaling 1,355 km, representing 41.1 percent of the total length of local railways throughout the nation--putting it ahead of every province and prefecture. These local railways run through 9 prefectures, connecting 52 cities and counties, benefiting a total area of 8,000 square km.

Most of the local railways in Henan are constructed in accordance with the natural conditions of the province and the needs of national economic development. Some lines serve dual responsibilities by handling both mine and local medium and short-route transport. These railways connect mining areas in the west with the plains in the east, connecting with trunk lines such as the Jingguang and the Longhai lines. There are 15 transfer and loading stations in cities like Kaifeng, Xinxiang, Xuchang, Nanyang and Shangqiu, and there are special use rail lines established for more than 100 key factories, mines and other enterprises and water conservancy areas, with large and small arteries supplementing one another, providing advantageous transportation conditions for opening up mountainous areas and building up the plains and playing a great role in solving problems of regional short and medium-range transport and in hastening construction which will enhance the industrial and agricultural production of the areas--in this way supplementing the insufficiencies of the state railways.

Over more than 20 years, Henan Province has invested 258 million yuan in the construction of local railways. The funds have come from 5 major sources: 25 percent has been the investment of provincial finances, 16.5 percent has been local, municipal and county investment; 20.4 percent has been investment arranged by local railway enterprises themselves, 15 percent has been investment by large and medium-sized factory and mine enterprises and major management departments and 23.1 percent has been state subsidized investment.

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TRANSPORTATION

UPGRADING OF THREE HIGHWAYS IN SHANGHAI NOTED

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/Article by Sun Zhanglian /1327 0022 6647/: "Shanghai Is Going To Rebuild Three Highways--It Can Reduce Travel Time From the Metropolitan Area to Jiading, Songjiang and Qingpu By More Than One-Third"/

/Text/ Shanghai is going to rebuild three roads connecting the metropolitan area to Jiading, Songjiang and Qingpu, bringing them up to high-speed highway technical standards. After construction is complete, it will be more convenient for traffic and travel time will be reduced by one-third.

Jiading and Songjiang are satellite towns of this municipality that are part of short-term development plans the initial stages of which have been completed through construction in recent years. Qingpu is actually to become the largest vacation spot and tourist attraction in the suburbs after construction of the Dingshan Hu scenic area and large-scale swimming and boating areas. But, the transportation lines leading to these areas are very backward, the roads twisting and narrow, and traffic is frequently jammped up. In order to change this situation, since last year, the municipal construction committee, together with planning and municipal construction departments and the county government of Jiading, Songjiang, Qingpu and Shanghai, carried out a number of investigations and consultations, broadly gathering the opinions of concerned experts, and decided to rebuild jointly the existing roadways, expanding the Hujia, Huqingping and Shenche Highways.

The Hu-Jia /Shanghai-Jiading/ Highway runs almost 20 km from Zhenbei Road to the Jiading Nanmen and will be approximately 29 meters wide when expanded into a 4-lane highway. The Hu-Qingping /Shanghai-Qingping/ Highway runs approximately 32 km from Zhongshan West Road to the Qingpu Daying Harbor and will be 24 meters wide when expanded to a 4-lane highway. The highway extending to Songjiang by way of the towns of Shenzhuang in Shanghai County and Xinqiao in Songjiang County will be constructed in two sections, the Shen-Che (Shenzhuang to Chedun) and the Xin-Song (Xinqiao to Songjiang Renmin North Road) sections. The Shen-Che Highway will be 14 km long and will be widened to 4 lanes, 29 meters across; the Xin-Song Highway will be 8.5 km long and will be widened to 3 lanes, 19 meters across.

Except for the Xin-Song Highway which is being constructed to meet state secondary road specifications, these highways are all being constructed up to primary road standards, on which vehicles can travel at speeds of approximately 100 km/hr. In this way, we can greatly reduce travel time, creating advantageous conditions for closely linking the metropolitan area with the counties of Songjiang, Jiading and Qingpu and for hastening the construction and development of these areas. At present, you can drive a vehicle to Songjiang by way of the Hu-Song Highway (through Qibao and Sijing to Songjiang) and by way of the Song North Highway (through Beiqiao on the Hu-Wen Highway to Chedun, Huayang and Songjiang), but after the high-speed roadway is built, the route will be 5 km shorter than either the Hu-Song line or the Hu-Song North line, cutting present travel time by more than one-third. Concerned departments estimate that, because it is 5 km shorter, this road can save the state more than 4 million yuan in transport management fees and more than 2,000 tons of gasoline every year. In addition, the Hu-Jia and Hu-Qingping Highways will be important traffic trunk lines linking this municipality with the provinces of Jiangsu, Zhejiang, Anhui and Shandong. After the high-speed roadways are completed, they will play an active role in hastening the development of the Yangtze River Delta economic zone and in promoting economic exchange between the municipality and the provinces.

Now, the planning paperwork on these highways has been completed, and the concerned departments of the municipality and the county are firmly carrying out the work in preparation for construction.

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