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11 MAY 1992



# *JPRS Report*

# China

## **PROVINCIAL GOVERNMENT WORK REPORTS**

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## PROVINCIAL GOVERNMENT WORK REPORTS

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### Jiangsu Government Work Report

OW2403144792 Nanjing XINHUA RIBAO in Chinese  
15 Mar 92 pp 1-3

["Report on the Work of the Jiangsu Provincial People's Government Delivered by Governor Chen Huanyou on 6 March 1992 at the the Fifth Session of the Seventh Jiangsu Provincial People's Congress"]

[Text] Fellow deputies:

On behalf of the Jiangsu Provincial People's Government, I now submit a report on the work of the government to the session for examination and approval. All members of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] are also welcome to offer their views on the report.

#### Review of Our Work in 1991

The first year for implementing the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development was 1991; it was also a year in which we triumphed over an exceptionally serious flood. Under the leadership of the CPC Central Committee and the State Council, as well as of the Jiangsu Provincial CPC Committee, people throughout the province made economic development their central task, upheld the four cardinal principles, and worked hard in close unity to surmount one difficulty after another and to reduce the damage from the natural disaster as much as possible, thus basically fulfilling the tasks set by the fourth session of the seventh provincial people's congress. Political and economic stability prevailed throughout the province, and the overall situation continued to develop in a favorable direction.

The total annual output value of goods and services for the province was 143.5 billion yuan, a 6.3% increase over the previous year. The total annual income for the province was 124.2 billion yuan, up 6.2%. We reaped a relatively good harvest. Both the production and marketing of industrial goods were better than in the previous year. The decline of economic results has been initially stopped. The investment structure for fixed assets continued to be readjusted, and the amount of investment in technical transformation again increased considerably. We quickly developed an export-oriented economy and remarkable achievements were made in exporting goods to earn foreign exchange and using foreign funds. We achieved results in integrating science and technology with the economy and popularized and used a number of achievements in scientific research. We accomplished the financial revenue task after readjusting the revenue system. The financial situation remained basically stable. Urban and rural markets were brisk, and the general price index was lower than state-set ceilings. The actual income of most residents in cities and towns increased compared the previous year, and the livelihoods of people in disaster areas was ensured. Education and various social undertakings continued to

develop. The building of socialist spiritual civilization and the legal system was strengthened.

#### I. All People Were Mobilized To Go All Out To Combat Exceptionally Serious Flooding

Our province was hit by an exceptionally serious flood, which was the longest and largest-scale flood in a century. The flood was serious in most parts of the province, especially in areas along the Nanjing-Shanghai Railway, Lixia He, and Hongze Hu, where people's lives and property were greatly threatened. People throughout the province were urgently mobilized to combat the flood and provide disaster relief as an overriding task. The party Central Committee and the State Council showed great concern for the flood relief work in our province. At a critical moment, General Secretary Jiang Zemin, Premier Li Peng, and other leading comrades of the central authorities personally came to inspect disaster areas in our province and to express sympathy and solicitude for the people in those areas. They also issued important instructions on combating the flood and providing disaster relief. Party and government leaders at various levels assumed responsibility for this work in different areas, and they went to disaster areas to direct work. Responsible comrades of people's congresses and CPPCC committees at various levels also went to disaster areas to support the effort to combat the natural disaster. People in disaster areas worked in unity to tackle the flooding. They obeyed unified instructions and sacrificed local interests for the interests of the whole. Large numbers of workers, peasants, and intellectuals worked hard day and night to combat the flood, and some of them even sacrificed their precious lives for this purpose. Communist Party members and basic-level cadres charged at the head of other people and led the masses in carrying out a tenacious struggle against the flood. Members of the Chinese People's Liberation Army [PLA] and the armed police force stationed in Jiangsu worked in the most dangerous places. Democratic parties, the federation of industry and commerce, trade union federations, Communist Youth League organizations, women's federations, and other mass organizations also mobilized their respective members to participate in the antiflood struggle. Various departments coordinated closely with one another in handling urgent matters quickly. Thus, we brought about a situation in the province in which everything was done for the purposes of combating the flood, being subordinate to this work, and serving it. Thus, we finally won the decisive victory in the struggle. No dams or dikes were breached along major rivers, lakes, and reservoirs, ensuring the safety of transportation facilities and important infrastructure in cities and the safety of people in vast urban and rural areas. Through the test of this struggle, relations between the party and the masses and between cadres and the masses were strengthened, and so were relations between the army and the government and between the army and the people. Thus, people

deeply felt that the Communist Party was good, and so were the people's government, socialism, the PLA, and the masses.

The flood disaster caused serious losses: An extensive area of 40 million mu of autumn crops in the province was damaged; 35,000 units of enterprises were forced to suspend production completely or partially; over 9,100 middle and primary schools and over 1,200 rural hospitals were inundated; over 1.40 million citizens' houses collapsed or damaged; and over 4.30 million flood victims have been resettled. Flood relief work was carried out through self-reliance and self-support by restoring production and mutual help. The provincial government repeatedly dispatched funds and materials, and sent task forces and medical and epidemic prevention teams to help flood victims reorganize their lives, prevent and treat diseases, and rebuild their homes. The state government allocated batches of relief funds and materials, and PLA general departments, along with many other provinces, cities, and autonomous regions extended tremendous support, and donations toward flood relief funds from Hong Kong and Macao compatriots as well as overseas Chinese and the international community also poured in. Thanks to the concerted efforts of various quarters, there were hardly any deaths caused by starvation and frost, the exodus of flood victims, epidemics, or delays in reopening schools. As a result of prompt efforts by the people in flooded rural areas in draining off water and rescuing farm crops, and in seizing every opportunity to carry out replanting, coupled with favorable autumn weather, the total output of grain reached 30.355 million tons, up 7% over the previous year; cotton doubled to 557,000 tons; and oil-bearing crops slightly increased to 1.14 tons. The broad masses of cadres, staff-members, and workers in industrial and communications sectors as well as financial and trade enterprises lost no time in resuming production and operations; as a result, industrial output value at and above township levels reached 246.44 billion yuan, an increase of 14% over the previous year. Village and town enterprises played an important role in combating floods, and industrial output values in rural areas increased 19.5% , and retail sales of social commodities reached 66.56 billion yuan, up 11.1% over the previous year.

Water conservancy projects completed since the founding of our People's Republic played an immense role in our struggle against floods and water-logging; however, our water conservancy facilities, especially those key projects along river valleys used to prevent floods and for drainage work are generally of low standards. Moreover, the fact that some of the local water conservancy facilities had been out of repair for many years and had degenerated, coupled with the indiscriminate reclamation of land from marshes had brought about serious consequences. After the disaster, the province and various localities earnestly summed up their experiences in the spirit of "reflection after the disaster, and all-out remedial efforts after reflection," duly readjusted their Eighth Five-Year Plan, and intensified their

water conservancy construction projects, thus setting off an upsurge of water conservancy construction and launching an all-around construction project to harness Huaihe and Taihu, as well as other flood-prevention projects of medium and smaller scale in various cities, thereby contributing significantly to the 880 million cubic meters of earthwork completed in the province.

The victory in combating floods and in rescue operations fully shows that the series of policies, principles, and measures taken by the party's Central Committee and the State Council are correct. It also reflects the superiority of the socialist system, demonstrates the economic strength in our urban and rural areas, and further strengthened our capability for combating disasters.

## II. We Have Actively Changed Our Economic Development Strategy, Gradually Shifted the Emphasis of Economic Work to Structural Readjustment, Opened Up to the Outside World, and Relied on Scientific and Technological Advancement

For many years in the past, generally the development of the processing industry in our province had been overly rapid, while the development of basic industries, including agriculture, energy, resources, and communications was incompatible with that of the national economy; the tertiary industry has seriously slowed down, and contradictions in the industrial structure have been rather striking. Since efforts were made to rectify and improve our economy, our province has vigorously readjusted our economic structure and strengthened agriculture and other base industries. Last year, we played down the concept of output value, enhanced our consciousness for efficiency, paid proper attention to readjusting the industrial structure, and established a system for assessing our economic targets centered on efficiency. Positive efforts were made to launch a drive in the year of "quality, variety, and efficiency," to earnestly clear debt chains, limit production and reduce stockpiling, as well as to increase the production of saleable products and curtail the production of less saleable items. Efforts were also made to improve the investment structure, with fixed asset investment by the people, city, and town collectives showing an increase of 30.3% , of which investment in technical renovations by local people showed a growth rate of 38.85% , representing the highest growth rate of such investments since the founding of our People's Republic. New progress was also made in restructuring technology and industrial organizations.

Last year also saw the development of foreign trade, foreign-invested enterprises, and foreign economic relations at the same time. Earnest efforts were made to implement the new system of making foreign trade enterprises independent and responsible for their own profits and losses and to initiate comprehensive planning. Export earnings reached 3.46 billion dollars, up 17.3% over the previous year. The situation of running at a loss over the past years was also reversed. Breakthroughs were also made in utilizing foreign capital,

particularly in promoting the growth of the three types of wholly or partly foreign-owned enterprises, with an increase of 1,142 units of these three types of enterprises, and foreign funds contracted reached 790 million dollars. The three types of wholly or partly foreign-owned enterprises began to reap their harvests, with total export earnings reaching 450 million dollars, realizing profits and taxes to the tune of 860 million dollars for the whole year. Foreign economic relations were also improved, with contract value and business volume for concluded foreign contracts and labor service cooperation projects exceeding 100 million dollars. Strenuous efforts were also made by the tourism industry to organize group tours at various sources, thus achieving relatively greater growth in earnings compared with the previous year. New progress was also made in international friendly exchanges and cooperation.

We earnestly implemented the strategy of "promoting the prosperity of our province with science and technology," and vigorously pushed forward the advancement of science and technology. Efforts were made to further publicize science and technology, thus succeeding in deeply implanting the ideology of taking science and technology as the primary productive force among the people. Various localities and departments placed scientific and technological progress in a prominent position and formulated plans for implementation. Investment in science and technology was increased through various channels, and expenditures in scientific and technological projects increased considerably compared with the previous year. Comprehensive arrangements and efforts were made to earnestly try out our technological policy in 17 areas which actively played guiding roles in readjusting the industrial structure. Efforts were made to further deepen restructuring of science and technology, to organize scientific research units, and technological exchanges and cooperative development between colleges and universities. Enterprises accelerated the conversion of achievements in science and technology to practical applications. With the quickening of the pace of development, importation, popularization, and transformation of technology, over 80 percent of 378 projects which had earlier won the provincial science and technology progress awards were widely put into application. Science and technology markets were further developed, and the volume of business concluded in technological trade reached 414 million yuan for the whole year. A total of 3,547 patent rights applications were submitted provincewide, ranking second in the country. Construction of the Nanjing and Nantong High Technology Industrial Development Zones as well as the construction of the "Torch Belt" along Suzhou, Wuxi, and Changzhou cities were in full swing. Significant results were achieved in soft science and social science research. A total of 11 eminent scientists have been appointed council members of the Chinese Academy of Sciences, and 196 specialists and scholars who have made outstanding contributions to the country enjoyed special government allowances.

### III. Further Deepen Reform in the Course of Improving the Economic Environment and Rectifying the Economic Order

We will continue rural reform with the main emphasis on stabilizing and improving the household contract responsibility system with remuneration linked to output, and the dual management system which combines both unified and independent management. We will strengthen collective economic organizations in rural areas, develop rural socialized services and farm produce markets, and establish a special grain reserve system. Since the Eighth Plenary Session of the 13th CPC Central Committee, all levels of government departments have earnestly studied the central documents and implemented the guidelines of those documents by taking into consideration their respective conditions. Urban reform has been centered around the task of doing a good job in running large and medium-sized enterprises. We also emphasized the improvement of the contract responsibility system for enterprises as well as work on the renewing of contracts. We carried out large scale investigation and study work, formulated policies and regulations to further invigorate large and medium-sized enterprises, and strove to create a good external environment for enterprises. We also actively explored ways to deepen enterprise reform. With the continual deepening of reform in the distribution system, we established and developed various markets. We made further headway in price reform; readjusted prices of grain, edible oil, transport, and steel products; and basically deregulated pork prices. The general index of retail sale prices last year rose 4.4 percent over the previous year. We vigorously and steadily promoted the reform of the urban housing system, and formulated implementation plans for reforming the housing system in 11 cities. We have been gradually promoting the reform of the social welfare system on a trial basis. The comprehensive reforms that have been carried out in counties and in urban areas have made considerable headway.

### IV. While Concentrating on Doing a Good Job in Economic Development, We Should Vigorously Develop Various Social Undertakings

It is necessary to elevate the development of education to a strategic position. Priority should be given to improving the educational structure and raising educational quality. We have further strengthened basic education as several more townships (villages) have made primary and secondary school education compulsory. We have greatly promoted vocational and technical education, and have brought about the parallel development of both regular and vocational education. We have made certain progress in readjusting professional courses at higher institutes of learning, and have established 400 sites where college students may carry out professional training and engage in social practices. In the area of adult education, we have provided more on-the-job training for workers and staff members and have

imparted practical skills for farmers. The work on eliminating illiteracy has made progress. Educational reform has been constantly deepened. The system that makes local governments responsible for the running of schools and the management of educational matters was further strengthened and improved. Local governments have increased their initiative for education. Social circles have enthusiastically supported education. Efforts have been made to pool funds from different sources to improve educational conditions. Satisfactory development has been made in carrying out comprehensive educational reform on a trial basis both in urban and rural areas. The work of comprehensive reform at higher institutes of learning on a trial basis has also had a good start.

In the area of cultural work, we adhere to the policy of rectifying the cultural market as well as the thriving of cultural undertakings. To date, three major crackdowns against pornography and illegal publishing activities have been launched across the province. As a result of regular efforts, a large number of illegally published works have been confiscated, and the spread of the "poison of pornography" has been effectively checked. We have also vigorously promoted the culture and have seen the publishing of a large number of works reflecting the spirit of the time and promoting the excellent national culture. Press, publishing, radio broadcast, and television departments have greatly publicized the achievements and experiences of economic development, reform, and opening up; they have also widely reported the heroic deeds performed and the spirit shown in the course of fighting floods, of providing flood relief, and of resuming production. They have played an important role in educating the masses and boosting their morale.

We have made great efforts in launching the patriotic public health campaign, with the main focus placed on the treatment and prevention of diseases. In rural areas, great efforts have been made in disinfecting drinking water, in night soil disposal, and in food sanitation. We have also helped impoverished areas improve public health facilities and renovate some 100 townships (villages) clinics. We sponsored the activities of commending cities which are good at public health work. In the area of family planning, we have concentrated our efforts on weak spots and have succeeded in controlling the province's birthrate within 17.05 percent. The birthrates of Xuzhou, Huaiyin, Lianyungang, and Yancheng were down by 3 per every 1,000 as compared to the time of the fourth national census was taken. The province's athletes have improved their competitive levels and have scored excellent results at major international sports competition. Popular sports activities have also been further developed.

We intensified urban and rural construction and environmental protection. In cities, we stepped up construction of the infrastructure; expanded city roads; and increased the supply of water, gas, and electricity, thereby raising the service functions of cities in all fields.

A total of 7.3 million square meters of new housing was built, improving the living conditions of some residents and "special impoverished households." In villages and rural towns, housing totaling 75 million square meters was constructed, bringing new homes to 700,000 farming households. Land management was improved and more than 100,000 mu of land was reclaimed during the year. Generally speaking, we were able to readjust and balance farmland throughout the year. In communications, we ushered in a new stage of high quality construction, building a total of 245.9 km high-grade roads during the year and completing the construction of a second-grade Nanjing-Shanghai Highway ahead of schedule. The capacity of city telephone switchboards increased by 240,000; all cities directly under the provincial government were linked by digital communications networks during the year. In the building trade, construction capacity increased steadily with an ever expanding market in other provinces and overseas. Eleven counties (cities) were commended as the "home of the building trade." In order to improve environmental protection, we introduced a target responsibility system, an evaluation system based on fixed quota, and a license system for draining pollutants, thereby improving the urban and rural environment in an all-round way.

#### **V. We Intensified the Building of the Socialist Spiritual Civilization and the Construction of Democracy and the Legal System**

During the past year, we kept close in mind the party's basic line in continuing to intensify the building of the socialist spiritual civilization. In conjunction with the implementation of the 10-Year Program and the Eighth Five-Year Plan, we publicized the party's line, principles, and policies, explaining the splendid blueprints for the whole country and Jiangsu in the next 10 years in order to mobilize and inspire people to devote themselves to the great practice to realize the second-step strategic goal. We launched activities to commemorate the 70th founding anniversary of the CPC, earnestly organizing studies on Comrade Jiang Zemin's important speech and persistently conducting education on "one center, two basic points" in the light of realities in the domestic and international situation, thereby inspiring patriotism among large numbers of cadres and people and strengthening their conviction in socialism and confidence in reform and opening up. We carried out socialist ideological education at selected points in rural areas. Inspiring and practical ideological education based on heroic deeds during the anti-flood drive was carried out in urban and rural areas, thereby further enriching the "anti-flood spirit." The provincial government as well as various local governments and departments went all out to commend numerous advanced collectives and exemplary individuals emerging in the anti-flood drive as well as the building of socialist material and spiritual civilization. As a result, activities to emulate the advanced and compete for greater contributions flourished on all fronts. Progress was also made in campaigns to stress civility and decorum, encourage

progressive style of work, and recognize "model cities (counties) in the double supports."

We intensified the construction of socialist democracy and the legal system, and safeguarded political stability and unity. In the course of drafting 10-year programs and eighth five-year plans, governments at various levels earnestly solicited opinions from different sectors for pooling the wisdom of all and making policy decisions in a democratic and scientific manner. Through repeated amendments, the 10-year programs and eighth five-year plans were submitted to local people's congresses for deliberation and approval. In the course of carrying out the plans and work in various fields, governments were able to do a good job thanks to the legal supervision and supervision through work by people's congresses and their standing committees; democratic supervision by Chinese People's Political Consultative Conference [CPPCC] committees, the democratic parties, and personages without party affiliation; and the federations of industry and commerce, mass organizations, and other circles. Governments at various levels organized forces to conscientiously handle criticisms and suggestions by people's deputies and motions by members of CPPCC committees. We further improved the system of handling petitions and visits from people, and attached importance to accepting reasonable suggestions by the people. In improving the legal system, a "publicize the constitution week" was launched throughout the province, and the masses were educated about the rudimentary knowledge of laws through a variety of programs. In accordance with the legislation plan of the provincial people's congress Standing Committee, we drafted local laws and statutes as well as formulated administrative rules and regulations. We stepped up the supervision and inspection of law enforcement and facilitated administration and management according to the law. We intensified efforts to improve the public order through comprehensive measures, focusing attention on special criminal cases. We cracked down on serious criminal offenses and economic crimes jeopardizing public order, and adopted comprehensive measures to ensure public security through prevention, education, control, reform, and improved grassroots construction. Army units stationed in Jiangsu, the armed police corps, public security cadres and policemen, militiamen, and reserve service units all made their share of contributions to safeguarding socialist construction, overcoming natural disaster, and maintaining social stability.

#### **VI. Improve the Style of Work and the Development of an Honest and Clean Government**

In government work over the past year, we paid attention to performing actual deeds and strived to conduct more investigations and studies at grass-roots units. We have organized on-the-spot working staffs on many occasions and solved some practical problems promptly. We have implemented a responsibility system, openly divided the major tasks of last year among various personnel according to their functional duties, and checked the results at the end of the year. We have

seriously summed up and popularized practical experience, and organized the exchange of typical experience to promote work across the province. We have further promoted ethical integrity among office workers, and have investigated and handled a number of embezzlement and bribe-taking cases. We have seriously inspected and handled the problems of a small number of cadres who built private houses in violation of law or discipline, or bought commercial houses in violation of regulations. Some work in this regard is still going on. Initial success has been achieved in correcting departmental irregularities, such as unauthorized collection of fees and fines and unauthorized apportioning of expenses or work.

Deputies, 1991 was a year in which we continued the task of improving the economic environment, rectifying the economic order, and deepening reforms. After three years of efforts, we have basically attained the main objectives of the task. However, many problems and difficulties still exist in our economic and social life. Agricultural production was reduced due to natural disasters, causing a decrease in the peasants' actual income. The residual effects of the extraordinary floods will remain for the next one or two years. The readjustment of the industrial structure has been too slow, failing to remarkably improve the irrational structure. Our financial deficits have further increased because the floods reduced revenue and increased expenditure, and a considerable number of enterprises displayed a declining economic efficiency. Provincial-level financial macro-control was ineffective. We have not yet established a mechanism for scientific and technological progress. Our education, social undertakings, and urban and rural infrastructure still cannot meet the needs of economic development. Many factors of instability still exist in public security as well as in our social life. Formalism and routinism still prevail in our work. We have not yet paid sufficient attention to going deep into the realities of life, conducting investigation and study among the masses, and striving to deal with major issues. In order to do our work well, these problems must be seriously solved.

#### **The Tasks for 1992**

Deputies, fundamentally speaking all the achievements made by us over last 10 years and more were the result of our implementation of the party's basic line of "one central task and two basic points." We must persistently adhere to this basic line because it conforms to the people's aspirations and has struck root in their hearts. We should regard economic development as the central task, and all our work must be subordinate to it and serve it. Only after our economy is developed, our economic strength becomes stronger, and our living standards improve, will the people's socialist conviction become firmer, will we be able to effectively resist peaceful evolution, will other problems be solved in an even better way, and will our country be invincible. Since Jiangsu is well grounded in its economic foundation and is well developed in science and technology, it should be

able to accelerate its economic development. We should seize the opportunity to further develop the province's economy, and we should have such an ambition. In order to develop the economy we must carry out reform and open up the province to the outside world, radically change the economic structure that impedes the development of the productive forces, and establish a vigorous socialist economic structure. We should have the know how and courage to use all the fruits of civilization created by the human society, and should learn from and use the advanced methods of operation and management of other countries—including developed capitalist countries—if those methods reflect the law of modern production. We should serve socialist construction. To persist in reform and opening up to the outside world is the only way leading to the modernization and prosperity of the country. In recent years, our mind has not yet been sufficiently emancipated, we are not yet bold enough, and our pace is not yet fast enough. We must seriously sum up our experience and lessons, and must promote reform and opening up to the outside world even more firmly.

The main targets for national economic and social development throughout the whole province during 1992 are as follows:

The gross national output of the province should increase by 7 percent as compared with that of last year; the national income should increase by 6.5 percent; total agricultural output value by 5 percent; total industrial output value by 10 percent; sales income from industrial products by 12 percent; total amount of profits and taxes by 12 to 15 percent; state revenue by 11.6 percent; the total amount of retail of commodities by 12 percent; the total amount of exports by 12 percent; the rate of increase of commodity prices should be controlled to around 6 percent; and the birth rate should be controlled to within 18.3 per thousand. It should be pointed out that there is some leeway in this year's main economic growth targets. We can exceed those targets in implementing various plans. Localities with better conditions should exceed them. Naturally, faster economic development must be achieved on the basis of actually increasing economic results.

#### **I. Further Strengthen Agriculture and Rural Work and Promote an All-Round Development of the Rural Economy**

Agriculture is the foundation for economic development, social stability, and national self-reliance. Provincial and municipal governments should attach great importance to grasping rural work. County and township governments should devote their main efforts in developing agriculture and rural economy. We should adopt effective measures to greatly raise the comprehensive production capability of agriculture, increase economic results, and raise peasants' actual income.

**It is necessary to insure an increase in grain and cotton output, and actively develop a diversified farming operation.** Total annual grain output should reach 33 million tons, total cotton output 550,000 tons, and total oil-bearing crops 1.12 million tons. In order to have a steady development in grain production, we must insure the acreage of land sown to grain crops according to the grain production plan and lay stress on raising unit yield. We should appropriately expand the area sown with fine strains of grain crops to raise the quality of grain. We should firmly implement the policy of "using science and education to make agriculture prosper," vigorously promote advanced and suitable agricultural technologies, and make new achievements in "increasing output, improving quality, and saving labor and costs." We should step up the transformation and construction of the agricultural industry. We should do a good job in the production and supply of agricultural means of production. We should further adjust the internal structure of agriculture. While insuring a steady increase in grain and cotton production, we should actively develop a diversified farming operation according to market requirements and locally available resources, and establish a number of commodity production bases which integrate production and marketing.

**It is necessary to improve and develop village and town enterprises.** We should follow the principle of paying attention to both improvement and development, suit measures to local conditions, give proper guidance to various kinds of enterprises, guide village and town enterprises to adjust their production structure, promote technological progress, raise economic efficiency, and raise the quality of enterprises. In light of the situation on domestic and foreign markets, we should develop new products and items with competitive power for export. We should continue to promote the experiences of Wujiang county's Tongluo town in "making full use of assets", and Wuxi county's Dongting town in improving coordinated management, and make further improvements. We should strengthen planning and guidance for various trades, improve the organization of enterprises, and promote cooperation between rural and urban areas and between various localities to insure coordinated development in production.

**It is necessary to strengthen the building of water conservancy and other construction projects.** Irrigation is not only the lifeline but also the infrastructure of agriculture. This year, we should lay stress on harnessing Tai Hu and Huai He, complete the construction work for the passage of Yu [5713] He, and do a good job in rebuilding and reinforcing the main dikes around Tai Hu and complete the divergence of Huai He's waterway to Yi He and the repair of the main dikes of Hongze Hu. We should build safety embankments for Xinmin tidal land, harness Lixia He, and actively make preparations for harnessing Yu [2810] He. Meanwhile, we should strengthen the construction of drainage facilities in various cities and towns to guard against floods; quickly repair various construction works damaged by floods; and eliminate

hidden dangers. We should increase investment in water conservancy works, establish funds for key agricultural construction and flood prevention projects, and utilize the peasant labor force properly. We should strengthen the comprehensive development of agricultural resources, and grasp the improvement of tidal and hilly lands. We should build 1 million mu of "high-yield land" and improve 2 million mu of medium- and low yield land. We should establish a number of base counties for the production of commercial grains and cotton, and bases for fine seeds of grain and cotton, and breeds of livestock and poultry. We should further promote afforestation, continue to strengthen land administration and farmland protection work, and strictly control the use of land for nonagricultural purposes.

**Deepen rural reforms and stabilize and improve economic policies for rural areas.** We should uphold the system whereby contracts are signed on the basis of household output. We should continue to improve the two-tier operating system which integrates unified and independent management, reinforce and improve functions of unified management, develop collective economies, and continue to improve all kinds of socialized services. We should continue to experiment with agricultural modernization, speed up reforming the circulation of agricultural goods, and establish and improve wholesale markets of agricultural and sideline products and all types of specialized markets in rural areas in a planned manner. This year, in order to promote all forms of trading operation, we will decontrol the prices of all agricultural goods and let the market regulate their prices—except the trading of grain and cotton, which is still controlled by the state, and the trading of those agricultural and sideline products which the state purchases at guiding prices. We should also encourage and guide peasants to participate in commodity circulation. We should promote comprehensive, county-level reforms, and experiment with comprehensive reforms in townships and towns.

## **II. Continue To Rejuvenate Large and Medium-Size Enterprises, Focusing on Replacing Their Operating Mechanisms**

We must continue to implement the guidelines of the Central Working Conference and concentrate on rejuvenating our large and medium-size enterprises so that they can play a more effective role in strengthening Jiangsu's economy.

**We must firmly implement all policies and measures, and continue to improve the enterprises' external environment.** We must firmly carry out all the policies and measures which the central and provincial governments have drawn up for rejuvenating large and medium-size enterprises. We must strictly carry out the "Enterprise Law," improve our enterprises' leadership system, and reduce government departments' administrative intervention so that our enterprises can truly become economic entities which enjoy autonomy, hold themselves responsible

for profits and losses, have the capacity for self-development, and exercise self-restraint. We must continue to improve the contract system. In principle, all second-round contracts should remain effective until the end of the Eighth Five-Year Plan period. We will select 30 large enterprises and enterprise groups, and sign master contracts with them on investment and output. We will improve the organization of enterprises and set up a number of provincial enterprise groups this year.

**Efforts must be made to replace enterprises' operating mechanisms so that they can operate with greater vitality.** The key to improving our large and medium-size enterprises lies in deepening reform in these enterprises and replacing their operating mechanisms. In this regard, Xuzhou City has achieved remarkable success because it has the courage to reform enterprises' mechanisms governing their personnel, distribution and labor affairs as well as their savings and self-restraint; and also the courage to smash the "three irons" ("iron ricebowls," "iron armchairs [lifelong tenure]," and "ironclad wages"). Leading comrades of the State Council and various other quarters have acclaimed the city's success, which is significant for reforms throughout Jiangsu. The provincial party committee and the government will hold an on-the-spot meeting in the city to promote its experience and study formulation of relevant policies and measures. In addition to hiring their cadres, our enterprises should, on the basis of improving and rationalizing labor combination, experiment with signing work contracts with all workers and gradually set up new mechanisms that can encourage competition. In accordance with the principle of making remunerations according to work, our enterprises should devise different payscales for different types of work, giving preferential treatment to technical jobs and jobs which are hard, filthy, exhaustive, and dangerous. The provincial government will replace the operating mechanisms in a number of large and medium-size enterprises on an experimental basis so that they can gear their operation to market needs, and so that the well managed will replace those which are mismanaged during competition.

## **III. Actively Develop Industrial Production and Speed Up Structural Readjustment**

Industrial enterprises must achieve higher returns through restructuring their production patterns, strive to achieve unity of growth and returns, and make constant efforts to improve their performance.

**An appropriate industrial growth should be maintained.** Industrial enterprises must strive to increase output of popular goods and actively develop all kinds of new products to satisfy market needs. Our enterprises must improve their production management and balance the supply of all important production ingredients, and optimize their use so that resources and capital can be used more efficiently. They should establish or improve the system of assessing performance on the basis of 10 economic indexes, making sure that efficiencies can be

effectively improved. Industrial enterprises should continue to clear their debt chains and guard against new debts after the clearance of old debts. Enterprises producing textiles, electronics, and light industrial goods should continue to restrict production and reduce inventory of unsold goods, and firmly stop producing goods which are technologically outmoded, shoddy, and energy inefficient. We should outlaw the production and marketing of counterfeit and inferior goods, and make earnest efforts to ensure production safety and guard against major accidents.

**Vigorously readjust industrial structures.** Priority will be given to developing export-oriented products that utilize more advanced technology, consume less energy or raw materials, have a huge market and high added value, and can yield high returns. On the other hand, producing products that yield poor returns or over supply will be restricted or curtailed. We should persist in adopting advanced technology to renovate existing enterprises, pay greater attention to the technical innovation of key industries, and concentrate on building a number of projects manufacturing key products or making use of new and high-technology. Enterprises with poor economic returns, deep in the red, or whose liabilities exceed their assets should be ordered to shut down, suspend operations, merge with others, or switch to manufacturing other products.

Construction is a major industry in our province. We must continue to improve management; invigorate operations; upgrade technology, equipment, and the quality of the work force; and raise the quality and efficiency of construction work to make constant progress.

**Further strengthen basic industries and infrastructure.** Step up the construction of key projects. Construction of the Ligang, Changshu, Qishuyan, Huaneng, and Nanjing power plants will be continued, the Sheyangang power plant will be started, and construction and renovation of power grids in both cities and the countryside will be accelerated. Construction of two coal mines in Qishan and Zhangji will be continued, and the Zhangshuanglou and Sanhejian coal mines will be completed. Construction of the caproloctam and other projects of the Nanjing Chemical Industry Company will be continued. Construction of a highway between Nanjing and Shanghai will get under way; construction of two grade-A highways that connect Nanjing with Lianyungang and Nantong and some major sea and river ports will be accelerated. The Xingdong Airport project and the Dajiao Airport renovation project will be completed. Preparations for the construction of a new airport in Nanjing and a railway in north Jiangsu will be accelerated. Close attention will be paid to constructing program-controlled switchboards, mobile telecommunications networks in coastal areas, and an optical fiber communications project between Nanjing and Shanghai.

We will step up and improve macrocontrol and regulation, concentrate appropriate financial and material resources, and utilize a combination of economic, administrative,

and legal means to ensure the construction of key projects and structural readjustment. At the same time, we will reform the structure of planned management, further cut back mandatory targets, expand the scope of regulation by the market, and try to solve problems arising reform readjustment through market competition and the introduction of new mechanisms.

#### **IV. Speed Up the Pace of Opening to the Outside World and Advance the Export-Oriented Economy to a New Phase of Development**

**Actively expand foreign trade.** Competition in the international market is fierce. We should devote more attention to diversifying and expanding our foreign market. Vigorous efforts should be made to improve the quality and grade of export goods, institute and amplify the necessary rules and regulations for quality control, inspection, and supervision, and introduce a reward and penalty system. We should improve the composition of our export commodities, increase the added value of exports and foreign exchange earnings, and fully utilize our province's superior technological strength to expand technology exports. Continued efforts will be made to intensify reform of the foreign trade structure, encourage enterprises to compete in the market, and promote the integration of industry, agriculture, and technology with foreign trade. The mechanism of assuming full responsibility for one's own profits and losses will be introduced step by step among foreign trade enterprises at the city or county level. As for foreign trade enterprises at the provincial level, efforts should be made to create conditions for them to operate like enterprises, to be merged into enterprise groups, or become more internationalized. Where possible, large and medium-sized production enterprises or enterprise groups will be encouraged to import and export goods on their own.

**We should further strengthen our economic work with foreign countries and promote tourism among foreigners.** We should make vigorous efforts to contract construction projects and provide labor services abroad and expand our business with foreign countries. At the same time, we should promote the export of technology, products, and complete sets of equipment and improve our comprehensive economic results. We should continue to vigorously develop our nontrade enterprises overseas and adopte coordinated policies to encourage enterprises with favorable conditions to set up industries abroad. Adapting to the change of methods for economic aid, we should take on more foreign-aid projects. We should do a good job in organizing the 1992 China Friendship Tourism Year and the Jiangsu-Shanghai-Zhejiang Tourism Year in order to attract more tourists from abroad and expand our relations with foreign countries.

**We should successfully carry out construction in the coastal economic development areas and the economic development belt.** Vigorous efforts should be made to strengthen the construction of infrastructure in the coastal economic development areas and to improve the

environment for investment. Such areas should be given necessary powers as prescribed by the state, and their internal management mechanisms should be vigorously changed. We should make it possible for the Nantong, Lianyungang, and Kunshan Development Zones to further develop themselves. We should energetically pursue a strategy to accelerate the development of coastal areas and areas along the eastern Longhai Railway while building important riparian areas. We should fully use and develop the golden waterway of Chang Jiang and develop cities by building harbors and vice versa in order to form a number of port cities. We should rationally distribute the productive forces in the economic belt, readjust the industrial structure, and make the economic structure of riparian cities serve multiple purposes and functions. We should build a modern transport network in the economic belt and develop it into a new and high technology region from which we can earn foreign exchange by exporting products and from which to participate in international exchange and competition with solid economic strength.

#### **V. Accelerate the Development of Science, Technology, and Education and Develop the Province by Applying Science and Technology**

**We should vigorously make scientific and technological progress and promote the close integration of science and technology with the economy.** To place scientific and technological progress in the key position of our work as a whole, principal leaders should personally pay close attention to the primary productive force. While deepening reform, we should solve the question of how to combine science and technology with the economy. We should guide scientific research institutes in taking economic development as their main battlefield and economic results as their target. We should vigorously promote technological progress in enterprises and encourage large and medium-size enterprises to set up institutions for scientific and technological development and increase their technological investment. We should actively strengthen the association in various ways of enterprises with scientific research institutes and institutions of higher learning. We should set up a network for popularizing new technologies, to conduct technological exchanges at various levels, and to bring the role of the science and technology market into play. We should speed up the transformation of scientific and technological achievements into a productive force and increase the contribution of scientific and technological progress to economic development as soon as possible.

Vigorous efforts should be made to transform traditional industries with suitable, advanced technology. Stress should be put on the popularization of energy- and raw material-saving technologies. We should strive to bring about economic growth with little or no increase in the consumption of energy and raw materials. We should make extensive use of electronic technology to speed up the updating and upgrading of products and the transformation and upgrading of technology and equipment.

We should strengthen the development of new technologies for production; we should select a number of key technologies of a general character for development by tackling relevant difficulties problems; we should do a good job in digesting and absorbing imported technologies to speed up the process of developing similar technologies of our own. We should continue to carry on the "Prairie Fire Program" and the "Harvest Program" and set up and improve a network for the development, experiment, demonstration, and extensive popularization of agricultural science and technology. We should vigorously promote the application of suitable, advanced agricultural technologies and organize scientists from various branches of learning to tackle key, difficult problems in new technologies and new strains which are important for agriculture.

It is essential to actively develop new and high technologies. A breakthrough in the field of advanced science and technology can lead to the development of a number of industries. At present, this province will lay stress on developing microelectronics, computers, modern communications, biological-engineering, and new materials in which this province has already made some progress. We will conduct research work and develop a number of new and high technologies and gradually apply those technologies in industrial production. We should use new and high technologies to transform many traditional industrial technologies and equipment. We should implement various projects under the "Torch Program" and set up 50 enterprises using new and high technologies. We should further improve industrial development zones with new and high technology in Nanjing and Nantong and develop the "torch belt" of Suzhou, Wuxi, and Changzhou. We should promote the utilization of scientific and technological achievements in this province's industrial production. We should further improve the legal system for science and technology, establish and perfect the system of protecting intellectual rights, and develop the patent system's role in promoting science and economic development.

**It is essential to vigorously and successfully promote educational work and deepen educational reform.** The foundation of "using science and technology to prosper this province" is education. We should adhere to the socialist orientation in promoting education, fully implement the party's policy on education, and give prominence to educational quality and results. We should strengthen kindergarten and basic education and strive to have 400 additional townships (towns) enforce nine-year compulsory education. We should actively gather funds for education, continue to improve conditions for running schools, consolidate our achievements, and repair school buildings damaged by flood. According to society's needs, we should constantly adjust and improve the contents of education. We should gradually turn vocational and technical schools with good conditions into multifunctional institutions and increase their capabilities to serve society. We should actively develop on-the-job adult education and unremittingly grasp the

work of eliminating illiterates among young and middle-aged people. We should also organize peasants to learn practical technology. We should continue to adjust and strengthen regular higher education, improve the specialization of schools of higher education in various scientific subjects, strengthen scientific research work, and have schools serve economic development and social development in a better way. We should deepen educational reform in rural and urban areas and comprehensive reform of education in schools of higher learning and give full play to educational functions and increase results in running schools. We should actively promote reforming the entrance examination system for entering schools of a higher grade and for school allocations. We should seriously implement the unified examination system for senior high school graduating students and expand ways to encourage capable people to work in rural areas. We should strengthen normal school education and teacher training and raise teachers' political and professional quality.

**It is necessary to attach importance to talents and give full play to the role of intellectuals.** Intellectuals are a part of the working class. We should shift the stress of economic development to relying on scientific and technological progress and on improving the workers' quality, and we should also strive to make great progress and development in all social undertakings. In order to do so, we must give full play to the initiative and creativity of the broad masses of intellectuals and let them contribute their wisdom and talents to socialist construction. We should train more scientists and technicians, and create the necessary conditions for strengthening the contingent of middle-aged and young backbone scientists and technicians. We welcome all those studying abroad to return home and serve the motherland. We should continue to give wide publicity to the deeds of exemplary and outstanding intellectuals and cultivate in society a good general practice of respecting knowledge and talents. We should strive to do more to improve intellectuals' working and living conditions.

#### **VI. Work Actively To Do a Good Job in Financial and Banking Work To Bring About Steady Economic Development**

**Efforts should be made to accomplish financial tasks.** In 1991, Jiangsu fulfilled its readjusted revenue plan, but revenue was down 9.2 percent while expenditures were up 12.2 percent, compared to the year before. Because of the floods' residual effects, provincial deficits will continue to grow and the financial situation will remain grim this year. To overcome financial difficulties, the fundamental way out is to develop production, open up new resources to increase income, reduce spending, and improve economic efficiency. We should continue to support the economic development of any county in which revenue exceeds 100 million yuan. We should help subsidized counties achieve financial self-sufficiency. We should vigorously launch the campaign to increase production and practice economy and to raise revenues

and reduce expenditures. We should seriously help enterprises stop losses and regain profits, with emphasis on selected, key enterprises. Taxes should be levied and managed strictly according to law, so that all the taxes that should be collected are collected. More attention should be paid to collecting taxes from individual traders and craftsmen and to seriously investigating and punishing tax evaders. Whoever uses violence to resist tax payment must be punished according to law. It is necessary to enforce financial and economic discipline and strengthen supervision over financial work. No one is permitted to overstep his power to approve tax exemptions or reductions. It is necessary to keep expenditures within income limits and to control spending strictly. We should relax price controls for some commodities step by step according to plan and gradually reduce subsidies. The whole province should continue to carry forward the fine tradition of working hard and practicing economy and to oppose waste and extravagance.

**We should continue to do a good job in credit operations.** We should give full play to the regulatory functions of credit and make full use of bank deposits. Banks should energetically support agriculture, large and medium enterprises, structural readjustment projects, development of export-oriented undertakings, and scientific and technological progress projects. We should help enterprises tap capital fund potential and enhance the efficiency of funds. We should actively cultivate and build the money market, develop short-term business loans, expand the foreign exchange market, set up the stock exchange market, and conduct experiments on issuing stocks by joint-stock companies. At the same time, we should continue to open up the realm of insurance businesses and enhance our ability to compensate for losses.

#### **VII. Give Different Guidance To Suit Different Local Conditions in Promoting Coordinated Regional Economic Development**

Economic development is uneven in this province. Northern Jiangsu, particularly the area north of the Huaihe, lags far behind southern Jiangsu economically. We should continue the policy of "actively improving southern Jiangsu further and accelerating the development of northern Jiangsu." While permitting and encouraging some localities to become prosperous first, we advocate that those who have become better off first should help those who are still poor and gradually achieve a common prosperity. Of course, we should neither weaken the vigor of advanced regions, nor should we encourage the "equalitarian practice of sharing food from the same big pot." On the one hand, economically developed regions should strive to develop high-tech, precision, and new industries, develop an export-oriented economy, and accelerate overall economic development. On the other hand, they should enthusiastically provide assistance to less developed regions with respect to specialized personnel, technology, and management experience. The northern Jiangsu region should persist in self-reliance and hard struggle, take advantage

of its own strong points, find out the right spot to make a breakthrough, and strive to blaze a trail of development which suits local reality. We should make more efforts to help poor regions. In this regard, we should put the stress of work on 59 poor townships and adopt measures to help them enhance their internal vitality. A number of cadres should be selected to work in poor counties and townships (towns) in northern Jiangsu to help the latter shake off poverty. In the meantime, we should encourage scientists and technicians to do contractual technological jobs in economically less developed regions.

We should step up infrastructural construction in northern Jiangsu. Many of Jiangsu's irrigation, transport, energy source, telecommunications, and other infrastructural construction projects in the provincial 10-year Program, Eighth Five-Year Plan, and 1992 plan are to be built in northern Jiangsu. Their construction must be stepped up so as to create the conditions for furthering economic development and improving the investment environment.

#### **VIII. Further Promote Commodity Circulation and Make Great Efforts To Develop Tertiary Industry**

An important task in 1992 economic work is to deepen the reform of the commodity circulation system, promote commodity circulation in markets, and accelerate the development of tertiary industry.

**It is necessary to widen the channel of commodity circulation and develop the market.** In reforming the commodity circulation system, we should persistently increase the channels of circulation, reduce intermediate links, and let the market play its regulatory role fully. We should take a further step to establish the notion of a large market with large-scale commodity circulation, let the market play a greater regulatory role in accordance with the principle of integrating a planned economy with market regulation, and accelerate the establishment of an open, unclogged, flexible, and highly efficient commodity circulation system. We should actively promote the practice of giving state-owned commercial enterprises free rein in operations, pricing, hiring, and distribution. In particular, we should explore ways to invigorate wholesale businesses. We should promote association among industry, agriculture, and commerce, break regional blockades as well as the barriers between different departments or regions, and promote commodity circulation. We should continue to promote economic and technological cooperation and carry out joint economic operations of various forms. While letting state commerce and the supply and marketing cooperatives play the main channel role, we should continue to bring into full play the role of commerce run by collectives and individuals. We should earnestly improve the unified management of all commerce businesses in society. We should step up building the market system, further develop the market, and set up a number

of provincial-level and regional wholesale markets for agricultural, sideline, and industrial products, as well as markets for capital goods.

It is necessary to actively and steadily promote price reform. Except for continuously controlling and managing well the prices of state-controlled commodities, we should deregulate more commodity prices in a planned and steady manner, and further raise the proportion of market-regulated prices. In addition, it is necessary to step up efforts to formulate market-related laws and regulations, enhance supervision and management over commodity prices, promote honest business operations, and improve counter services.

**It is necessary to accelerate the development of tertiary industries.** We should strive to develop commerce, materials, finances, insurance, tourism, information, consultation, technical services, and tertiary industries, particularly basic trades, distribution, and service trades which require little investment but yield quick returns and generate jobs. We should also encourage the development of new professions that would promote technical progress. Steps should be taken to increase the proportion of tertiary industries in our province's industrial structure.

#### **IX. Improve People's Lives on the Basis of Developing Production**

**We should strive to increase the incomes of urban and rural citizens.** Farmers in areas heavily hit by floods saw their incomes vastly reduced last year; therefore, we should try every possible means to do a good job to produce farm, sideline, and industrial products, help lower production costs, raise efficiency, and increase farmers' incomes. Strict control should be imposed on the number of levies on farmers, and concrete steps should be taken to lighten farmers' burdens. A review and revision of the number and amount of levies on farmers should be completed within a specified period. Levies that should be scrapped or reduced must be scrapped or reduced. We should run social undertakings within our own means and not overburden farmers. On the basis of raising the labor production rate, we should appropriately increase the incomes of urban workers and staff members. It is necessary to create more jobs. Reforming the social welfare system must be vigorously promoted. We should continuously expand the scope of pension funds for workers and staff members in enterprises and of insurance benefits for people awaiting jobs. Importance should be attached to doing a good job on providing living allowances and relief work to impoverished households in disaster areas, to lonely old people in urban and rural areas, to the handicapped, and to other recipients of welfare funds. It is also necessary to stress working for old people.

**We should do a good job in family planning work and strictly control population growth.** Equal emphasis should be given to both economic development and family planning work. Priority in family planning work should

be given to rural areas, particularly to northern Jiangsu. We should step up work among the grass roots, stress basic work, and make people in society get involved in family planning work. Family planning work must be enhanced among transients in a down-to-earth manner. We should greatly promote late marriage, encourage couples to defer having children, promote eugenics, provide good health care for women and their children, and help raise the quality of the population.

**We should step up construction in urban and rural areas, enhance environmental protection work, and constantly raise people's living quality.** It is necessary to further step up infrastructure and public works construction in urban areas, accelerate housing construction, and do a good job on community services. We will promote housing system reform, implement reform plans on housing system in urban areas, and step up working out plans for reforming the housing system in townships. Work on environmental protection will be strengthened. We should do a good job of preventing pollution by key industries, enterprises, and key projects and help industrial enterprises enhance their waste water and polluted gas disposal capability. We will mobilize the masses to plant trees and grow grass. We will raise the forest coverage rate and improve environmental quality.

**It is necessary to promote public health and sports to improve people's health.** In medical and health work, we should persist in putting the stress on rural areas. We should carry out elementary health care in an all-around way, improve the three-level medical and health network in rural areas, and consolidate and perfect the cooperative medical system. We should concentrate our efforts to continue the work for improving water quality and excrement treatment in rural areas and to complete the renovation and reconstruction of township (town) hospitals and dangerous housing. We should strengthen the prevention of snail fever and other local diseases and accomplish a number of key projects for preventing snail fever and killing snails. We should do a good job in combining Chinese and Western medicine, strengthening our public health force, rectifying the medical order, and improving the quality of medical service. We should vigorously launch a mass patriotic public health campaign to improve the hygienic conditions in urban and rural areas. We should promote mass sports activities, strengthen the scientific training and management of excellent sports teams to improve their level of athletic skills, participate in major competitions at home and abroad, and make all-out efforts to prepare to hold the National Intercity Games in Jiangsu.

#### **X. Promote the Development of Socialist Spiritual Civilization and Further Enhance the People's Ideological Understanding and Political Enthusiasm**

**We should continue to earnestly do a good job in conducting education on socialist ideology.** We should make arrangements for cadres at all levels, particularly leading cadres, to conscientiously study Marxism-Leninism-Mao Zedong Thought; the series of Comrade

Deng Xiaoping's important expositions on building socialism with Chinese characteristics; and the party's line, principles, and policies since the Third Plenary Session of the 11th CPC Central Committee was held, so that cadres at all levels will reach a common understanding of the party's basic line and constantly improve their ideological and political levels. We should further give the large number of cadres and the masses education on patriotism, collectivism, and socialism. In industrial and mining enterprises, we should give their staff members and workers education on successfully running socialist enterprises in line with actual conditions. In rural areas, we should promote education on socialist ideology with a view to publicizing implementing the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee and integrate ideological education with the effort to solve actual problems, so as to further arouse the enthusiasm of the large number of cadres, peasants, and masses in developing socialism. We should continue to guide intellectuals to study hard the basic theory of Marxism and integrate the theory with practice as well as with workers and peasants, so as to make contributions to socialist construction undertakings. To the large number of youths, we should educate them on China's situation, modern and contemporary histories, and scientific socialism to kindle their political enthusiasm for loving the party, socialist motherland, and the people.

**We should thoroughly launch mass activities for spiritual construction.** We should focus on ideological and moral construction, continue to promote the activities of naming civilized units in urban areas, and consolidate and develop the fruits of mass spiritual construction. We should extensively conduct activities of serving the people and adopting a new professional work style in all trades and professions, especially those closely connected with people's daily lives, with a view to promoting good professional ethics. We should enhance education on social ethics and advocate and foster a new socialist tendency. We should continue to further the competition in the "three excellents" (excellent order, excellent service, excellent environment) in cities; choose families of new work style, civilized households and villages (towns); and name "model cities (counties) of the dual support campaign" in rural areas.

**Meticulously organize the creation of products for the nourishment of minds.** We should adhere to the direction of "serving the people and socialism" in implementing the principle of "letting a hundred flowers bloom and a hundred schools of thought contend," going all out to carry forward the Chinese nation's outstanding tradition and culture and actively assimilating the achievements of the world's advanced civilizations for promoting the flourishing and advancement of undertakings in literature and art; radio, television, and films; and the press and publications. This year is the 50th anniversary of Comrade Mao Zedong's "Talk at the Yan'an Literary and Art Forum." We should, through conducting study and commemorative activities, further rectify the orientation of work related to literature and art, improve

literary and artistic creations, and raise the quality of intellectual products. We should follow a correct direction in guiding public opinions and bring into play their supervisory role by publicizing the party's line, principles, and policies in an all-around way. We should strengthen social and cultural management, continue the antipornography drive, crack down on illegal publications, and consolidate cultural markets. In the study of philosophy and other social sciences, we should, under the guidance of Marxism, step up the research on major issues concerning economic development, reform and opening, and social development and train Marxist theoreticians, thereby contributing to the construction of socialist spiritual civilization.

**XI. Intensify the Development of Socialist Democracy and the Legal System and Adopt Comprehensive Measures To Improve Public Order To Safeguard Unity and Stability**

Along with the progress in economic structural reform, opening to the outside world, and modernization construction, we should actively and yet prudently advance political structural reform in accordance with arrangements made by the state. Governments at all levels should earnestly implement the system of people's congresses, the system of multiparty cooperation and political consultations led by the CPC, and other systems for making democratic policy decisions and exercising democratic supervision. They should also conscientiously accept the supervision of people's congresses and their standing committees, bring into full play the role of the CPPCC, democratic parties, well-known personages without party affiliation, and mass organizations in offering political consultations and exercising democratic supervision. We should continue to select brilliant people from among democratic parties and those without party affiliation to fill leading posts at various levels. We should do a good job in ethnic, religious, and overseas Chinese affairs so as to harness the enthusiasm of various sectors. We should reinforce the work of handling petitions and visits from people and improve communications with the masses. We should further improve government legislation and complete the systems for law enforcement in administration, for supervision and inspection of law enforcement, and for administrative reconsiderations, thereby ensuring effective enforcement of all laws, statutes, rules, and regulations. We should diligently implement the second five-year plan for popularizing legal knowledge in Jiangsu, publicizing the legal system in a down-to-earth manner, so as to raise the awareness of cadres and people at large in abiding by the laws and facilitate the management of work in all fields according to law.

It is necessary to adopt comprehensive measures to improve public order. We should strengthen public security, judicial, and national security work, and bring into play the functional role of public security and judicial departments for providing a security guarantee and legal services for reform, construction, and the everyday lives of people. We should continue to crack down on crime,

paying particular attention to larceny and serious economic and other crimes. We should investigate and outlaw prostitution and gambling and severely punish criminals who abduct women and children; who grow, traffic in, or take narcotics; who engage in smuggling; and who manufacture, sell, and distribute pornography. We should pay equal attention to cracking down on and preventing crime and coordinate the efforts of all quarters to improve public order. We should do a good job in mediating and dispelling social contradictions, eliminating various unstable factors, and safeguarding and maintaining a stable order in production, everyday life, and work.

**XII. Strengthen the Construction of Governments and Improve Their Work Style**

In the face of the new situation and tasks, we should strengthen government construction. Governments at all levels should take the lead in promoting diligent, honest, strict, and simple administration, and persistently stress practicality in improving economic affairs and work in other fields.

**Heighten spirits and carry out work in a creative way.** To carry out the arduous tasks of this year, there are many favorable factors as well as problems. We must have a healthy mentality, exert ourselves to actively seek progress, and use innovative ideas and methods to overcome difficulties and advance continuously. We must adhere to the ideological line of seeking truth from facts, basing ourselves on realities and making bold experimentations. We must skillfully combine the central authorities' principles and policies with actual conditions in each locality or department and carry out work in a creative way. We must seriously summarize practical experiences of the masses, constantly study new circumstances and solve new problems, carry out work in a farsighted and scientific manner, and build up our capability to deal with complex contradictions.

**Earnestly improve the work style and continually raise work efficiency.** Now that the central authorities have already set the major political principles, the key to successfully carrying out this year's work lies in promoting diligent administration, stressing practicality, and doing a hard and solid job. We must eliminate bureaucracy, guard against formalism, and make real and solid efforts to solve practical problems. At present, governments at all levels should cut down the number of meetings and streamline ribbon-cutting, foundation-laying, award-giving, and other ceremonial activities. It is necessary to tackle leading comrades' excessive ceremonial activities as a major problem. Leading comrades of the provincial government and provincial-level organs should take the initiative to devote more time and energy to go deep into realities, mingle with the masses, and conduct investigative studies for solving problems. Special efforts should be made to solve crucial problems having a bearing on the overall situation. We should improve coordination among departments, overcoming the practice of shifting responsibility onto each other so

as to provide better services for production and people at the grass roots. We should constantly raise the quality and efficiency of work. We should further improve the target managerial responsibility system for the 28 concrete problems designated by the provincial government for this year and effectively solve them one by one.

**Relentlessly promote clean administration and step up the anticorruption drive.** Throughout the course of reform and opening, we should regard the promotion of clean administration and struggle against corruption as a major task. Leading cadres of governments at all levels should further recognize the importance and urgency of promoting clean administration, conscientiously carrying out this task and setting good examples in the entire course of economic development and reform and opening. It is necessary to seriously investigate and punish law and discipline violations, focus on graft, bribe-taking, extortion, and serious cases of power abuse for selfish gains. It is necessary to set strict demands and administer discipline stringently on leading cadres. We should firmly stop dinners, gifts, and tours at public expense and indiscriminate distribution of cash or in kind. We should continue to go all out to rectify unhealthy practices in various trades and professions and curb the unauthorized collection of fees, imposition of fines, pooling of funds, and wearing uniforms. We should investigate and punish fraudulent practices and power abuse in transferring agricultural households into nonagricultural households. We should set up and improve a system for promoting clean administration and effectively strengthen supervision and inspection.

Fellow deputies: The tasks for 1992 are glorious and arduous. Let us closely rally around the party Central Committee with Comrade Jiang Zemin as the core, heighten our spirits, strengthen confidence, emancipate our minds, and advance courageously, striving to fulfill the various tasks of this year's economic and social development and greet the triumphant convocation of the 14th CPC National Congress with outstanding achievements in reform and construction!

### Shaanxi Government Work Report

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14 Mar 92 pp 1, 2

["Government Work Report Submitted by Shaanxi Provincial Governor Bai Qingcai to the Fifth Session of the Seventh Shaanxi Provincial People's Congress on 5 March 1992"]

[Text] Fellow Deputies:

On behalf of the Provincial People's Government, I deliver this work report to the congress for examination and discussion.

### Review of 1991

Last year, under the correct leadership of the CPC Central Committee, the State Council, and the provincial party committee, the government at all levels and all people throughout the province adhered to the party's basic line of the "one center, two basic points"; carried out economic improvement and rectification, reform, and opening up; and all tasks put forward by the fourth session of the seventh provincial people's congress were completed comparatively well. The national economy steadily developed: The GNP was 41.6 billion yuan, an increase of 7.9 percent over the preceding year and national income was 34.2 billion yuan, up 8.8 percent. New achievements were also made in all social causes.

1. *The agricultural economy developed unremittingly and the product mix was further readjusted.* Gross rural social output value for the entire province amounted to 35.57 billion yuan, an increase of 8.9 percent over the previous year, and gross agricultural output value was 18.54 billion yuan, up 4.4 percent. The proportion of the output value of the secondary and tertiary industries in the gross social output value, and the proportion of the output value of forestry, animal husbandry, sideline occupation, and fishery in the gross agricultural output value, also increased.

In the situation of extremely serious drought, governments at all levels, the cadres, and the masses relied on science and technology, gave full play to the role of all sorts of farmland and water conservancy facilities, worked hard to carry out struggle against the natural disaster, and reduced the losses brought about thereby. Gross grain output was 10.47 billion jin for the whole year, the third bumper harvest; gross output of cotton recorded an increase of 15.4 percent over the previous year; the gross output of oil-bearing crops hit an all-time high; and the output of tobacco, vegetables, fruits, meat, eggs, milk, and other agricultural and sideline products also showed relatively large increases. The entire province overfulfilled its yearly quotas for afforestation and for planting trees beside houses, in villages, by roadsides, and alongside waterways by 10.5 and 6 percent respectively. Township and town enterprises maintained a comparatively good development momentum with income totaling 19.49 billion yuan, an increase of 16 percent over the previous year. They paid 710 million yuan in taxes to the state and made profits of 1.71 billion yuan, which were respectively increases of 11 and 14 percent.

The province further promoted its comprehensive agricultural production capacity, focusing on the development of "two 20 million mu" of stable and high-yield basic farms. All localities saw an upsurge in farmland and water conservancy capital construction that was of the largest scale seen in the last few years. The effective irrigated area increased by 200,000 mu, "four types of farmland" were newly built on 890,000 mu, and soil erosion on 3,360 square km was brought under control. The construction of a number of key projects began in

turn and initial success was won in renewing and transforming three large irrigated areas in Guanzhong.

*2. Industrial production maintained a comparatively fast growth rate and economic results tended to take a favorable turn.* All localities seriously carried out the CPC Central Committee and State Council policies on and measures for improving state-owned large and medium-size enterprises; launched extensive "quality, variety, and efficiency year" activities; relied on scientific and technological progress; and stepped up management so that industrial production maintained the necessary development rate. In 1990 constant prices, the gross industrial output value of townships and higher administrative units throughout the province was 44.15 billion yuan, an 11.8 percent increase over the previous year. Although enterprises' economic results once dropped by a big margin, they began to take a favorable turn in the second half of the year and the range of reductions in profits and taxes of the local budgetary industrial enterprises diminished; the rate of capital, profits, and taxes in the fourth quarter was 4.8 percentage point higher than at the end of June; and the number of enterprises showing losses was reduced by 102.

The product mix improved and energy, raw materials, products for agricultural use, and marketable industrial consumer goods showed a comparatively large increase. Crude oil increased by 21.3 percent, electricity output by 9.5 percent, 10 kinds of nonferrous metals and pig iron by 18.3 and 34.6 percent respectively, plastic film for agricultural use by 35.8 percent, and chemical fertilizers and agricultural chemicals by 11.3 and 8.8 percent respectively. The output value of products for civilian use made by the national defense scientific, technological, and industrial enterprises was 18 percent more than in the previous year. Meanwhile, all localities and departments restricted or suspended production of 106 kinds of products that had been kept long in stock, and closed down some 100 deficit enterprises, suspended their operations, merged them with others, or switched to the manufacture of other products. "Debt chains" of 4.81 billion yuan were broken. Compared with June, the capital tied up in finished products at the end of last year dropped by 1,071 million yuan and the state quota was overfulfilled by some 400 million yuan. The use of "funds for three special items" dropped by 1,548 million yuan and about 4,000 enterprises cast off the difficulties of the debt chains.

Enterprises made new technological progress. A number of key technological transformation projects were completed in turn. Over 1,500 new products throughout the province were put into production. Some 360 products won titles as state quality products and provincial quality products and, of these, four won state gold medals and 16 won silver medals. This was the largest number of state quality product medals to be won since the Seventh Five-Year Plan.

*3. The investment structure in fixed assets further improved and key construction projects were completed*

*relatively well.* The investment in fixed assets under ownership by the whole people was 8.14 billion yuan, an increase of 10.3 percent over the previous year. Investment in agriculture, forestry, animal husbandry, fishery, water conservancy construction, energy, communications, post and telecommunications, and cultural, education, and scientific research projects showed comparatively large increases. The proportion of the investments in the intensive form of enlarged reproduction in the investments in renewal and transformation was 2.2 percentage points more than in the previous year and the investments in the extensive form of enlarged reproduction dropped by 3.2 percentage points. The progress in, and quality of, 35 key projects met the planned requirements: Shaanxi History Museum opened officially; Xiangyang Airport and Xi'an Airport became operational; the Yaoxian County Cement Plant extension project, the Hanjiang Iron and Steel Plant iron-casting project, and the Shaanxi No. 9 Cotton Textile Mill cord fabric project were put into operation in turn; the Shaanxi Chemical Fertilizer Plant extension project main production line was basically completed; No. 3 generating set in Ankang Hydroelectric Power Station, the second phase of Lueyang Power Plant, and No. 4 generating set in the Weihe Power Plant were completed and commissioned, with an additional installed capacity of 328,000 kilowatts; the Xi'an-Yan'an Railroad track was laid to Yan'an; the annual quotas for Santong grade one road and Baozhong Railroad were overfulfilled; program control telephones in seven prefectures and cities were made available to users; and the construction of the Hei He diversion project was stepped up. The teachers' and science and technology personnel's housing project, which various circles in society followed with interest, progressed smoothly. The total investment in ordinary high school and urban middle and primary school teachers' housing amounted to 99.95 million yuan; the floor space under construction was 350,000 square meters; and arrangements were made for some 6,500 suites. Special provincial financial funds of 20 million yuan for teachers' housing were appropriated. These funds, the necessary work done by all localities, and funds raised by all units added up to a total investment amount of 35.7 million yuan. Construction of houses on 123,000 square meters was begun and these houses will be made available to the users before Teachers' Day this year. The construction of houses on 11,000 square meters in the small residential area for the science and technology personnel in Yangling Agricultural Science Town was basically completed.

*4. Markets thrived and were brisk, prices were basically stable.* Buying and selling was brisk in the urban and rural areas and the markets thrived and were stable and brisk. The total volume of retail sales amounted to 20.34 billion yuan, an increase of 10.3 percent over the previous year. All categories of markets developed quickly and matured. Newly-built, rebuilt, and extended fairs totaled 143, occupying an area of approximately 390,000 square meters. The markets for all elements of production, including the means of production, real estate

business, and technological, financial, and labor services, totaled 250. The pace of price reform was relatively fast last year. The prices of 125 commodities under provincial control were relaxed and the prices of 82 charges and commodities were readjusted. The abnormal state of prices was obviously corrected. Economic operations further followed the law of value without causing market fluctuations. The general level of the retail prices of commodities in society in the entire province was lower than the target under the state control.

*5. The budgetary financial revenue quota was overfulfilled and the financial situation was stable.* Governments at all levels placed the focus of improving the financial situation on the development of production and enhancement of efficiency. They strived to increase production, practice thrift, increase income, and reduce expenditure. On this foundation, we should strengthen taxes collection and management according to the law, conducted large-scale inspection of taxation and financial affairs, and stressed that counties should turn from financially subsidized counties and increase their revenue. The financial revenue of the entire province was 4,514 million yuan, an increase of 9.18 percent over the previous year. Four more counties (cities) ceased being financially subsidized and the total number of counties that were not financially subsidized was 22. While vigorously organizing financial revenue, and to ensure a balance of financial revenue and expenditure, all levels vigorously curtailed nonproductive expenses and reduced the number of meetings. All departments at the provincial level alone reduced meeting by 539, a reduction of 38.1 percent in meetings expenses compared to the previous year. This altered the situation during the Seventh Five-Year Plan whereby annual average meetings expenses increased by 23 percent.

Financial departments actively helped enterprises to break "debt chains," check their accounts, enliven their funds, and invigorate the markets. They vigorously organized their deposits, promptly issued loans, and worked hard to satisfy the needs of economic development. In accordance with the state industrial policies, they readjusted the credit pattern to guarantee key projects and to reduce duplicate projects. They vigorously supported technological progress and readjustment of the industry mix, giving better play to their leverage in macroeconomic regulation and control.

*6. The ability to carry out reform increased and the pace of opening up was quickened.* Rural reform was stable and on the foundation of perfecting the contract responsibility system on a household basis with remuneration linked to output, and in line with local conditions, the two-tiered operational structure with the integration of centralization and decentralization and the socialized services structure were developed. The province developed 12,000 specialized cooperative economic organizations of all categories, 3,702 township and town service organizations and 800 townships and towns set up rural cooperative foundations which raised 200 million yuan.

Rural reform experimental zones and comprehensive reform experimental units at the county level also gained initial experience.

Enterprise reform included implementation of the "Enterprise Law" and a change in the operation mechanism as the core and was gradually deepened. The provincial party committee and government formulated "a number of regulations on seriously enforcing 'Enterprise Law' and we should strengthen the vitality of state-owned large and medium-size enterprises"; further exercised decision-making power in enterprise operation; and accelerated the improvement of the enterprise external conditions and a change in the internal mechanism. The operational conditions in large and medium-size enterprises gradually took a turn for the better, with production increasing by 10.9 percent, 5.4 percentage points over that of the previous year. Profitable enterprises merged 166 enterprises which had incurred losses or had made small profits. The pilot projects of "separating taxes from profits" and of the stock system saw some results.

A relatively big stride was made in the reform of the circulation structure. After the decision on a number of issues to further enliven circulation was carried out for over six months, all localities worked hard to speed up the formation of an opened-up, unimpeded, flexible, and highly efficient circulation structure that could be regulated and controlled and scored marked achievements. The net sales of state-owned commercial enterprises last year was 8.26 billion yuan, an increase of 6.2 percent over the previous year; profits were 60.13 million yuan, 32.4 percent up; and the number of losing units dropped from 472 to 407. The supply and marketing cooperative system's net sales were 4.56 billion yuan, 8 percent up, and the amount of losses after offsetting dropped from 51.28 million yuan in the previous year to 17.29 million yuan. The wholesale and retail sales taxes increased by a wide margin and the individual commercial enterprises' sales taxes increased even more noticeably. The commercial enterprises' retail sales taxes in the first half year recorded a drop of 8.3 percent over the corresponding period of the previous year and in the second half year it increased by 20.1 percent. The individual enterprises' retail sales taxes in the first half year was basically equal to that in the same period of the previous year and that in the second half year increased by 41.56 percent. The net additional taxes was 16.436 million yuan, equal to one-third of the wholesales taxes withheld during the whole of the previous year. To eliminate the phenomenon of setting up numerous checkpoints, arbitrarily collecting fees, and carrying out indiscriminate inspections, the entire province abolished a variety of road checkpoints, totaling 2,289; made known to the whole society that the checkpoints set up with official approval; and promoted the formation and development of the unified market.

Reform of the housing system, social insurance system, and free medical care system was carried out and progress

was also made in reform in the aspects of planning, materials, financial work, labor, and personnel.

A new situation in opening to the outside world was created. After the new system of assuming sole responsibility for profits and losses was implemented in foreign trade, the volume of exports kept on showing comparatively large increases and the export commodity composition was continuously bettered. The annual gross volume of exports amounted to \$600 million, an increase of 31.4 percent over the previous year. Economic and technological cooperation with foreign countries further developed and the entire province had 48 projects run with foreign capital and 55 foreign-funded enterprises of all categories newly registered during the year. Interprovincial joint cooperation in economy, technology, and talented people also developed well. Tourism was restored and greatly developed, 310,000 tourists from abroad being received during the year and foreign currency earnings totaled 290 million yuan, up 19.8 and 47.9 percent respectively on the previous year. Provincial cities maintaining friendly relations with foreign cities increased from six to 12 pairs, counties and cities opening to the outside world increased to 76, and points open to the outside world increased to 310.

*7. The transformation of scientific and technological achievements into practical productive forces was accelerated and education was further developed.* Cadres and the masses throughout the province seriously implemented the strategic policy of "laying the foundations of education and invigorating Shaanxi by means of science and technology." The idea that science and technology are the first productive force should be strengthened and important progress was made in the transformation of scientific and technological achievements into practical productive forces. While continuously carrying out the plans for science and technology, including the "Spark" Program, "Torch" Program, and "Prairie Fire" Program, the province vigorously organized scientific research units, institutions of higher learning, and production enterprises into conducting investigations in their same specialized fields, jointly carrying on exploitation, and into jointly tackling difficult scientific and technological problems. During the past year, the province scored 550 important scientific and technological achievements and obtained some 600 patents for technological achievements. Of these scientific and technological achievements, 90 were international creations, reaching international advanced standards, and 454 were domestic creations reaching domestic advanced standards. A large number of scientific and technological personnel went deep into the production frontline to contract to provide scientific and technological services, to transfer technology, and to offer advice and demonstrate science and technology and were welcomed by the masses. Last year, they held the Second Scientific and Technological Achievements Trade Talks and the Sixth National Inventions Exhibition wherein 4,398 technological achievements were transferred and the technology trade volume reached 1.3 billion yuan, expediting

the development of the science and technology market and the commercialization of scientific and technological achievements. The development pace in high and new technology industries was quickened and six high and new technology enterprise groups were initially organized and built. The Xi'an High and New Technology Industrial Development Zone was approved by the State Council as a state-level development zone, the zone's 85 planned projects were basically carried out, and construction of the first group of construction projects began. A provincial natural science foundation, which had been planned for many years, has been established and a key intermediate experimental base was included in the plan and construction on it has begun.

Under the support of governments at all levels and the whole society, education developed continuously and steadily. Schools for all grades and categories insisted on the socialist direction for running schools, completely implemented the party's education principles, and further improved teaching quality. The province's budgetary expenditure on education amounted to some 900 million yuan, an increase of 7.7 percent over the previous year. Meanwhile, the province raised funds of 450 million yuan for running schools. Of this, 198 million yuan was raised by the masses to further improve the conditions for running schools. Vocational and technical education and adult education developed well and the number of secondary vocational school students increased from 67,000 to 75,000. Elementary education was strengthened. School age children entering primary schools throughout the province amounted to over 98 percent, pupils continuing with their studies in school reached 96 percent, and primary school graduates entering a higher school totaled 83.5 percent. Institutions of higher learning worked hard to enhance their teaching and scientific research standards and vigorously served economic development. Through many forms of training and study, the quality of teachers was further enhanced.

*8. Urban and rural people's living standards continuously improved.* The urban residents' per capita income for their living expenses was 1,368 yuan, an increase of 8.2 percent over the previous year; the peasants' per capita net income was 534 yuan, higher than in the previous year. Some 330,000 people from 70,000 families in the poor areas fundamentally solved their problems of food and clothing. The balance of urban residents' savings deposits was 26.3 billion yuan, an increase of 27.3 percent over the previous year. Conditions for the masses' medical and health care further improved, hospital beds increased by 4,665, and the coverage rate of rural public health clinics and rooms amounted to 88 percent. The province arranged jobs for 161,800 people in urban areas awaiting employment during the year and the rate of people in urban areas awaiting employment dropped from 3.3 percent in the previous year to 3 percent.

*9. Three basic national policies were further implemented.* Governments at all levels seriously implemented the spirit of the CPC Central Committee's Document No. 9 and the "Shaanxi Provincial Family Planning Regulations," and strengthened leadership over family planning. They implemented the population control target responsibility system at all levels, with the rural areas as the focal point; stepped up regular technological services; completed 1.45 million cases of birth control of all kinds. The situation in births took a favorable turn and additional births outside the plan were reduced. The province's population birth rate recorded a drop of some .3 of a percentage point over the previous year, natural population growth rate was 13.3 per thousand, and the plan for population control in the year was completed.

Land management work was further stepped up. A pilot project using rural sites for housing with compensation was carried out in 6,088 villages throughout the province. Transfer of state-owned land in urban areas with compensation also began. The actual area for nonagricultural construction during the whole year was 63,000 mu, 30 percent lower than the plan; the area of land reclamation was 102,000 mu, exceeding the plan by 2 percent.

The improvement of the ecological environment attracted widespread attention. The entire province built 38 urban smoke and dust control zones with a total area of 159.6 square km, and 96 ecological agriculture experimental units with a total area of 700,000 mu were also built. Compared with the previous year: The total amount of industrial exhaust steam discharged was reduced by 2.43 billion standard cubic meters [biao li fang mi 2871 4539 2455 4717]; the amount of industrial powder and dust disposed of increased by 1.7 percent; the total amount of industrial waste water discharged dropped by 12.41 million metric tons; the disposal rate was raised by 8.6 percent; and the rate of comprehensively utilizing solid waste materials rose by 2.6 percent.

*10. The development of socialist democracy and the legal system was further developed.* Governments at all levels consciously accepted supervision by the people's congresses and their standing committees, seriously carried out the resolutions of the people's congresses and their standing committees. We should improve consultations with the Chinese People's Political Consultative Conference [CPPCC] committees at the same level and with various circles in society, and listened to and adopted the views and suggestions on the government work of the CPPCC committees and all democratic parties and people's organizations. Last year, 369 suggestions, criticisms, and views from people's deputies were handled and 298 motions by CPPCC committee members were dealt with, so that the will and interests of the people were properly embodied in government behavior and scientific policy decision standards were enhanced.

Development of the government legal system was strengthened. The provincial government submitted 26 local and administrative regulations to the provincial

people's congress standing committee for examination, discussion, and adoption, to further place the economic and social activities and government work on the track of legal system. The second five-year law popularization education project was initiated extensively and the cadres' and masses' concept of the legal system was further strengthened. The province severely cracked down on serious crimes and economic offenses and corrected and carried out struggles against all sorts of repulsive social phenomena, with "eliminating pornography" and cracking down on theft, prostitution, and abduction of women as the main tasks. This stepped up the comprehensive administration of social order. The public security organs throughout the province cracked some 54,000 criminal cases of all kinds, of which 8,896 were serious. The momentum in the growth of criminal cases was curbed.

Governments at all levels strengthened the development of a clean and honest government and insisted on punishing corruption. All supervisory organs throughout the entire province placed 1,341 offenses against the law and discipline by cadres on file for investigation and prosecution; wound up 1,154 cases; punished and suggested punishment for 1,297 people; and sent 95 people to the judicial organs for handling. They also processed cases of building private houses in violation of the law, discipline, and regulations. Some 11,900 households were involved and 10,800 of these have been dealt with.

*11. The development of socialist spiritual civilization was improved.* Governments at all levels worked hard to rectify the tendency toward stressing material progress at the expense of cultural and ideological progress; attached importance to stepping up ideological and political work; and conducted in-depth education in the party's basic line, national conditions, patriotism, collectivism, and socialism. They also universally launched a drive to learn from heroic methods and to create and build civilized units and civilized families, playing an active part in accelerating the development of a spiritual civilization and changing the prevailing habits and customs. Units of the Chinese People's Liberation Army [PLA] and People's Armed Police Force made new contributions toward economic development and social stability of our province. The "double support" and "joint army-people efforts to build civilization" activities were made more regular and systematic and produced great results.

In close coordination with one another, the relevant government departments made concerted efforts to straighten out and rectify the cultural markets, including the audio and video tape, amusement, and books and magazines markets and vigorously cause literature and art and news and publication work to thrive, enriching and enlivening the urban and rural people's cultural lives. Last year, our province also successfully held its ninth sports meet, encouraging and promoting the prosperous development of mass sports activities. The protection and management of cultural relics was unremittingly strengthened.

New achievements were also scored in statistics, auditing, civil affairs, administration of justice, militia, archives, religion, and overseas Chinese affairs.

The past year was one in which all the people of the entire province united and bravely forged ahead. All achievements were the results of toil. On behalf of the provincial people's government, I express heartfelt thanks to and extend heartfelt regards to the workers, peasants, intellectuals, cadres, and personalities from various circles in society fighting hard on all fronts and the commanders and fighters of the Chinese PLA units stationed in Shaanxi and the People's Armed Police Force!

Fellow deputies, through efforts for more than three years, the main targets of economic improvement and rectification have already been achieved and the economic, political, and social stability of our entire province has created a comparatively good environment and conditions for further quickening the pace of reform and opening up and ensuring unremitting, stable, and coordinated economic development.

At present, some difficulties and problems still exist in our economic and social lives. 1) Because readjustment of the incremental input is not strong enough and the readjustment of the amount in hand is restricted by the uncoordinated relations between the higher and lower levels, and between different departments or regions, the readjustment of the economic structure progresses slowly; 2) Because minds are insufficiently emancipated, the updating of concepts lags behind, the pioneering spirit of "daring to be the first one to do things" is lacking, and some reform measures cannot be carried out quickly. In particular, transformation of the mechanism in large and medium-size enterprises is slow, their efficiency is low, and their staying power is insufficient; 3) Economic results are not ideal, one-third of enterprises incur losses, and some enterprises appear to make profits but in fact, incur serious losses; 4) Fairly large financial difficulties exist and the burden of deficits accumulated in previous years is heavy; and 5) Though a lot of work has been done to cause social order to take a turn for the better, the situation is still grave and the masses are still dissatisfied. The corrupt phenomenon and unhealthy trends in trades remain hot issues that the masses follow with interest. We are required to seriously solve these problems in the course of our future work.

#### Major Economic and Social Development Tasks in 1992

This year's guiding ideology for work throughout the entire province is: Unswervingly carry out the party's basic line; further emancipate the mind; speed up the pace of reform and opening up; and shift the focus of economic work to structural readjustment and the enhancement of economic efficiency under the prerequisite of consolidating the results of economic improvement and rectification, maintaining a basic balance between total supply and demand. The major targets of economic and social development are as follows: Total

GNP is expected to reach 44.3 billion yuan, up 6.5 percent, while national income at 36.3 billion yuan, will be 6 percent up. Meanwhile, we will also strive to reduce the natural population growth rate to the national average level.

#### I. We Should Focus on Structural Readjustment, Enhancement of Economic Efficiency; and Bring About Sustained, Stable, Well-Coordinated National Economic Development

It is a central task for this year's economic work to readjust the structure and enhance economic efficiency. In line with the state's industrial policy, and the strategic pattern of "mainly developing the central Shaanxi Plain and vigorously opening up southern and northern Shaanxi," all trades and professions are required to proceed from the reality, do a good job of structural readjustment in a down-to-earth manner, try hard to increase economic returns, and concentrate their efforts on bringing about a growth in economic development.

*1. We should conscientiously implement the spirit of the Eighth Plenary Session of the 13th CPC Central Committee and strive to open up new prospects in agriculture and rural work.* The "Decision by the CPC Central Committee on Further Strengthening Agriculture and Rural Work," which was adopted at the Eighth Plenary Session of the 13th CPC Central is a programmatic document guiding agriculture and rural work for a considerably long period to come. We should conscientiously implement and put into effect the Central Committee's "Decision," place agriculture in a prominent position, and further reinforce agriculture and rural work. We should persistently take the road of promoting agriculture by stressing high quality, low consumption, high yields, and high efficiency, and strive for an overall agricultural harvest this year. The total agricultural output value this year is expected to reach 19.17 billion yuan, up by 4 percent, while total grain output is to be 10.9 billion kg, an increase of 4.1 percent. Fairly large increases in cotton, oil crops, and other cash crops are also anticipated.

Under the prerequisite of maintaining a steady growth in grain production, we should vigorously readjust the rural industrial structure in light of realistic local conditions and vigorously develop a diversified economy. Efforts will be taken to: Successfully tap the potential and transform diversified economic bases; properly grasp pilot and supporting capital construction projects; readjust the proportion of areas sown to cash crops from 16.3 to 20 percent; make full use of uncultivated hills, sands, slopes, shoals, and water resources; and vigorously promote forestry, animal husbandry, and fishery production. It is necessary to gear ourselves to the needs of the market; make use of our advantages; concentrate human, material, and financial resources; promote pillar industries and products that have a significant bearing on, and a leading role in, rejuvenating the local economy; expedite the formation of a new economic pattern; and, by mainly relying on pillar industries, run economic entities

and carry out serial development. As a result, a new economic setup will gradually come into being that combines planting, breeding, and processing, causes production, supply, and marketing to dovetail, and integrates agriculture, industry, and commerce. In line with the principle of "positive support, rational planning, correct guidance, and reinforced management," vigorous strides will be made to promote township and town enterprises; make a success in transforming, improving, and enhancing existing enterprises; earnestly practice the contract system by which enterprises undertake risks by offering mortgages; and encourage enterprises to rely on technological progress to improve the quality of their products. Meanwhile, efforts will also be concentrated on promoting the processing industries for agricultural and sideline products under village-run collective enterprises as well as joint-stock and cooperative enterprises; reinforcing various service industries which serve the development needs of the rural commodity economy; and on raising the proportion of the secondary and tertiary industries in the overall rural economy.

It is imperative to vigorously carry out capital construction of water conservancy works to enhance the comprehensive productive capacity of agriculture. We will conscientiously study and spread the advanced experience of Baihe; translate the slogan of building "two 20-million-mu" capital farmlands with stable and high yields into practical action on the part of the vast numbers of cadres and masses; and encourage them to transform mountains and rivers through hard struggle. This year, we will concentrate our efforts on the renovation and transformation of several major irrigation areas in the central Shaanxi Plain; the continuing Donglei Huang He waters diversion project; the well irrigation project in the sandstorm areas of northern Yulin; the potential-tapping and support project of the Fengjianshan reservoir irrigation areas; the comprehensive agricultural exploration in dry areas north of the Wei He and in the shallow mountain and hilly areas of Hanzhong; and on other projects, such as the one in the Qinba mountain areas in which every peasant is provided with one mu of capital farmland for cultivation. Moreover, we will do a good job in harnessing the major soil erosion areas in the upper reaches of the Wuding He, Huangfu Shuan, and Jiangling Jiang, and the key river basins of all prefectures and cities. Efforts will be stepped up to harness the Han Jiang-Ping Chuan section, the middle and lower reaches of the Wei He, and the Sanmenxia Reservoir areas and reinforce worn-out and dangerous reservoirs. With enhanced financial strength, all localities are required to continuously increase their input into agriculture. The system of agricultural capital construction and the system of cumulative labor should be gradually improved and perfected and the vast numbers of peasants should be guided and encouraged to increase their input into agriculture. The building of agriculture-oriented industries should be reinforced to constantly increase the supplies of chemical fertilizers, pesticides, plastic sheeting, diesel oil, and agricultural machinery.

It is necessary to persistently take the road of promoting agriculture through application of science and technology, and gradually rely on scientific and technological progress as well as on the enhanced quality of laborers for further agricultural development. In light of realistic local conditions, while vigorously making use of traditional agricultural techniques such as tractor plowing, fertilizing the fields with crop straws, and intensive and meticulous cultivation, we will popularize the use of a number of advanced practical agricultural techniques, including plastic film, dryland farming, economizing on water and energy, comprehensive arresting of soil erosion, and transformation of intermediate and low-yield farmland. In accordance with the different characteristics in different localities, we will do a good job of propagating, breeding, demonstrating, and popularizing improved varieties. Though Shaanxi has a large area sown to apple trees, the proportion of area sown to improved varieties is very small, thus restricting the enhancement of economic returns. Under such circumstances, we should devote major efforts to the renewal of varieties and make a breakthrough in this respect. We should continue to send scientific and technological personnel to the forefront of production to provide agrotechnical guidance and help train technicians in rural areas.

Efforts should be made to accelerate economic development in poor areas, especially in poor mountain areas. Proceeding from the realities of the poor areas, we will carry out a number of projects step by step in terms of scientific and technological exploration, intensive processing with the use of local resources, and provide work as a form of relief. It is necessary to make good use of various kinds of aid funds for the poor; give priority to the development of leading industries; pay enough attention to the construction of capital and support facilities including water, electricity, highways, and telecommunications; and bring about a prompt change to the poor areas.

*2. We should readjust the structure, strengthen management, and strive to maintain a relatively fast industrial growth rate under the prerequisite of enhancing economic efficiency.* This year, we will focus our work and attention on readjusting the structure, transforming the system, reinforcing management, and attaining technological progress. As a result, we can bring about an obvious improvement in industrial economic returns and attain a growth rate of 7 percent.

Efforts should be made to strive for new breakthroughs in industrial restructuring. Acting in line with the basic idea of assisting capital industries and transforming and renovating general processing industries, we will put the idea into practice, step by step, in order to achieve solid results. It is necessary to make full use of Shaanxi's technical talents and strength, especially its superiority in defense-oriented science and technology; vigorously commercialize and industrialize the technologies of aeronautics and astronautics, nuclear, new materials, and electronic information; and promptly turn high and

new technological industries into the pillars of Shaanxi. We will continue to place capital industries, such as energy, transportation, raw and semi-finished materials in short supply, and post and telecommunications in a priority position; intensify our input into these capital industries; and constantly enhance production scale and product quality through tapping potential and transformation. In our efforts to readjust the enterprise structure we will close down, merge, and shift to other types of production, a number of enterprises in the general processing industries which are overstaffed and plagued by serious shortages of raw and semi-finished materials, overstocking of unmarketable products, and which are unlikely to take a favorable turn within a short period of time. Earnest efforts should be taken to break the boundaries between different departments, trades, and ownerships; develop various kinds of integrated enterprise complexes and groups; and continue to support and encourage superior enterprises to merge, sign contracts with, and take on lease inferior enterprises, to help shift the productive factors to superior enterprises and industries that turn out goods in short supply. In our efforts to readjust the product mix, we will regard the needs of the market as our guidance; vigorously open up new marketable varieties; and try our utmost to develop highly technical and competitive superior products with distinctive local features. The number of new products at the national and provincial levels scheduled to be developed this year stands at 1,500, while the rate of output value is expected to reach some 15 percent. Vigorous support should be rendered in terms of funds, energy, and raw and semi-finished materials for marketable products which conform to the state's industrial policy and can bring about satisfactory economic returns; while resolute efforts should be taken to restrict the production of overstocked products which are of inferior quality and high costs.

It is imperative to energetically encourage enterprises to attain technological progress and closely integrate technological progress with structural readjustment. In our efforts to carry out technical transformation, we should persistently begin our work from a high starting point and give priority to key projects. When selecting projects, we should set our eyes on readjusting the product mix, making use of our advantages in natural resources, enhancing economic efficiency, and increasing financial revenue. It is necessary to adopt effective measures to step up technical exploration as well as the popularization and application of new technologies and skills, using electronic technologies to transform traditional industries. As regards the advanced technologies and equipment that have been introduced, based on prompt absorption and assimilation, we should try to bring forth new ideas and make improvements. We will give priority to Shaanxi's 158 technological renovation projects that have been examined and approved by the state, speed up the pace of these projects, and enable them to realize economic returns as promptly as possible. Efforts will be made to launch an extensive and

thoroughgoing mass activity of putting forward rationalization proposals and earnestly encourage workers and staff members to improve and innovate the weak links in production and management.

At present, a considerable number of enterprises in Shaanxi are plagued by poor management, improper production order, inferior quality products, and serious losses and waste. These are major causes of poor economic returns; however, they are also localities where we can tap potential. Therefore, it is necessary to strengthen the management of enterprises in a solid way and rely on proper management for speed, quality, and efficiency. Vigorous efforts will be made to reinforce basic management, earnestly practice methodical management methods, persistently set strict demands in running enterprises, and help optimize the overall management of enterprises. Departments in charge of economic work at all levels should try to discover the weak management links in their subordinate enterprises, work out strong and effective measures, and make up their minds to bring about a favorable turn to the management of these enterprises. The provincial government will select and send large numbers of cadres from administrative units and institutions to enterprises to help them transform their internal structure, intensify management, and enhance economic efficiency. This year's total volume of losses incurred by industrial and transportation enterprises throughout Shaanxi is expected to reduce by 30 percent over the previous year, while the number of those in deficit will be lowered to less than 20 percent.

*3. We should reinforce key construction and enhance the efficiency of investment.* Shortage of funds is the biggest factor restricting Shaanxi's construction. We should observe the principle of acting according to our capabilities yet, on the other hand, we should also adopt a positive and active attitude and try to raise construction funds through various channels, to keep a comprehensive balance in funds use. An overall evaluation will be made on whether or not existing construction projects conform to the state's industrial policy, use advanced technologies, or can turn out satisfactory economic returns, so that we can close down those that should be closed down and save the limited funds for key projects. We will spare no effort in carrying out the key projects already listed in the state plan, ensure the pace of construction, put these projects into production and achieve preset results as scheduled, and avoid being dragged into a war of attrition. We are required to practice stricter management over the construction of key projects, make careful calculations and budget strictly, economize on whatever can be economized, and put an end to waste. It is necessary to raise funds to solve the shortage of construction funds. Bonds can be issued for basic construction projects while the form of joint stock can be adopted for operational projects, to mobilize and concentrate funds from all sides. At the same time, we will also vigorously introduce and make use of foreign investment. A joint checking system on extrabudgetary funds will be established and, under the

prerequisite that the ownership, distribution channels, and usage of funds remains unchanged, we will bring into the planned management the extrabudgetary construction funds from all sides. The budgetary special-purpose construction funds allocated by state financial departments should also be put into planning and under reinforced management.

This year, the total fixed assets investment made by local units under ownership of the whole people throughout Shaanxi is expected to stand at 4.59 billion yuan, registering a 15.1-percent increase over the planned figure last year. Efforts should be concentrated on 38 key construction projects of basic industries and capital facilities in such fields as agriculture, water conservancy, energy, raw and semi-finished materials in short supply, transportation, and telecommunications. Special attention should be devoted to the second-phase construction of the Donglei diversion of the Huang He waters project as well as a number of continuing projects including the Huangling, Tongchuan, and Hanchang Mines, the Ankang Hydroelectric Power Plant, the Xi'an-Yan'an Railway, the Baoji-Hanzhong Railway, the Weihe Chemical Fertilizer Plant, and the Heihe Diversion Works. A number of projects should be completed and put into production this year, including the Sanyuan-Tongchuan Highway, the Lueyang Power Plant, the second-phase construction of Weihe Power Plant, the Shaanxi Chemical Fertilizer Plant, and the expansion project of Yaodian Cement Factory. Newly started projects should be properly grasped, including the first-grade Xi'an-Baoji Highway, the third-phase construction of Weihe Power Plant, Shenmu-Yulin Railway, and the rehabilitation of the Huangdi Mausoleum. Close attention should be paid to seven key technological renovation projects such as Xi'an Electrical Company and Dongfang Machinery Factory. Meanwhile, we will also make good early-stage preparations for the project to comprehensively use northern Shaanxi's natural gas.

*4. We should adapt ourselves to the needs of construction and reform, and do a better job in financial and monetary work.* Governments at all levels should conscientiously carry out a number of measures that aim at bringing about a basic and favorable turn to the present financial situation. Efforts should be made to increase our capital and practice thrift, act according to our capability, try hard to attain a financial revenue of 4.7 billion yuan, and strive to keep a balance between financial revenue and expenditure. To this end, first, we will vigorously promote production, take positive measures to cultivate financial resources, render support to key trades and professions, foster major customers of profits and taxes, and consolidate and develop pillar financial resources. Continued efforts should be made to increase financial revenue, reverse the present state of receiving state subsidies, and make up deficits and increase surpluses; and to try to increase financial revenue through various channels. Second, collection of and management over taxation should be intensified. Besides continuously doing a good job in collecting and controlling the taxation of state-run enterprises, we need to further reinforce

the collection of and management over taxation concerning the "three kinds of foreign-invested" enterprises, township and town enterprises, collective enterprises, privately run enterprises, and individual industrial and commercial units. It is necessary to strengthen auditing and supervision, collect the taxes which should have been collected earlier, and take resolute steps to plug all loopholes of funds drainage. Third, there will be no deficit budget. It is necessary to impose strict control over financial expenditure; resolutely halt concerning the tendency for administrative units and institutions to be increasingly overstaffed; continue to reduce expenses for meetings, purchase costs, and institutional purchasing power; further perfect the overall budgetary rationing system in administrative units and institutions; and support administrative units and institutions as well as workers and staff members in their efforts to run economic entities and increase financial revenue within the scope stipulated by the state. Fourth, through reform, we will set up a mechanism to gradually lighten the unduly heavy financial burdens. Fifth, it is imperative to reinforce management over state-owned assets; and set up an inflation-proof and value-added supervision and appraisal system for state-owned assets.

In carrying out financial work, we will continue to implement the principle of guiding monetary affairs and credits to "control total supply and demand, readjust the structure, reinforce management, activate funds, and enhance economic efficiency"; vigorously organize savings deposits and expand capital resources; and, by centering around structural readjustment and enhancement of economic efficiency, further improve the credit structure and enhance the efficiency of fund use. Conscientious efforts will be made to carry out the credit policy, earnestly rectify the financial order, set rigid account-settling disciplines, and continue to clear up "debt chains."

## **II. In Carrying Out Reform and Opening Up, We Can Further Free Ourselves From Outdated Ideas, Act More Boldly, and Take Bigger and Faster Strides**

Reform and opening up are the only way for the socialist system to perfect itself, thus having a bearing on the rise or fall as well as the success or failure of socialism. In carrying out reform and opening up, we can further free ourselves from outdated ideas, act more boldly, and take bigger and faster strides. This year, we are faced with considerably arduous reform tasks; therefore, everyone is required to obtain a correct understanding of reform, support reform, and participate in reform. Since reform is now advancing amid explorations, it is unavoidable that we will encounter various problems and even setbacks, and it is impossible to be a hundred percent correct. Therefore, we should act in a spirit of being resolved to carry out reform, being vigorous in forging ahead, and being bold to act and forge new paths. Without this spirit, it is impossible for us to fulfill any new causes. Through summing up experience, we can solve the problems cropping up during reform and make

improvements so that these problems will not shake our confidence and determination during the course of reform.

*1. We should continue to deepen rural reform and bring about a comprehensive development of the rural economy.* It is the focus and orientation of rural reform to stabilize the rural responsibility systems mainly represented by the contract responsibility system on a household basis with remuneration linked to output; constantly perfect the dual-level management system that integrates centralization with decentralization; vigorously develop the socialized services system; gradually reinforce the real strength of the collective economy; and guide the masses of peasants to take the road of common prosperity. It is necessary to regard both the contracted household responsibility system and the dual-level management system as basic systems, stabilize the two systems over a long period of time, and enrich and improve them on a constant basis. Earnest efforts will be made to strengthen management over land and other contract agreements entered into by various trades, so as to make both parties to a contract understand clearly their rights, responsibilities, and obligations. Collective economic organizations in rural areas should act in light of the will and demands of the masses, and try hard to help them fulfill work which cannot be accomplished, or cannot be well accomplished, by individual households. This year, we hope to achieve fairly great headway in providing services to production links, the circulation of agricultural and sideline products, and the organizational construction of nongovernmental services, so as to further enhance the capability of the rural economy to provide supporting services. At the same time, we need to adopt solid measures to lighten the unduly heavy burdens on the peasants. It is necessary to rely on production development and self-accumulation, gradually reinforce the real strength of the collective economy, set up a rigid accounting system, and intensify the management over collective assets.

*2. Through moves to smash the "iron rice bowl, ironclad wages, and iron armchair [lifelong tenure]" and to transform the internal structure of enterprises, we will vigorously push forward enterprise reform.* It is imperative to resolutely carry out the "Enterprise Law"; implement and put into effect the 21 policy measures of the central authorities as well as the 11 measures of the provincial party committee and government; devote major efforts to activating state-run large and medium-size enterprises; gradually set up a new operational mechanism that integrates the planned economy with market regulation; and enables enterprises to compete with one another in the market. To this end, first, we need to reform the labor and employment system and smash the "iron rice bowl." Enterprises will be granted greater autonomy in the recruitment, employment, and dismissal of workers and staff. As a result, enterprises will be able to do a better job in optimizing their labor combinations; gradually put into practice an all-personnel labor contract system; and select the capable

through competition and install a system whereby workers can be recruited or dismissed according to their work performance. Second, the personnel system of enterprises needs to be readjusted and the "iron armchair" smashed. Appointment systems will be gradually adopted for cadres and for managers and technicians of enterprises respectively. Attention will be paid to selecting and promoting outstanding workers to the positions of operators and managers, so that the capable can always be noticed and promoted, and a system will be installed whereby workers can be assigned to both higher and lower posts. Third, the internal distribution system of enterprises needs to be readjusted and "ironclad wages" smashed. Vigorous efforts will be made to carry out a new distribution system mainly characterized by the linking of posts and skills with wages. Being a better embodiment of the principle of distribution according to work; more pay for more work; and rewarding diligent workers and punishing lazy ones, this system can make wage distribution become more favorable to workers working at highly skilled posts with heavy responsibilities and greater labor intensity under poor working conditions. Meanwhile, under the leadership of the board of directors, retention of state assets, the system of management on a commission basis, and the system under which the factory director (manager) assumes full responsibility should be practiced in newly established enterprises as well as for new production lines of independent auditing in old enterprises that have undergone technical renovation. As a result, enterprises can independently handle their own affairs, carry out labor employment and distribution; put an end to the practice in which they are run by "society"; and achieve the goal of really assuming full responsibility for profits and losses. It is necessary to vigorously carry out pilot plans of the stock system in order to forge new paths and acquire new experience.

*3. Further deepen the structural reform of the circulation system with the aim of setting up an open, smooth, flexible, highly efficient, and controllable circulation system.* Continued efforts should be made to implement and put into effect the provincial government's decision on a number of issues concerning activation of circulation, set up and improve a circulation system which is beneficial to the development of commodity economy, and give greater and better play to market regulation. It is necessary to further rationalize the wholesale system; encourage the development of transregional, transtrade, and transdepartmental commodity wholesale groups; support the state-owned and collective wholesale industries in their efforts to break barriers between different trades and ownerships; and promote industry and commerce, agriculture and commerce, and commerce and trade associations. Further efforts will be made to enliven state-owned and collective retail industries, constantly deepen reform, and inspire the vigor of enterprises by setting rigid internal auditing rules; basing remuneration on profits and sales; encouraging workers and staff members to raise funds and buy stocks;

expanding experiments on the stock system; and carrying out reform in such fields as contracting, renovation, transformation, leasing, and sales. We will go all out to promote rural trade fairs; and set up a number of facilities for commercial and service networks, as well as key wholesale markets on a certain scale for agricultural and sideline products, industrial consumer goods, and major materials. Efforts will be made to attach importance to and reinforce market management; resolutely ban fake, counterfeit, false, and inferior commodities; and safeguard consumer rights. In addition, it is also necessary to set up and perfect a reserve system for key commodities at the provincial and prefectural levels, and we should strengthen the macroeconomic control and regulation over the market.

Expedite the reform of the grain purchase and sale system in keeping with the demand of the central authorities for deepening the reform of farm product prices and of the circulation system. When the grain purchase system remains unchanged, the state has a secure grain source. Institute the grain reserve system as a strong backing for market regulation. Purchase at protective prices grain that peasants ask to sell when there is a bumper harvest, at which time grain prices are declining, so that peasants will not suffer when grain prices are too low. Sell grain at prices lower than market prices when there is a poor grain harvest, at which time grain prices are rising, so as to stabilize grain prices and the market so that peasants will not suffer when grain prices are too high. For the rationed grain of urban residents, supply grain at prices slightly lower than market prices in keeping with the principle of open operations, and the state will correspondingly increase price subsidies for the residents. Vigorously promote the formation and development of the grain market, set up grain retail markets in Guanzhong, Hanzhong, and northern Shaanxi, and set up a number of preliminary trading markets in all localities, thus gradually forming a grain market network.

*4. We should actively and steadily proceed with the reform of the housing, public medical, and social security systems.* All localities should work out their particular proposals in light of their own actual situations and in line with the general proposal put forward by the provincial government, carefully arrange for their implementation, and gradually bring into a benign cycle the commercialization of houses and the investment of housing funds in production. Gradually establish a new mechanism that balances public health services, labor insurance health services, and personal economic returns in keeping with the principle of ensuring basic medical health services, assisting the masses, stopping waste, and being beneficial to production. Vigorously proceed with the reform of the social insurance system, enlarge the coverage of old-age insurance, and institute and promote various old-age insurance systems. Enlarge the coverage of unemployed urban staff and workers. Vigorously proceed with experimental social insurance reforms by instituting a disaster compensation system.

*5. We must expedite the opening to the outside world.* It is necessary to further emancipate the mind, renew concepts, and open up to the outside world more daringly, vigorously absorb and draw on the current operational methods and management methods of all countries, including those of developed capitalist countries, and absorb capital, equipment, skilled personnel, and technology, and work hard to improve the investment environment and the commerce and trade environment; and conscientiously improve work efficiency, upgrade services, and so forth while improving "tangible" development items, such as transportation, communications, and service facilities. We should make the best use of resources such as the ancient cultural capital of Xi'an to attract more foreign businesses and investors, use a variety of methods to develop economic ties with overseas Chinese, Chinese of foreign nationalities, and Hong Kong and Macao compatriots and to widen the economic channels with the outside world. We should make the best use of our province's advantageous location between east and west, and strengthen economic, information, and technological exchanges with eastern and western regions. The International Economic and Technological Cooperation Trade Talks of Northwestern Regions will be held this September and we should conscientiously and carefully prepare to make the trade talks a success, thus enlarging economic and technological exchanges and cooperation with the outside world. While continually improving two-way cadre exchanges with Jiangsu Province, we should conscientiously arrange for two-way cadre exchanges with Shandong Province. Shandong will send a number of comrades with good experience in economic work to Yan'an and Yulin Prefectures to assist with our work. We should actively create conditions to support them in their boldly initiating work. We should focus on "Travel to China 1992" activities and vigorously develop tourism. We should strengthen the construction and management of tourist facilities, add new tourist items, upgrade our services, and continuously open up the international tourist market. This year, we will strive to attract 366,000 foreign visitors and earn a total of 340 million yuan in foreign exchange and renminbi from tourism.

### **III. There Must Be New Progress and Development in Social Undertakings Such as Education, Science, Technology, Culture, and Public Health**

While paying attention to economic development, governments at all levels should vigorously develop education, science, technology, and various other undertakings to energetically promote social progress.

*1. Work hard to really implement the strategic principle of using education to lay the foundation and using science and technology to invigorate Shaanxi.* It is necessary to study, discuss, and propagate the idea that "science and technology are the primary productive force" throughout the province and further enhance the broad masses' concept regarding science and technology. It is necessary to make overall plans for the reasonable allocation of scientific research forces, conscientiously make

arrangements for coping with major problems in scientific research, and vigorously promote advanced and applicable technology, thus promoting the conversion of scientific and technological results into actual productive forces. While emphasizing increasing per-unit area yield of grain, cotton, and edible oils and the comprehensive improvement and development of agricultural areas, pay attention to coping with technical problems relating to comprehensive technologies for increasing the per-mu yield to one ton, for dry farming, for water and soil preservation in the loess plateau, and for boosting crop production in the hills of southern Shaanxi; and pay attention to coping with technical problems relating to technologies for the comprehensive prevention and control of crop pests and for the prevention of major natural disasters. While emphasizing the restructuring and transformation of pillar industries such as electronics, machine-building, and textiles, and basic industries such as energy, transportation, and raw and processed materials, pay attention to the research on important technologies and major products. Expedite the construction of the Xi'an High and New Technology Development Area, and gradually form the Guanzhong high and new technology industrial belt with the Xi'an High and New Technology Development Area as the center and the Gansu-Jiangsu Railway as the axis. It is necessary to continue to deepen the reform of the science and technology structure, and gradually institute the science and technology mechanism that integrates science research, promotion, and application, and that promotes technology introduction, transplanting, and renewal. We should further implement the various policies that promote the conversion of scientific and technological results, and commend and award those collectives and individuals that have contributed to and obtained results in the conversion of scientific and technological results. Subsidies for the trial development of and intermediate experiment in new products and for major scientific research should be gradually increased when the financial status improves, and we should gradually establish a science and technology investment structure with a variety of channels and methods embracing finance, banking, enterprises, and nongovernmental organizations. We should establish a science and technology risk investment fund and establish and improve an investment risk protection mechanism.

Governments at all levels should enhance their strategic concept of the need to develop education, and continue to deepen the reform of the educational system, further adjust the educational structure, and upgrade education and the benefits of schooling on the premise of thoroughly implementing the party's educational principles and sticking to the socialist educational direction. While strengthening basic education and expediting the readjustment of various disciplines in higher education, we should vigorously develop vocational and technical education through a variety of methods and levels, increase the number of students, and we should strengthen skills training. This year, junior high school graduates entering vocational and technical schools should account for 40

percent of the students continuing study. It is necessary to actively promote experience concerning organization for agricultural and scientific education. Adult education should be further upgraded, and on-the-job training for staff and workers should be strengthened. Peasants' cultural and technical schools should be properly run, and the work of eliminating illiteracy among young and middle-aged people should be improved. We should better equip teachers by continuously improving their political and professional quality and continue to improve teachers' housing and, through several years' efforts, make an obvious improvement in their living conditions. While ensuring an increase in educational funds, it is necessary to further bring into play the initiative of all sectors of society for education, raise educational funds through a variety of channels, and increase educational expenditure.

*2. Insist on appropriately doing work in population control, land administration, and environmental protection.* Governments at all levels should further strengthen the awareness of population and per-capita concepts, insist on attaching equal importance to birth control and economic development, and continually improve the population target responsibility system. Birth control work must still emphasize the rural and mobile urban population, center on population planning and administration, insist on the integration of spot checks and routine checks, expedite building an organizational network, and continually enhance the ability of the grass roots to control the population. Townships and towns in Guanzhong and northern Shaanxi, and districts and large towns in southern Shaanxi should all set up service stations to publicize birth control, supply technology, offer training, and provide medical equipment. Birth outside planning should decrease by a larger margin than last year.

We should continue to strengthen work for the administration of land resources and assets to make it conform to the national policies. It is necessary to draw up overall plans for land use, set up basic farmland protection zones, and conscientiously preserve farmland. The experimental compensated use of housing bases in rural areas should reach over one-third of the province's administrative townships, laying the groundwork for its thorough implementation next year. We should actively and steadily proceed with work on an experimental basis for the compensated sale and transfer of state-owned land in cities and towns, and gradually formulate and improve corresponding methods, laws, and regulations. Screen and straighten out the invisible land market and gradually set up land market mechanisms that operate according to law. We should continue to insist on the principles of "whoever spoils the land should recultivate it," and "whoever recultivates it can use it and benefit from it," and give guidance by means of policies, funds, and supplies, bring into play the initiative of all quarters, and ensure that the task of reclaiming 100,000 mu of land is completed.

Adopt effective measures to promote the gradual improvement of the environment. Continue to implement the State Council's "Decision To Further Strengthen Environmental Protection," conscientiously cope with the reasons for industrial pollution and complete environmental improvement tasks by the fixed times. For newly established industrial items, it is necessary to strictly implement the environmental effect assessment system to ensure that environment protection facilities and major projects can be designed, initiated, and put into operation at the same time. Prevent the occurrence of new pollution sources. While consolidating and developing nature reserves and ecological agricultural areas, actively launch work for soil and water conservation in small rivers, sand dredging in northern Shaanxi, and afforestation in southern Shaanxi.

3. *We should continue to attach importance to the development of socialist spiritual civilization.* Governments at all levels should conscientiously improve ideological and political work, thoroughly carry out education in the basic line in vivid and lively ways that the masses love to hear and see, and enhance the awareness of the broad masses of collectivism and socialism so that they will devote themselves to the modernization drive with an attitude of themselves being the masters. People of all trades and professions should continue to launch activities to learn from Lei Feng at their posts, and propagate and promote the facts and experiences of heroic and exemplary people and outstanding units, thus ushering in fine professional ethics and a good social trend. It is necessary to thoroughly launch activities to allow the masses to create civilized cities, units, and families. Pay attention to the civilization construction of the cities and towns where party and government leading organs at and above the county level are located, and use urban areas to lead rural areas in civilization construction. Fully mobilize the masses and be determined to solve the problems of dirtiness, disorder, and poorness in civilization so as to enable citizens as a whole to gradually cultivate fine social ethics. We should strengthen the national defense concept of the entire people and insist on launching the "two-support" work and the work of "building the military and the people" simultaneously. We should make more prosperous various cultural undertakings, including news, publication, broadcasting, film-making, television, literature, and arts, vigorously and properly administer all cultural sites, including culture libraries, culture museums, museums, and clubs, and continually meet the daily-growing cultural needs of the masses. We should conscientiously strengthen the preservation and management of cultural relics, especially important ones; and make the best use of cultural relics to carry out education in patriotism and revolutionary tradition. We should improve the management and guidance of the cultural market, including audio and visual products, books and magazines. Insist on the "antipornography" struggle and on continuously tidying up the social environment. We should insist on the public health campaign, strengthen the public health organizations of townships and towns, and further

improve medical services and public health, and vigorously develop sports, extensively launch sports activities for the masses, and continuously improve the health of the masses and the athletic and sports standards of our province.

4. *We should further strengthen socialist democracy and the legal system.* Governments at all levels should exercise their functions and powers in accordance with law, observe various state laws and regulations on their own initiative, accept the supervision of the people's congress and its standing committee, and set store by and bring into play the roles of the CPPCC, various democratic parties, and mass organizations in participating in and discussing politics; and conscientiously handle the suggestions, criticisms, and opinions of the people's deputies and the proposals of CPPCC members. We should pay attention to handling letters and visits by the masses. It is necessary to fully mobilize the masses to participate in major reform measures, enhance the masses' concept of participation in politics, ensure that the masses exercise their rights conferred on them by law, and continually ensure that policy decisions are democratic and scientific. We should continue to strengthen and improve the legal system, improve the drafting of local laws and regulations and the formulation of administrative laws and regulations, and we should strengthen the supervision and inspection of how laws are enforced so that government work will gradually be brought onto a legal track. We must insist on properly carrying out education in general legal concepts during the second five years, publicize legal knowledge among citizens, and improve the people's concept of the legal system. All government personnel, especially leading cadres at all levels, should study and understand laws on their own initiative, and set an example in observing them and carrying them out. Safeguarding stability in society and strengthening public order is demanded by reform and construction and is the common aspiration of the people. It is necessary to deal hard blows at criminals committing heinous crimes and serious economic criminals for their activities. At present, it is necessary in particular to pay attention to cracking down on such criminal activities as theft, swindling, robbery, drugs manufacture and sale, and the abduction of women and children; and deal blows at criminal groups and gangs and underworld forces committing serious violence. We should strengthen overall control of public security and mobilize the forces of all quarters; and struggle against all criminal deeds harmful to society, maintain normal social order, and create a fine social environment for reform and construction.

#### **We Must Conscientiously Strengthen the Government Itself**

This year, we are faced with the heavy tasks of deepening reform and of economic development and social development. Governments at all levels and the vast numbers of cadres must have a new mental state and a new work style, carry out their duties in a still better way, and complete all their tasks with good results.

### **I. Insist on Being Pragmatic and Realistic, and Vigorously Prevent Formalism**

At present, formalism prevails. Repeated meetings with the same contents and stereotyped speeches in particular waste time and cause us to miss opportunities. This has become a salient problem affecting reform and development and is a phenomenon which the masses are most dissatisfied with. Formalism is also bureaucratism, and must be coped with. This is an important measure by which to improve government work style, and is also an urgent requirement as we reform and open up, and with the proper development of the economy. Governments and departments at all levels should stress actual results as their basic criterion for their work. They should not lie, make promises that are not kept, or say things irresponsibly, but should do more practical work, start work creatively, quickly do things that should be done, and promptly do things that must be done immediately. Now many policies and measures have been introduced; and governments and departments at all levels should conscientiously implement them one by one in light of their actual situations. They should conscientiously straighten out the work style of organs and earnestly resolve such problems as low morale, lax observance of discipline, and low efficiency. We should vigorously streamline meetings and documents, and resolutely abolish those formalistic activities that do not bring very good effects, especially those inspections, appraisals, commendations, and competitions that are a drain on people's energy and financial resources. Leading cadres should free themselves of numerous meetings and documents and spend more time inquiring about the realities, going among the masses, and carrying out inspections and looking into matters. They should use their energies on resolving the great issues in economic and social development. It is necessary to stick to the ideological line of seeking truth from facts, attach importance to practice, be good at discovering and summing up the various creations of the masses, and use them to guide work.

### **II. We Should Thoroughly Launch the Anticorruption Struggle and Further Ensure That People Cherish Honesty in Work**

Fostering honesty is important in winning the support of the people and for the success of an undertaking. Governments at all levels should foster honesty in work as an important task and unswervingly launch the anticorruption struggle. At present, it is necessary to attach importance to the special struggle against bribe-taking and bribery, and pay attention to the handling and investigation of serious cases. Those who commit economic crimes or other crimes, abuse their power to seek personal gain, or who bend the law to benefit relatives or friends will be resolutely punished and will never be spared despite their positions when their crimes are confirmed. It is necessary to reverse the law-and-discipline-breaking deeds of law-enforcement departments and supervisory organs and vigorously correct the bad practices in their professions, and to conscientiously

resolve the problems that are strongly reflected by the masses. We must resolutely curb such bad practices as using public funds to entertain guests, sending gifts, extravagance, or waste. All government personnel must remain honest, work selflessly for the public interest, foster honesty with thrift, wholeheartedly serve the people, and resist all sorts of bad practices. Leaders at all levels should be strict with themselves and set an example. It is necessary to further improve the socialist legal system, gradually improve the restraining and supervisory mechanisms, and promote honesty so that it becomes systematized and legalized.

### **III. We Must Enhance the Concept of the Overall Situation and Ensure That Government Decrees Are Issued Smoothly**

Expediting reform, promoting the change of mechanisms, and resolving the underlying contradictions in economic life involve the interest relations of various quarters and the readjustment of management powers. Without a command system that enables government decrees to be issued smoothly, it is difficult to achieve fixed goals. Governments at all levels and all departments should enhance their concept of the overall situation, rally around economic development as the center, and correctly handle the relations between partial interests and overall interests, between department work and central work, and between central and local management. They should make concerted efforts, closely coordinate with one another, and use the same pace. As for policy decisions that have a bearing on the overall situation, all localities and departments must conscientiously perform their duties and carry them out vigorously, actively, and to the fullest extent. For those problems that need to be resolved through discussion among several departments, it is necessary for those departments to actively hold discussions, properly coordinate with one another, and resolve the problems at the right time. They must not take the attitude of selfish departmentalism by "obtaining what they want." The immediate supervisor of people who do not do things they should due to quarrels with others, or who do things they shouldn't, thereby causing serious losses, will be held accountable. We must ensure that everyone throughout the province adopts the same pace and comprises one whole force.

### **IV. We Need To Streamline Organizations and Straighten Out Their Functions**

Streamlining organizations is something that must be done and is an important aspect in the strengthening of the governments themselves. It is necessary to complete five tasks for the reform of organizations at the provincial level in keeping with the principle of separating the functions of the government from those of the enterprise, and of separating government administration from enterprise management, and the principle of simplifying and unifying administration and making things efficient. First, regarding the change of functions, relevant comprehensive government departments and economic

management departments should direct their energies to guiding policies, coordinating services, and managing various professions, and institute an efficient, flexible, and highly effective management system for macroscopic regulation and control at the provincial level. Second, they should conscientiously straighten out the relations between various departments, and bring about a reasonable division of government functions and powers and management scope of various departments in the assignment of the functions and powers of various departments. Third, they should readjust the structure and standards for the establishment of organizations by merging organizations that have overlapping functions and powers or that do the same or similar jobs. It should be decided that those dispensable organizations that do not have adequate jobs to do will not be set up. We should close intermediary organizations and nonpermanent organizations that are not necessary. We must gradually change those organizations that have the dual function of operation and management into enterprises or economic entities of other forms. Fourth, in the assignment and reduction of manpower, assignment of functions, powers, and numbers of staff for organizations whose establishment has been decided, we should encourage and support the cadres of administrative institutions in developing production and setting up economic entities outside their organs. Fifth, when expanding systems, we should institute sound regulatory mechanisms to prevent the reoccurrence of staff expansion after the reduction of staff numbers.

#### **V. We Should Strengthen the Study of Theory and Professional Skills; and Make an Effort To Improve the Quality of Cadres**

Insisting on giving ideological and political education to the vast numbers of cadres and continuously improving their quality is an important and long-term task for the improvement of government administration. At present, given the complicated international situation and the heavy task of development and reform at home, it is particularly necessary to improve the political and professional quality of the vast numbers of cadres. It is necessary to organize cadres to diligently study Marxism-Leninism-Mao Zedong Thought and the line, principles, and policies adopted since the Third Plenary Session of the 11th CPC Central Committee; and to further enhance the consciousness of upholding the four cardinal principles. All government personnel should acquire knowledge about their professions in a painstaking manner and improve their ability for organization and for guiding economic work, be positive in making progress, be devoted to their work, and make contributions to the historical process of invigorating Shaanxi and making the people wealthy.

Fellow deputies, the tasks before us are glorious and arduous. To complete the various tasks for the year, it is necessary to depend on the concerted efforts of governments at all levels and people throughout the province. Let us unify our thinking, arouse enthusiasm, and strive arduously to make new achievements in development

and reform under the guidance of the CPC Central Committee, the State Council, and the provincial party committee and look forward to the successful convening of the 14th CPC National Congress.

#### **Shanxi Government Work Report**

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[“Governor Wang Senhao’s Government Work Report—Delivered at the Fifth Session of the Seventh Shanxi Provincial People’s Congress on 8 March 1992”]

[Text] All Deputies:

I am now making a government work report at the session on behalf of the provincial people’s government. Please examine and discuss it and I ask all Provincial Chinese People’s Political Consultative Conference [CPPCC] Committee members to please put forth your views.

#### **Review of Government Work in 1991**

Nineteen ninety-one is the first year to carry out the 10-Year Program and Eighth Five-Year Plan and a year to continue with economic improvement, economic rectification, and deepened reform. In this year, under the leadership of the Shanxi Provincial CPC Committee and the supervision and support of the provincial people’s congress and its standing committee, the provincial people’s government completely implemented the party’s basic line, seriously carried out the important policy decisions of the CPC Central Committee and State Council on stabilizing and developing the economy as well as a series of their policies and measures, implemented the spirit of the Sixth Provincial CPC Congress and Fourth Session of the Seventh Provincial People’s Congress, mobilized and organized all people throughout the province to vigorously push the socialist construction cause forward, and made new achievements in all aspects.

#### **1. Economic Situation Continues To Develop In Good Directions**

Although agricultural production suffered serious drought disasters, the rural economy still further developed. The agricultural production situation was not bad at the beginning of last year and it was the second year of high yields in summer grain. However, autumn crops suffered from the most serious drought we have had since the founding of our country; 81 percent of the sown areas were stricken. In the face of the serious drought, the governments at all levels led the people to vigorously plunge themselves into the struggle of combating drought and providing disaster relief, and remarkable results were achieved in mitigating the disaster. As the drought situation was too serious, the yearly gross output of grain was only 7,424 million kg, a 23.4-percent drop compared with the preceding year. Industrial crop output was basically stable, livestock products continued

to increase, and good results in afforestation were made. Township and town enterprises developed comparatively quickly and their output value was 15.6 percent more than in the preceding year. With the development of nonagricultural industries, although the gross agricultural output value dropped 10.8 percent over the preceding year, the rural gross social output value still increased 4.9 percent over the preceding year.

In the difficult situation, industrial production kept on growing normally. The governments at all levels seriously broke "debt chains," restricted production, and reduced stocks. Payments for goods—6.38 billion yuan—in arrears were settled in the year and made up 45.7 percent of the total amount of payments in arrears. The momentum in an increase in finished products kept long in stock was checked. The budgetary capital spent on finished products at the end of the year by state-owned industrial enterprises throughout the province, which had opened accounts with industry and commerce banks, was 610 million yuan less than in June. As the province vigorously made up deficits, four trades in 10 prefectures and cities throughout the province reduced bigger deficits to various degrees than in the preceding year. The number of enterprises which incurred losses of over 1 million yuan dropped from 71 in the preceding year to 25. In macroeconomic management, we forwarded a short-term plan for readjusting product mix and adopted specific measures to support products of superior quality and to restrict products of inferior quality to increase marketable products at different degrees. In the "management year" activity, we intensified all aspects of the fundamental management work and enhanced the level of enterprise management. With the efforts of the province, the gross industrial output value was 66.17 billion yuan, a 7.3-percent increase over the preceding year and the gross industrial output value, excluding the industrial output value—51.57 billion yuan—of villages and units below the village level, increased 5.5 percent. The index of some economic results began taking a turn for the better. The budgetary income from sales of state-owned industrial enterprises was 16.6 percent more than in the preceding year, the profits and taxes they created were up 7.6 percent, and the profits and taxes they paid the state were up 5.3 percent.

Investments in fixed assets grew and key construction projects progressed smoothly. The investments in the fixed assets of whole society were 14.86 billion yuan, a 21.3 percent increase over the preceding year. Of them, the investments in the local projects were 8.1 billion yuan, a 17.4-percent increase. A number of key projects were completed and put into operation, thus forming new productive capacity and strengthening the staying power for our province's economic development.

Urban and rural markets became brisk and prices were basically stable. As the governments at all levels pushed reform of the circulation structure forward, smoothed circulation channels, and made efforts to develop urban and rural markets, the total volume of retail sales

amounted to 20.66 billion yuan, a 12.1 percent increase over the preceding year. In compliance with the State Council decision, the government grain and oil selling prices, that had not been changed for many years, were raised and the prices of some basic industries' products were readjusted. As the governments at all levels worked carefully, the chain fluctuation of market prices was avoided and the yearly general retail price index of commodities rose 3.9 percent, which was lower than the controlled target.

The budgetary financial revenue task was completed and the financial situation was relatively stable. The annual financial revenue was 5.56 billion yuan, a 7.4 percent increase over the preceding year; financial expenditure was 6.07 billion yuan, a 10.6 percent increase over the preceding year. In the financial aspect, control of the total quantity was continuously exercised, the credit policy was regulated in a timely fashion, funds sources were explored through many channels, the credit structure was rationally readjusted, and the balance between savings deposits and loans continued to increase, thus fundamentally guaranteeing demands for funds in the course of key project construction and enterprise operation and activities. However, money put into circulation was 41.8 percent more than in the preceding year, aggravating inflation's latent pressure.

## 2. Science, Technology, Education, and All Other Social Causes Develop Further

Scientific and technological work was geared to economic construction needs and results were made in the development and study of practical technology and in the popularization of scientific and technological achievements. Last year, of the 161 difficult key technological problems, 93 were resolved; and 324 scientific and technological achievements won prizes for scientific and technological progress, 72 percent of which can be directly applied to production. A large number of scientific and technological achievements had been applied to the practice of production. The "Spark Program's" implementation produced marked effects, water-saving irrigation and dry-land crop agricultural technology was popularized and applied, new strains of wheat and maize were cultivated and selected, and remarkable results in increased production were made. The "Torch Program" was being carried out and the building of the Taiyuan high and new technology industry development zone began. A technological market gradually took shape and the number of contracts for scientific and technological services was 33.9 percent greater than in the preceding year.

The party's education policy was implemented and the education cause developed. The "Compulsory Education Law" was seriously enforced, 45 counties realized compulsory primary education, and 10 counties realized compulsory junior middle school education. The whole society was concerned with and supported education and raised 340 million yuan for education. The conditions for running middle and primary schools were improved.

Comprehensive reform of rural education was deepened and a large number of typical examples in working out unified plans for ordinary, adult, and vocational education and integrating agriculture, science, and education emerged. Vocational education further developed and the number of senior middle vocational and technical school students increased and was roughly equal to the number of senior middle ordinary school students. After the rectification of higher adult education, the quality of education and teaching were improved. Centered on the needs of economic construction, institutes of higher learning vigorously readjusted the professional structure, the proportion between students recruited from designated areas and students whose training was entrusted by others was increased, and scientific and technological development was speeded up.

The cultural cause thrived while it was rectified and the masses' cultural life was enriched. The activities of "eliminating pornography" and "wiping out six vices" were vigorously carried on and certain results were achieved in the cultural market's rectification. News, publications, radio, television, literature, and fine arts gave prominence to the propagation of economic construction—the center, the deeds of the typical examples and advanced figures in carrying out reform and opening up were disseminated, a large number of outstanding books were published, a large number of comparatively good works were created; and this played a part in promoting two civilizations building.

New achievements were scored in public health work, physical culture, and family planning work. Public health work, prevention of diseases, and health care work in rural areas were intensified; the children's immunization plan was popularized; medical treatment and public health facilities were increased; and the conditions for urban and rural medical treatment were further improved. The eighth provincial sports meet was successfully held and players achieved many good results in important contests at home and abroad. Governments at all levels put family planning work in an important position; and the natural population growth rate was 14.69 percent, a drop from the preceding year. Rural family planning work was still relatively weak and the task of controlling population growth was still very arduous.

Urban residents' living standards improved and the peasants' life was basically stable. The average worker's wage was 2,267 yuan, a 7.4 percent increase over the preceding year or a 1.1 percent increase after allowing for price increases. As agriculture was hit by disasters, the peasant per capita net income was 567.9 yuan, a 5.9 percent drop from the preceding year or a 8.4 percent drop after allowing for price increases. As governments at all levels seriously provided disaster relief, together with a bumper agricultural harvest in the previous several years, most peasant households had surplus grain and the peasants' lives were basically stable.

Urban and rural areas built some 20 million square meters of new housing and housing conditions unremittingly improved. The amount of urban and rural savings deposits reached 29.16 billion yuan, a 26 percent increase over the beginning of the year. All places created jobs in every possible way and arranged employment for 122,000 people to control the rate of awaiting employment within 2 percent. Certain progress was made in environmental protection, the 17 key environmental protection projects that should have been completed last year were all completed, the ability to prevent and control environmental pollution was further enhanced, and the tendency toward deterioration of the key cities' environmental quality was curbed.

### 3. New Progress Is Made in Reform, Opening Up

Last year, we seized the favorable opportunity of scoring remarkable achievements in economic improvement and rectification and formulated the "Regulations on Further Rejuvenating Large and Medium Enterprises" (26 articles), "Regulations on Deepening Reform and Enlivening Circulation," "Regulations on Supporting and Developing the Urban Collective Economy," "Regulations on Further Quickening the Development of Township and Town Enterprises," and "Regulations on Encouraging the Development of the Individual Economy and Private Sector of the Economy." With the promulgation of this series of measures for reform, the pace of reform was accelerated and economic development was promoted.

The vitality of large and medium enterprises was strengthened. Governments at all levels seriously implemented all policies and measures formulated by the CPC Central Committee, State Council, and our province on rejuvenating large and medium enterprises and in light of the actual situation, worked out the corresponding detailed rules and regulations in finance, taxes, credit, labor, and prices to improve the large and medium enterprises' external conditions. Enterprises, including Taiyuan Rubber Plant, Changzhi Bearings Plant, and Datong City Meat Products Plant, made breakthroughs in reforming their internal labor, personnel, and distribution systems; thus changing their enterprise operational mechanisms.

Progress was made in reforming the circulation structure. Last year, we regarded the development of urban and rural markets and the enlivening of circulation as the important contents of reform. We conducted the pilot project of "contracting for the running of counters and groups, linking remuneration with sales" in Taiyuan 1 May Department Store Building and selected some state-owned and cooperative commercial enterprises for conducting the pilot project of "relaxing control of four things," including operation, prices, distribution, and employment. Initial experience was gained. Meanwhile, the market of the means of production was unremittingly improved to ensure the circulation of more materials. Having summed up Houma city's experience in the development of country fairs, all kinds of country fairs

throughout the province developed relatively quickly and the situation in impeded circulation was changing.

Many different economic sectors developed further. The gross output value of all individual industrial and commercial undertakings throughout the province was 3.47 billion yuan in the year and the volume of business was 4.51 billion yuan, a 22.5 percent and 31.4 percent increase respectively over the preceding year; the aggregate output value of privately owned enterprises was 720 million yuan, a 41.8 percent increase over the preceding year. The development of the individual economy and the private sector of the economy played a useful part in supplementing the socialist public-owned economy.

With the rural reform's unremitting consolidation, improvement, and enhancement, further progress was made in the pilot project of county level comprehensive reform. On the foundation of continuously stabilizing the responsibility system with the contract responsibility system on a household basis with remuneration linked to output as the main work, all places improved the two-tier operation structure with centralization linked with decentralization and unremittingly strengthened the collective economy. With a view to suiting the new situation of rural development, Xixian County especially closely integrated reform of organs with the establishment of the socialized services structure and the economy's development; set up service entities; centered on the leading industries of the county, by relying on agriculture-related departments; organized developmental production; and engaged in service work to promote reform of the organs and to speed up economic development. Their experience is of universal significance to all counties, particularly poor counties in mountainous areas, of our province.

A start was made in reforming the housing and insurance systems. The provincial government forwarded views on reforming the housing system and the prefectures and cities, including Taiyuan, Datong, Yangquan, Shuozhou, and Luliang, formulated plans for housing reform. A large number of enterprises and units pooled their money to build houses or built houses cooperatively. Good results were achieved. Arrangements for the funds for the pension insurance for the workers of enterprises under ownership by the whole people developed from counties (cities and districts) as units to the whole province. The scope of insurance against awaiting employment was further expanded. Some cities and counties carried out on a trial basis reform of urban and rural pension insurance.

Opening up wider to the outside world was carried out. In compliance with the State Council decision, a new system of independent operation and sole responsibility for profits and losses was implemented in all categories of foreign trade enterprises and foreign trade increased comparatively greatly. The total amount of the goods exported by enterprises themselves was \$510 million, 11.2 percent more than the preceding year; the amount of the goods imported by the enterprises themselves was

\$75.23 million, 70.8 percent more than in the preceding year. Losses incurred by foreign trade enterprises due to poor operation and management were reduced. Shanxi Provincial Friendship and Exchanges With Foreign Countries Week was launched and a large number of economic and technological cooperation projects were concluded. The provincial government worked out regulations on encouraging foreign businessmen and Taiwan compatriots to make investments. The amount of foreign capital to be utilized, as agreed upon in new agreements, for the whole year was \$26.64 million, of which \$51.77 million was actually utilized. The province approved the establishment of 54 Sino-foreign joint ventures, Sino-foreign contractual joint ventures, and wholly foreign-owned enterprises; and had 131 Sino-foreign joint ventures, Sino-foreign contractual joint ventures, and wholly foreign-owned enterprises by the end of the year. New achievements were scored in tourism and the province's foreign currency earnings from tourism increased 26.7 percent over the preceding year.

#### **4. Political Stability and Unity Are Being Continuously Consolidated**

The whole province enjoyed political and social stability. Last year, we sternly cracked down on serious and economic crimes, focusing on theft in places and trades; investigated and banned prostitution and whoring; cracked down on kidnapping and abduction; continuously and comprehensively tidied up social order; and maintained political and social stability. In the course of maintaining political and social stability, public security departments, armed police forces, judicial and administrative departments, and the people's policemen achieved new results. A drive to set up "double-support model cities (counties)" and "patriotic support-army model counties (districts)" was launched, resulting in further strengthening the unity between the army and government and between the soldiers and people. Shanxi Provincial People's Liberation Army [PLA] Military District and the PLA units stationed in Shanxi contributed toward the building of two civilizations in our province.

Comparatively great progress was made in building the democratic legal system. People's governments at all levels insisted on the system of reporting to the people's congress standing committees and consciously accepted the supervision of the people's congresses, their standing committees, and the people's CPPCC committees at their level. The provincial government dealt with all 1,095 people's congress and CPPCC committee motions. The public security department, tax bureau, price bureau, and industrial and commercial administrative bureau were subject to the provincial people's congress deputies assessment, thus vigorously promoting the work of one department, three bureaus, and the government. The provincial government continuously stepped up drafting local regulations and formulating rules and

regulations, submitted six local regulations to the provincial people's congress standing committee for adoption, and promulgated 10 administrative rules and regulations. The masses' suggestions collection office received all kinds of suggestions, totaling 2,450, and passed 1,388 letters onto relevant government departments for study and handling; many views were adopted.

New results were achieved in building clean and honest administration. Forces were concentrated on three things: investigating and dealing with cadres' violations of the law and discipline in building private houses and occupying more houses than entitled to, correcting unhealthy trends in trade, and rectifying law enforcement ranks; and a number of cases of violating the law and discipline were placed on file for investigation and prosecution. After regulations and systems were established and social order was comprehensively tidied up, the phenomenon of "three wanton collections" diminished comparatively noticeably. All prefectures, cities, and departments carried out measures for rectification and correction, established all systems for "making the work known to the public and accepting the masses' supervision," put these systems on a sound basis, and intensified the struggle against corruption. As the provincial and prefectural (city) government organs work styles were rectified, the outlook of the organs' work initially changed.

Last year, our province made new results in all aspects of work, achieved the major targets determined at the beginning of the year, and the main tasks of economic improvement and rectification were basically completed. However, our work still left much to be desired. Since the Third Plenary Session of the 11th CPC Central Committee, our province had scored very great achievements in reform and opening up and the economy had developed relatively greatly but compared with its fraternal provinces and municipalities, we had lagged behind very much. The mind of reform and opening up was not sufficiently emancipated, it was not bold enough, the pace was not quick enough, the measures for reform and opening up were not implemented well enough, and it was not really ensured that all aspects of work were subordinated to and served economic construction—the center. This was the main reason for our province's insufficient development. Some difficulties and problems that cannot be ignored still exist in our province's economic and social life last year and they were mainly:

1. Progress in readjusting product mix was slow and the economic results of enterprises poor. Although the amount of losses of the enterprises covered by the state plan was less than the preceding year, it was still as high as 261 million yuan. The potential losses of some enterprises were serious and some appeared to make profits but actually incurred losses. There were many reasons for the enterprises poor economic results: a) In the acute market competition, they did not vigorously readjust product mix and improve their product quality; b) Their input in technological transformation was insufficient

and the situation of their outmoded equipment and backward technical standard did not change; c) Although results in last year's management year activity were made, many enterprises' management was still chaotic; and d) The policy of basing coal production on transport facilities and sales prospects was not implemented well, resulting in a comparatively large amount of coal of the whole province kept too long in stock and affecting the enhancement of the economic results as a whole.

2. Financial difficulties were experienced and the difference between revenue and expenditures was great. Last year, although the budgetary revenue task was completed last year, expenditures increased too fast and the province's financial deficit was 78.69 million yuan. More serious financial difficulties at the county level were experienced. The reasons for the financial difficulties were mainly that enterprises' economic results were low and a large amount of their taxes and profits was in arrears; management of the taxes of individual industrial and commercial undertakings was not strict and the tax evasion situation was relatively serious; the personnel living on financial revenue increased too sharply and 72 percent of the province's financial revenue was spent on administrative funds; and the burdens of all kinds of subsidies were heavy.

3. The agricultural foundation was still weak and the ability to resist natural disasters still very low. Last year, due to natural disasters, grain production and peasants' income dropped, causing a reduction in the peasants' ability to make inputs in agriculture. This will adversely affect agricultural production this year.

4. The safety situation was bad and serious accidents increased. In particular, in the "Light of the Coal Sea" Lantern Festival held in Taiyuan's Yingze Park, a serious accident occurred in which 105 people were crushed to death and 108 others were injured and a serious gas coal-dust explosion in Sanjiaohe coal mine of Hongdong County caused the death of 147 people. They caused serious losses in lives and state property and the lessons were extremely bitter. These accidents occurred mainly because the leading cadres concerned did not attach importance to safety, their style of work was seriously bureaucratic, and the relevant working personnel neglected their duties. Those responsible for the serious accidents were separately and strictly dealt with according to the seriousness of the case. The provincial government held itself responsible for these serious accidents. We did not attach sufficient importance to safety work, did not vigorously ensure coal mine safety, failed to foresee or take effective and precautionary measures against accidents suddenly happening in large-scale mass activities, and did not promptly discover and correct bureaucratism existing in the work style of a small number of leading cadres. We have already reported to the State Council and made a self-criticism at this session to the people of the province.

In addition, the state of social order in some places of our province was not good enough, the province did not crack

down on criminals vigorously, and all sorts of criminal cases increased; a small number of state organ workers took advantage of their power to pursue private ends and even seriously violated the law and discipline, took bribes and perverted the law, and committed extortion and blackmail. This evoked the masses' dissatisfaction.

We must attach great importance to the above-mentioned problems, adopt effective measures, and seriously solve them.

### Tasks and Duties for 1992

#### Deputies:

The government work for 1992 is to resolutely and thoroughly implement the party's basic line, expedite reform, expand opening up to the outside world, concentrate strength to engage in economic construction, and promote continuous development of the national economy and various social undertakings.

The main goals of the province's national economic and social development this year are: On the basis of maintaining a basic balance between total social demand and supply, attain a GNP of 45 billion yuan, a 5.4 percent increase over last year; total industrial output value of 70.8 billion yuan, a 7 percent increase; total agricultural output value, of 13 billion yuan, an 11.3 percent increase; financial income of 5.81 billion yuan, a 4.5 percent increase; total scale of investment in fixed assets in localities of 7.42 billion yuan, a 6.3 percent increase over last year's plan; total volume of retail sales of 23 billion yuan, an 11.3 percent increase; total volume of foreign trade and export of \$520 million, a 2 percent increase; and control the increase in the retail prices of commodities within 6 percent. The arrangements prescribed by this year's plan have room to maneuver, and we must strive to do the work well and fight for better results in actual practice. The localities with better conditions can develop more rapidly.

The government work this year is to:

#### I. Expedite Reform and Opening Up, Concentrate on Developing the Economy

The nature of socialism is to liberate and develop productive forces. The foothold for adhering to the socialist road is to develop the economy as fast as possible. The 1990's is a very crucial decade for socialist modernization our country; now that we have entered the third year, we must answer a question, can Shanxi attain "small-scale prosperity" by the end of this century? We should have a strong sense of mission, urgency, and responsibility; firmly grasp the new opportunity; thoroughly implement the basic line of "one center, two basic points"; expedite reform and opening up; and wholeheartedly do a good job in economic construction. In various government work, economic construction is the center, and other work must obey and serve this center, must not be allowed to interfere with or deviate from this center. Regarding this point, we must firmly grasp it and

never waver. We must do solid work; seek practical results; and, through several years of hard efforts, enable our province's economy to scale new heights. This year, our province's economic work should uphold one center and emphasize three key points, that is, at the same time we maintain a certain development speed, we take increase in economic returns as the center, and we emphasize the three key points of expediting reform and opening up, of vigorously adjusting structure, and of promoting scientific and technological advancement. We will pay special attention to the following tasks:

#### 1. Further emancipate minds, continue to deepen reform and to expand opening up.

It is very important for our Shanxi to further emancipate minds, and to continue to deepen the reform and expand the opening up. We must enhance our sense of reform and opening up; break the chain of the "leftist" ideology; eradicate the concept of adhering to conventions; overcome conservative thoughts; and advocate the spirit of bold thinking, advancement, practice, and experiments. Without some adventurous spirit, and without some courage for doing things, we cannot explore new roads, nor can we establish new undertakings. In reform and opening up, we must throw more firm support and care to the innovators who work for reform. For each reform experiment, we should strive for success, but also allow for failure. When it is a success, we will promote it; when it is a failure, we will correct it.

This year, the main duty of urban economic restructuring in our province is to continue to improve state-run large and medium enterprises; deepen enterprise reform; change operational mechanisms; progressively push enterprises toward the market; actively promote the related reforms of planning, circulation, housing, social welfare, and medical service; and pinpoint the acute problems in economic operation for tackling.

The key to improving state-run large and medium enterprises is to change the enterprises operational mechanisms, whereas the crucial point in changing the enterprises' operational mechanisms is to reform their labor, personnel, and wages systems, and to break their "iron armchairs, ironclad wages, and iron rice bowls." This year, the provincial government will promote the experiences in the labor, personnel, and wages systems reforms acquired by Taiyuan Rubber Plant, Changzhi Bearing Factory, and Datong City Meat Product Factory, and 90 large and medium industrial enterprises to gradually form a new mechanism whereby cadres can be promoted or demoted, staff and workers can be hired or fired, and wages can be increased or decreased. Redundant hands in enterprises must be digested by the enterprises, and be properly taken care of; they can be adjusted, transferred, and trained within enterprises; they can run exploratory productive enterprises and develop tertiary industries; and they can retire, resign, retain their nonpaid posts while looking for other jobs, or wait for jobs in their factories. It is necessary to further

implement the "Enterprise Law" and the series of policies on deepening reform formulated by the CPC Central Committee, the State Council, and our province. The governments at various levels should seriously implement the economic restructuring policies and measures announced by the province last year; and the "Opinion on the Pilot Project of Deepening Reform in Large and Medium Enterprises"; the "Supplements to Several Regulations on Deepening Reform and Invigorating Circulation"; and the "Opinion on Closing, Stopping, Changing, and Emerging Enterprises," which were announced early this year, to enable enterprises to really have decisionmaking power concerning production and operation, and to create a better external environment for enterprises. When carrying out reform, we should continuously explore new systems and methods to manage state-owned assets to enable state-owned assets to play a more efficient role.

We should enthusiastically try out the stock system. A stock system can not only raise funds for economic construction, but can also closely link the interests of individual laborers and various shareholding units to an enterprise's fate to enhance the enterprise's vigor and ability for market competition. At present, the cooperative stock system is functioning quite well in some township and town enterprises in our province, and urban collective enterprises and some state-run enterprises may try it out. An enterprise's staff and workers may buy its shares, and enterprises may buy shares among themselves. After approval, shares can be issued for large construction projects and technological transformation projects.

When we try to properly run the public ownership economy, we should continue to support the development of individual and private economies and foreign-invested enterprises, and we should strengthen guidance and management over them, and enable them to develop healthily and better play their role in supplementing the socialist public ownership economy.

It is necessary to expedite the housing and social welfare reforms. We must actively promote pilot projects in housing reform, and seek substantive results in increasing rent, selling houses, raising funds for construction of houses, and establishing housing funds. We should gradually improve the social and old age insurance systems to be shared by the three sides of the state, enterprises, and individuals; we should appropriately expand insurance's domain, and expand the pilot projects in medical, industrial accident, and maternity insurance; and we should reform the current public-funded medical service and labor medical insurance systems.

We must seriously promote the experience acquired by Xixian County, and deepen county-level comprehensive pilot projects in reform. This year, we will emphasize pilot projects in 13 counties (districts). We should create affluence in poverty-stricken areas, "streamline" administration, transform government functions, and reduce

financial subsidies simultaneously; and we should encourage county-level departments involved in agricultural affairs and economic and technological departments to organize and establish various kinds of economic entities of a service nature, to engage in exploratory production and to serve the development of commodity economy in rural areas.

We must resolutely expand the opening up to the outside world. A socialist economy is an open economy, and only by strengthening our links with the outside world and boldly absorbing and borrowing every achievement in civilization created by human society, including every advanced operation and management style which reflects the law of modern socialized production in the developed capitalist countries, can our economy develop faster. We must enhance the sense of opening up, have a quicker pace of opening up, and have more flexible measures.

We will further enlarge the domain of opening up to the outside world and expand foreign trade and economic exchanges with foreign countries. We will continue to practice total contracting of foreign trade and the export agency system, vigorously fight for expansion of the decisionmaking power concerning exports for state-run large and medium enterprises, and properly run export production bases. We will expedite the construction of railways, major roads, communications facilities, and the Taiyuan Airport expansion project to improve our province's railway, road, aviation, and posts and telecommunications conditions; we will establish and perfect management organs overseeing utilization of foreign funds; establish and perfect raw materials, labor, personnel, and monetary markets and service systems, and simplify the procedures for reviewing and approving projects for foreign investment; increase work efficiency, gradually create a good investment environment, and attract more foreign businessmen to make investments and run factories in our province; and actively develop the processing of materials supplied by foreign businessmen, processing of imported materials, compensated trade, contra [1417 6906] trade, contracting of projects abroad, labor export, and agriculture for earning foreign exchange.

When we develop economic and trade relations with foreign countries, we must enhance friendship with them, as well as scientific, technological, and cultural exchanges and cooperation. We should consolidate and develop good relations with friendly provinces, autonomous regions, and cities, and explore new channels for interaction with foreign countries. Surrounding the activities of "Friendship and Visit China Year 1992," we will give full play to the function of tourism and cultural relics in the propaganda for Shanxi and the promotion of interaction with foreign countries. We will integrate tourism work with the protection, management, and utilization of major cultural relics, and further improve economic returns, expand the earning of foreign exchange through activities other than trade, and boost the development of tertiary industry.

We must actively expand opening up internally, and vigorously develop lateral economic ties with fraternal provinces and cities. We welcome various state groups of companies and fraternal provinces and cities, especially coastal provinces and cities to invest in our province, establish intensive processing projects, hi-tech projects, and projects for earning foreign exchange. At the same time, we encourage enterprises with strong conditions to run factories and organize exhibitions outside our borders and to establish various lateral economic ties.

This year, our province has an arduous reform duty. In particular, the reforms of labor, personnel, and wages among enterprises; the housing reform; the medical system reform; and the closing, stopping, changing, and merging of a small number of enterprises will involve tens of thousands of households and have a bearing on the masses' vital interests. Therefore, we should vigorously publicize reform and opening up to form a thick atmosphere of reform in the whole society, to mobilize the broad masses of people to enthusiastically support the reform, to actively take part in the reform, and to offer plans and make efforts to do a good job in our province's reform and opening up.

## **2. Put agriculture first in economic work, further improve agriculture and rural work.**

The agricultural situation has a decisive impact on overall economic development. We must always put agriculture in the first position of economic construction, strengthen leadership, actively promote overall development of the commodity economy in rural areas, and strive for a bigger increase in grain output of a restorative nature.

We should continue to stabilize the responsibility system centering on the system of contracted responsibilities on a household basis with remuneration linked to output, ceaselessly perfect the two-tier operation system which integrates centralization with decentralization, actively develop socialized services systems, enhance the strength of the collective economy, and guide peasants to the road to common affluence. At present, the key point in perfecting the two-tier operation system is to strengthen the tier of collective operation and to provide various effective services to the family operation tier.

Agricultural development should follow the road of high yields, high efficiency, good quality, and low costs. We should resolutely fight drought to invigorate agriculture, use scientific education to invigorate agriculture, and use the market to invigorate agriculture; working hard to improve agriculture's comprehensive productive ability. The provincial government has arranged to develop and build 5 million mu of high-yield and highly efficiency paddy fields in the Eighth Five-Year Plan period, as well as 5 million mu of dry land which can produce 1,000 jin of grain per mu; we should try to develop 2 million mu for each of the two items this year. We should continue to build water conservancy projects, and the key efforts to be made are: Arrange for the starting of the project to

divert water from the Huanghe, prepare for building the second reservoir in Fenhe, and build other major projects such as irrigation and wheat and cotton bases with emphasis on Yuncheng. We should expedite the coordinated transformation and development of the currently available irrigation facilities' potentials and expand the irrigated areas to improve efficiency. We should actively promote measures for increasing the output of dry-land crops; select quality and drought-resistant varieties of farm products for planting; upgrade the agricultural mechanization level; and increase the use of chemical fertilizer, membrane for covering land, and pesticides. We must utilize the achievements in planning regional agriculture, do a good job in comprehensive agricultural development, continue to improve saline-alkali land and shoals, improve low- and fair-yielding farmland, grasp afforestation, actively explore artificial rain, take precautions against hail, and enhance our ability to prevent and fight disasters. Our province experienced a persistent drought last autumn and winter and this spring, and this is very unfavorable to agricultural production; we must urgently mobilize ourselves and concentrate our strength to win the struggle against droughts and for protecting wheat and spring sowing.

We must continue to increase agricultural input. This year, special funds from the state, foreign funds, and funds allocated by the provincial government specifically for agricultural use will increase compared with last year; and agricultural loans, funds from industry for building agriculture in rural areas, and funds from industry for subsidizing agriculture will also increase. We should properly manage and use various funds allocated specifically for agricultural use, speed up circulation, and increase the returns on funds use. The funds for helping the poor, and the reserve financial strength at the prefecture and county levels, should mainly be used for agricultural purposes. We will gradually establish an investment system which combines investments from the state, collectives, and individuals; improve it; increase the collective economy's accumulation; and encourage peasants to do more for water conservancy projects.

Township and town enterprises have a very important role in the developing the rural economy, and have become an important force in the whole national economy. We must eradicate thoughts such as feeling comfortable about being poor, adhering to old conventions, and being satisfied with a small fortune; we must seriously implement our province's "Regulations on Further Expediting the Development of Township and Town Enterprises," and, in particular, we must vigorously expedite the development of township and town enterprises in suburb areas of large and medium cities and in Dongshan and Xishan. We must actively develop collective enterprises run by villages and enterprises jointly run by peasant households, taking into consideration the local conditions. When we expedite their development, we should strengthen management, guide them to adjust their industrial structures and products

mix, increase input, grasp technological transformation and exploration, and improve the quality of products and economic returns. At the same time, in the vast rural areas, we should actively develop diversified operations, such as planting, breeding, and processing, to increase the economic returns from agriculture and the peasants' income level.

We should continue to help poverty-stricken areas and develop the mountainous areas well; strengthen the construction of basic facilities, such as roads, electricity, water supply, and communications; and improve conditions for agricultural production and economic development. The governments at various levels should organize and help the people in the major disaster areas to fight disasters and rescue themselves and to restore production. We should further strengthen land management and resolutely eliminate the phenomenon of randomly occupying farmland or approving the use of farmland for nonagricultural purposes. Villages should launch activities learning from the 20 red flag units on the agricultural front, and struggle hard to create a new situation in rural work.

### **3. Adjust structure, improve returns, and promote a healthy development of industrial economy.**

Thanks to rectification and improvement, there is a basic balance between total supply and total demand. We must grasp this favorable opportunity to vigorously adjust structure and expedite economic development. We say we want to expedite economic development, but that does not mean we encourage impractical high speed; it means solid, practical, stable, and coordinated development. For this reason, we must carry out structural adjustment. Our province has a very arduous duty in structural adjustment, and the main direction is to strengthen primary industry, adjust and optimize secondary industry, and actively develop tertiary industries. This year, key efforts will be made to adjust enterprises' product mix and organizational structure. The product mix adjustment should be market-oriented and centered on technological advancement, and we will help the good and restrict the poor and develop a number of salable products; we will develop and manufacture a number of new products which have a high degree of technology and additional value; we will promote and apply a number of advanced technologies which are applicable and obviously efficient; we will import, digest, and absorb a number of advanced technologies from the international community; and we will restrict and eliminate a number of products which have output larger than demand, poor quality, and high cost, as well as other products which are not in accordance with the industrial policy. The province will make key efforts to grasp 15 kinds of competitive products, such as toluene bifurcating cyanic acid [3946 0058 0059 8381 8642 6808 7927], coal-extracting machines, hydraulic pressure devices, quality flour, clothes, food, and drinks. We must support the enterprises producing these major products by giving them preference, and grasp implementation of the needed investment and the corresponding measures

for technological organization. As for coal production, we must continue adhering to the principle of "stabilizing output by transporting and selling coal," taking effective measures and policies to transport and sell more coal to reduce the coal stock. We must continue to develop coal processing and refining, adjust the coal product mix, and increase coal's additional value.

Product mix adjustment involves the areas of basic construction, technological transformation, scientific and technological development, and import of technologies; and we need to organize the relevant departments to coordinate closely to fight an overall battle. We must concentrate and spend the available funds on key areas to achieve several things.

To adjust product mix, it is necessary to correspondingly adjust the enterprises organizational structures. It is necessary to perfect the currently existing enterprise groups and use various methods, such as shares among enterprises and unification of capital and operation, to build new enterprise groups. As for enterprises which overproduce; have serious overstocking of products; and have been accruing losses for a long time, based on the spirit of "more merging and changing, less closing and stopping," we should actively and steadily close, stop, merge, or change them.

It is necessary to continue to clear up "debt chains," and do the work in limiting production and reducing stockpiles. When we clear up the "debt chains" this year, we will first tackle the origin. Investment in fixed assets must include the factors of interest, exchange rate, tax money, price index, basic circulation fund, and so on, not leaving any loopholes. Production must be organized according to the market's need, and we must practice the relevant policy of cutting loans to make localities and enterprises actively limit production and reduce stockpile, and they should never produce on the one hand and reduce stockpiles on the other hand.

We will continue to make great efforts to stop losses. Except the losses approved by the relevant provincial government department to meet policy requirements, other losses caused by operations must not receive subsidies from financial departments, and enterprises must shoulder gains and losses themselves; loss-making enterprises are not allowed to give bonuses to workers, and in enterprises which cannot stop losses, the wages for factory managers and workers should be decreased; and in loss-making enterprises, before losses are stopped, the main responsible persons cannot be transferred to other jobs of the same rank, and must be dismissed from their posts right there if they fail to stop losses over a limited period of time. We must strengthen supervision, and all enterprises should have strict financial and economic disciplines, and we will seriously handle those who default or cover up losses with tricks when we discover them.

We must continue to deepen the management year activities centering on quality, variety, and efficiency.

All enterprises should strictly manage their factories, take quality management as the breakthrough point, and strengthen overall management. We should actively promote modern management measures and means, and improve overall quality and economic returns among enterprises. Various government economic supervision departments should strengthen audit supervision, legal and discipline supervision, and measurement and quality supervision for enterprises; and standardize enterprises' operational behavior.

The efforts to change the enterprises' operational mechanisms, to adjust product mix, and to strengthen enterprise management are for further enhancing vigor among enterprises, especially state-run large and medium enterprises, to enable them to become socialist commodity producers and operators who make their own decisions concerning operation, take sole responsibility for losses and gains, and are capable of self-development and restraint, as well as to improve their ability for market competition. In this area, we will have a faster pace this year.

**4. Invigorate circulation, develop markets, increase income, decrease expenditures, and improve the financial situation.**

We must reduce the domain of mandatory planning, actively and steadily promote price reform, and give play to the market mechanism's function. Based on the principle of stabilizing prices on the one hand and invigorating the economy on the other, and on the premise of not breaking the goal of controlling the index of retail prices within the state plan, we should gradually adjust the irrational price and price management systems. We must continue to control the retail prices of commodities prescribed by the state; for commodities with guiding prices prescribed by the central authorities, within a stipulated domain, enterprises are to fix the prices themselves; concerning the retail prices of commodities fixed by the province, except the fixed quantity of grain for residents, important medicines, market coal, chemical fertilizer, pesticides, agricultural plastic film and timber, the prices of other commodities are to be fixed by the producers and operators; as for commodities with guiding prices managed by the organs below the provincial level, and the commodities regulated by market, their prices are to be flexibly fixed by enterprises.

In 70 state-run and cooperative commercial enterprises, we will promote the experience in pilot reform projects acquired by the Taiyuan City 1 May Department Store, which practiced "contracting sets of counters, and linking wages to sales"; further relax and perfect the relevant policies of operation, price, labor, and distribution; and increase enterprises' vitality and vigor. We will carry out pilot projects in the reform of the wholesale system and in the reform of enterprises engaging in wholesale business to really push enterprises to the market. Step by step, we will promote the experience in reforming the system of operation and management acquired by Luliang Prefecture

supply and marketing cooperatives, and turn the supply and marketing cooperatives into peasants' cooperative economic organizations.

We will actively build a market and develop a market system. This year and next year, the province will financially support the building of 17 wholesale markets of farm products, such as grain, dates, nuts, meats, vegetables, and fruits, in the major zones producing large quantities of quality products, as well as in places of commodity concentration and distribution. In various styles, we will further develop the industrial consumer goods market. Step by step, and rationally, we will plan and build a number of comprehensive and multifunctional markets for exchanging means of production. We will actively carry on the construction of capital, labor, and technology markets. We must abolish various randomly established obstacles; pull down barriers; cancel various unreasonable regulations which are exclusive, discriminatory, or monopolistic; and gradually establish an all-position open market which can perform various functions. We must severely crack down on the activities in manufacturing and selling fake or poor products, and protect the legitimate rights of the broad masses of consumers and production operators.

We must increase income, reduce expenditures, promote production, increase output, explore the sources of money, and work hard to increase revenues. We should strengthen the work in managing and levying taxes on major payers of taxes and profits, and promptly retrieve outstanding amounts of taxes; we should strengthen the management and collection of coal funds; and we should grasp the collection of various petty taxes, especially from individual and private enterprises and from special agricultural and forestry products. Various sides should extensively launch education on taxation law and enhance the sense of paying taxes among enterprises, units, and citizens; and they should actively support the revenue department in collecting taxes pursuant to the law, in severely cracking down on unlawful behavior, such as tax evasion and default, to safeguard the solemnness of the tax law. All enterprises should stand on the foothold of self-reliance, and take sole responsibility for gains and losses; they should not place their hopes of casting off their difficulties on the state's reduction of taxes and granting of profits, and, without approval from the provincial government, they should not use any excuse to reduce or waive taxes.

We advocate diligence and thrift, and we must earnestly reduce administrative expenses. The work at the prefectural, city, and county levels must be done relying on local strength. As for projects requiring funds from the upper levels, launch them when money is available and drop or postpone them when there is no money. We should actively reduce meetings and the purchase of various nonessential stationary; meeting and purchase fees should be reduced 20 percent from last year's rates; and reception fees should be reduced 30 percent. Administrative units will not have any additional small cars, and renewal of cars should also be carried out according

to financial ability. The increase in the number of personnel receiving pensions should be controlled within 15,000 persons. Enterprises and units are encouraged to actively look for income to reduce financial burdens.

## **II. Energetically Promote Scientific and Technological Progress, Strive To Develop Education and Various Social Undertakings**

“Science and technology being primary productive forces” has increasingly become a consensus among the vast number of cadres and masses. We must shift the economic construction onto the right track of relying on science and technology and raising laborers’ quality more consciously, and strive to give impetus to the organic integration of the economy with science and technology. The expenditure to be allocated and paid by financial departments at all levels for the three scientific and technological items must increase incrementally following the financial capacity’s growth, and the investment in capital construction and technological transformation must also adopt preferential measures toward science and technology.

It is necessary to properly organize the implementation of “Spark,” “Prairie Fire,” and “Harvest Programs” around the work of invigorating agriculture through the application of scientific and technological advances; amplify and develop the scientific and technological promotion network combining agriculture with technology and education at county, township, and village levels; energetically spread practical agricultural techniques, such as the use of improved varieties, processing of seeds, increasing soil fertility, and applying fertilizer; and build up service systems comprising the breeding of fine strains and supply by processing, scientific and technological management and technical promotion, agricultural mechanization service, monitoring of agricultural products, and agricultural meteorology. Industrial enterprises, large and medium ones in particular, must establish a technological advance mechanism and vigorously disseminate suitable advanced scientific and technological achievements. They must draw development funds for new technology and products from sales income as stipulated, and closely combine all fields of endeavor, including the development of new products, technological transformation, imports of technology, and technical training. Government at all levels must conscientiously put into effect various state policies and measures on promoting enterprises’ technological progress, reducing energy and transportation construction funds and budget regulating funds of the enterprises responsible for key projects according to actual conditions, cutting down their profit tax rate or providing loans to them with deducted interest, and increasing these enterprises’ technological transformation ability. Scientific and technological units must pay particular attention to the development of applicable technology, dissemination of advanced achievements, and development of new high science and technology. Enterprises must study what they need, and peasants must do what is needed in rural areas. This year, we will focus on

promoting 10 scientific and technological achievements with wide coverage and marked economic results, concentrate our strength on tackling 50 major technological projects and developing 30 items of new high science and technology, and run well the Taiyuan new high scientific and technological industrial development zone. In the meantime, we must step up basic research, particularly applicable basic research, to further accelerate the building of provincial-level key laboratories and intermediate experimental bases.

Efforts must be made to create a favorable social environment conducive to the transformation of scientific and technological achievements and to the scientific and technological organs and the vast number of scientists and technicians entering the first production line. It is necessary to further emancipate people’s minds, relax control of policies, take flexible measures toward scientific and technological organs as well as scientists and technicians, and support and encourage mass technological innovation. We must encourage and organize scientific research units and personnel from institutions of higher learning, administrative bodies, and enterprise and institutional units to found or take the lead in founding various scientific and technological development enterprises as well as new high scientific and technological enterprises, and participate in contracting technological projects. Under the circumstance that the work in the units they belong to and the technological and economic rights and interests are not affected, they should be allowed to obtain remuneration corresponding to the labor they put in. For those who have made outstanding contributions, high remuneration should be granted. Students who are studying abroad are a valuable wealth of the country, we welcome them to come back, and appropriate arrangements should be made after their return. It is necessary to further develop the fine social custom of respecting knowledge and qualified personnel, fully mobilize and display the enthusiasm of the vast number of intellectuals on various fronts, and try by every possible means to create for them necessary working and living conditions.

Education is the foundation for developing scientific and technological undertakings and raising laborer quality. We must conscientiously implement the party’s educational policy, increase the contents of educational reform, make efforts to raise the quality of education, vigorously promote the development of educational undertakings, and unceasingly intensify the function of education to serve economic construction and social development.

We must deepen the rural comprehensive educational reform, earnestly sum up and spread the advanced experience gained in the integration of agriculture with science and education, and push forward the development of rural educational undertakings. We must carry out experimental work for urban comprehensive educational reform and overall reform of universities and

colleges and, in light of the province's economic development requirements, appropriately readjust the structure of specialities in higher education. Reforms should also be carried out in university and technical secondary school enrollment and job distribution systems, and the proportion to recruit students with oriented studies from rural areas, factories, and mines should increase. It is necessary to energetically develop vocational education, and make efforts to run well vocational schools which will play an exemplary and backbone role; strengthen peasants' applicable technical training, and pay continuous attention to the work of eliminating illiteracy; and continue to put into practice, according to law, the nine-year compulsory education, striving to establish 19 and 11 counties where compulsory education is conducted at primary and secondary school levels respectively this year. Governments at all levels must continuously increase educational input and raise educational funds from various channels to ensure the incremental growth of educational expenditure. This year, the educational expenditure for schools directly under the provincial administration will increase approximately 8 percent over last year.

Social sciences study must be guided by Marxism, and various kinds of theories and practical problems in reform and development must be thoroughly studied to duely contribute to our socialist modernization. We must persistently provide correct guidance to public opinion in press, publication, broadcasting, film, and television; implement the principle of unity and stability; endeavor, with stress on propaganda, in a positive way; give prominence to the central task of economic construction; increase the contents of propaganda in reform and opening up; and intensify the reform and open awareness of the vast number of cadres and masses. We must widen the coverage of radio and television, run the rural wired broadcasting well, enrich the contents and raise the quality of programs, improve cultural facilities, and enliven the urban and rural peoples' spiritual lives. This year is the 50th anniversary of the publication of Comrade Mao Zedong's "Speech at the Yan'an Forum on Literature and Art." We must develop the "speech's" spirit, inherit the past and usher in a new age, and carry forward the revolutionary cause and forge ahead into the future. In literature and art, we must enhance our fine national culture, absorb the world's advanced civilization achievements, and encourage the creation of main themes reflecting the spirit of the socialist times. We must adhere to the principle of paying attention to rectification on one hand, and ensuring prosperity on the other, and strive to create a number of good quality modern dramas, operas, films, television plays, and other literary works which are loved by the masses. Besides, we must thoroughly wage the struggle to "eliminate pornography," and continue to step up control of cultural markets.

In public health work, we must comprehensively carry out the principle of "giving priority to the prevention of diseases; relying on scientific and technological

advances; mobilizing the entire society to participate; paying equal attention to traditional Chinese and Western medical sciences; and, taking care of the people's health," tighten control and improve work; attach importance to social benefits; and provide good medical service to the people. In rural areas, priority should be given to implementing the initial stage of health protection, pay serious attention to building the three-level network of rural medical care, and establish and amplify the cooperative medical system. In cities, stress should be put on practicing management at different levels in hospitals. They should emulate and popularize the provincial ophthalmic hospital's experience of deriving benefits and providing good service through improved management to enhance the quality of medical treatment and service. We must make great efforts to do well the health care work for women and children. Moreover, we must do a good job of building hospitals at county level according to plans.

We must continue to control the overly rapid growth of population in a strict way. This year, the third baby boom will occur in our province, so the population problem will present a very grim situation. We must practice comprehensively the responsibility system of management by objective in family planning, improve family planning service network and means to keep the natural growth rate under 14.7 percent.

Mass sports should be actively unfolded to physically strengthen the people. We must fully arouse society's enthusiasm in physical training, increase places and facilities for exercises, and step up scientific training of athletes to score good results in the 7th National Sports Meet to be held next year.

We must make great efforts to conduct education on national defense; step up the building of the militia, reserves, and other national defense reserve forces; launch activities supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs, and of supporting the government and cherishing the people; and do well the work of consolation as well as appropriate placement of demobilized soldiers and those transferred to civilian work. It is necessary to attach importance to showing concern for and giving support to the welfare of aging and handicapped soldiers.

Attention should be paid to infrastructural constructions which are closely connected with the people's life, stressing the gas and heat supply project in Yuchi, Linfen, Changzhi, and Taiyuan, and the water supply project in the 10 impoverished counties. In environmental protection work, priority should be given to pollution prevention in the key cities and 150 major pollutant discharge units. It is necessary to organize in real earnest the construction of 10 key environmental

protection projects, and continue to practice the environmental protection objective responsibility and pollutant discharge license systems, so that further improvement will be made in atmospheric environmental quality in the key cities and in water quality of the rivers flowing through main cities.

### **III. Strive To Maintain Political and Social Stability To Create an Even Better Social and Political Environment for Economic Construction**

Political and social stability is the fundamental prerequisite for properly carrying out our province's economic construction. We must persistently pay special attention to two aspects: One is reform and opening up, and the other is cracking down on various criminal activities. Equal stress should be laid on both. We must not be softhearted to crack down on all sorts of criminal activities and wipe out all sorts of ugly tendencies. We must intensify the means of dictatorship; eliminate various destabilizing factors in good time; and, in accordance with the law, strike a severe blow at criminal activities which seriously jeopardize public security, including serious crimes of theft and violence, as well as those committed by sinister gangs with the nature of underground gangsters. For those towns, villages, factories, mines, and areas along traffic lanes with chaotic public order, concentrated control of social security is necessary to further improve the situation. In accordance with the law, we must deal a heavy blow at corruption, bribery, and other economic crimes; and resolutely check and prohibit ugly social phenomena, such as prostitution, whoring, abduction and sale of women and children, drug use and trafficking, and so on. With regard to conflicts and disputes liable to develop into trouble among the people, they should be straightened out appropriately, and settled in good time during the embryonic stage at the grass-roots levels. The overall control of public security should be implemented in various departments down to the basic-level units, and law enforcement work should be stepped up in the economic field to bring into full play the role of laws in restricting and guiding economic actions and safeguarding economic order.

Protecting the people's lives and properties is the important responsibility of the people's government. In all productive activities and those of a mass character, it is necessary to institute a definite responsibility system of work safety, maintain a good social order, and actively prevent, and timely initiate rescue during, disasters. We must take firm control of safe production, strictly carry out safe operational procedures, and stop command and operations in violation of rules and regulations. Great efforts must be made to improve all enterprises' safe production conditions, and special attention must be paid to rectification and safe management of small coal mines. Traffic control and fire supervision must be intensified to reduce traffic and fire accidents.

We must speed up the building of the socialist democratic legal system. Government at all levels must conscientiously implement the laws, statutes, resolutions,

and decisions adopted by the National People's Congress and its Standing Committee; take the initiative in reporting work; and consciously accept evaluation and supervision. The government must cement closer ties with the Chinese People's Political Consultative Conference, various democratic parties, and patriotic personalities from various circles; take the initiative in exchanging information with the abovementioned bodies and persons, as well as the mass organizations comprising trade unions, the Communist Youth League, and women's federations; and accept their democratic supervision. It is necessary to continuously do the work of collecting proposals from the masses and receiving their letters or visits, intensify the building of basic-level political power, and improve and perfect the democratic management system of urban and rural residential committees and enterprises.

We must enhance the consciousness of the people's participation in state administration and discussion on state affairs to enable the people to fully exercise their democratic rights as masters of the country. We must draw up local draft statutes, work out relevant administrative rules and regulations, amplify the administrative supervisory mechanism in law enforcement, and do the administrative reexamination work well. We must conduct properly the Second Five-Year Plan on Popularization of Law Education with the Constitution as the core and the specialized laws as focal points with a view to strengthening the entire people's law consciousness. Government personnel at all levels should take the lead to study and apply the law, and perform their official duties strictly according to the law.

In the entire course of reform and opening up, we must combat corruption and strengthen the building of a clean and honest government. The building of a clean and honest government should still be taken as a major event, and various kinds of degraded elements who seek personal gains by abuse of power and by graft, embezzlement, and bribe-taking should be resolutely checked and acted upon. We must concentrate our efforts on rectifying as special cases the problems with which the masses express deepest dissatisfaction, and strive to yield actual results. This year, we must pay particular attention to the following three problems: 1) Check and act on the mass organizations and corporations with administrative functions which used public funds to give dinners and present gifts, support their children to schools in the name of "self sponsors," and go travelling at public expense; 2) Continue to rectify malpractices in trades and professions; and 3) Earnestly settle the problem of those "originally engaged in agriculture but now transferring to nonagricultural work" in violation of the law and discipline. Official workers at all levels must take the lead in becoming models in an honest and assiduous government.

#### IV. Improve Work Style, Firmly Grasp the Implementation of Various Tasks

Since last year, we have made efforts to shift the work style and scored results. However, there are still bureaucratic and formalist phenomena in the present government work style, which seriously hinder the implementation of various tasks. To suit the situation of accelerating the reform pace and opening up wider to the outside world and of boosting the economic construction of our province, leading organs and cadres must be resolute to shift government functions, improve work style, overcome bureaucracy, and heighten work efficiency. There are numerous manifestations of bureaucracy and formalism, mainly shown as being tied up by the "three manys" [many important matters, many new events, and many knotty problems]; energy being diverted; superficiality in work; being divorced from reality; arguing back and forth over trifles; irresponsible, inefficient, putting on airs, fond of the grandiose, employing trickery; and so on and so forth. These unhealthy tendencies adversely affect our work and bring about serious harm. Government personnel, particularly leading cadres, at all levels must firmly foster the ideology of serving the people with heart and soul, resolutely overcome bureaucracy and formalism, and do their work in a diligent and down-to-earth manner.

At present, there are many important matters, new events, and knotty problems, which we must take great pains and a lot of time to solve one by one. If leading cadres excessively participate in routine activities, such as ribbon cutting, foundation stone laying, premieres, commendations, and awards ceremonies; and excessively engaged in accompanying guests, bidding welcome and farewell to them, and attending meetings, their time will be seriously integrated, so that they are incapable of systematically studying and solving some important matters. The excessive coverage of ordinary meetings and leaders' routine activities has aroused discontent from the vast number of cadres and masses and, therefore, it must be changed. Government leaders at all levels must release more time to handle practical things, and avoid talking a lot and doing little. They must go deep into the grass-roots units to investigate and study, and devote themselves mainly to studying and resolving practical problems.

In recent years, government organs at all levels in our province overexpanded their sizes and were overstaffed, which not only added to financial burdens, but also fostered bureaucracy, reduced work efficiency, brought about certain corrupt phenomena, and directly affected the development of the province's economic construction. We must strictly control the size of organs, be determined to

"ease the swelling," and encourage personnel in government organs and institutions to work in enterprises and basic-level units to make our organs small but capable with high efficiency and flexible operation.

We must institute and perfect a strict personal responsibility system at different levels in a bid to intensify supervision and examination. Leading cadres of governments and departments at all levels must under no circumstances become "officials of peace and tranquility," who perform their duties in a perfunctory manner. Those in the dark must brace themselves up and light the way for others; meet difficulties head-on; fulfill their duties; and throw themselves into reform, opening up, and various construction undertakings. Everybody, from leading cadres to ordinary staff members, must have a definite division of work, definite responsibility, and a limit of authority. We must overcome the practice of indistinct work division and responsibility, and the harmful style of disputing over trifles, refusing to coordinate with others, and being irresponsible for work. All prefectures, cities, and departments must resolutely carry out whatever decision the provincial government makes; strictly put into practice administrative supervisory regulations; step up administrative supervision; and seriously criticize, check, and act upon government office workers' actions, such as leaving their posts without permission, doing their work perfunctorily, incurring losses through delay, and neglecting their official duties.

Government at all levels and various departments must change their functions to better serve enterprises and grass-roots units; straighten out the relations between administration and enterprises; create conditions to shift from mainly relying on enterprises' direct management to mainly relying on indirect regulation and control; give free rein to administrative organs' functions in overall planning, coordination, service, and supervision; and reduce administrative intervention in enterprises. Leading cadres at all levels, those engaged in economic work in particular, must study economic theory and the law governing economics, get familiar with professional work, practice scientific management and policymaking, and raise their ability in controlling economic work.

Fellow deputies, the government's tasks this year are heavy and arduous. Under the leadership of the provincial party committee, and supervision and support of the provincial people's congress and its standing committee, we must unite and lead the people of the entire province in strengthening confidence, enhancing enthusiasm, doing practical work, and overcoming all sorts of difficulties on the road of advance to expedite the development of economic construction and various social undertakings throughout the province and, with our excellent achievements, hail the opening of the 14th CPC National Congress.

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