Mr. Galt

WEEKLY REPORT ON

COMMUNIST CHINA

Number 2

27 November 1959

Prepared by

Foreign Documents Division
CENTRAL INTELLIGENCE AGENCY
2430 E. St., N. W., Washington 25, D.C.

PLEASE NOTE

This report presents unevaluated information selected from foreign-language publications as indicated. It is produced and disseminated as an aid to United States Government research.

WEEKLY REPORT ON COMMUNIST CHINA

Table of Contents

SOURCES

The information contained in this summary is taken from the following sources.

Newspapers	Place of Publication
Chieh-fang Jih-pao (Jiefang Ribao)	Shanghai
Chungking Jih-pao (Chongqing Ribao)	Chungking
Fukien Jih-pao (Fujian Ribao)	Foochow
Hopeh Jih-pao (Hebei Ribao)	Tientsin
Hsin-hua Jih-pao (Xinhua Ribao)	Nanking
Hsin Wan-pao (Xin Wanbao)	Tientsin
Izvestiya	Moscow
Jen-min Jih-pao (Renmin Ribao)	Peiping
Kiangsi Jih-pao (Jiangxi Ribao)	Nan-ch'ang
Kirin Jih-pao (Jilin Ribao)	Ch'ang-ch'un
Kuang-chou Jih-pao (Guangzhou Ribao)	Canton
Kung-jen Jih-pao (Gongren Ribao)	Peiping
Kwangsi Jih-pao (Guangxi Ribao)	Nan-ning
Nepszabadsag	Budapest
Pei-ching Jih-pao (Beijing Ribao)	Peiping
Tsingtao Jih-pao (Qingdao Ribao)	Tsingtao
Vechernyaya Moskva	Moscow
Wen-hui Pao (Wen-Hui Bao)	Shanghai
Yeh-chin Pao (Yejin Bao)	Peiping
Yunnan Jih-pao (Yunnan Ribao)	K'un-ming

Periodicals	
Chien-chu (Jiangzhu)	Peiping
Chien-chu Tsai-liao Kung-yeh (Jianzhu Cailiao Gongip)	Peiping
Chung-kuo Fang-chih (Zhonguo Fangzhi)	Peiping
Chung-yang Ho-tso T'ung-hsun (Zhongyang Hezuo Tongxun)	Peiping
Hsin Chien-she	Peiping
Jen-min Yu-tien (Renmin Youdian)	Peiping
Li-lun Hsueh-hsi (Lilun Xuexi)	Mukden
Mei-t'an Kung-yeh (Mestan Gongye)	Peiping
Shanghai Kung-shang (Shang-hai Gong-shang)	Shanghai
Shui-li yu Tien-li (Shuili yu Dianli)	Peiping
Vokrug Sveta	Moscow
Voprosy Ekonomiki	Moscow

Part 1. ECONOMIC

I. CONSTRUCTION INDUSTRY

1. BUILDING MATERIALS INDUSTRY GOALS -- Peiping, Chien-chu Ts'ai-liao Kung-yeh, No 18, 22 Sep 59, pp 3-7

(Note: The Following are excerpts from an article by Lai Chi-fa, Vice Minister of Construction and Engineering.)

With the growth of production, the labor force in the building materials industry has risen in the last 10 years from 150,000 to its present level of 1,320,000 workers. Since 1952, the wages of workers have increased an average of 40 percent.

Our experience in the First Five-Year Plan has taught us that the rebuilding of old plants is faster and requires less investment than the construction of new plants. The rebuilding of an old cement plant requires about 40 yuan per ton of added production capacity, while newly built plants require 70 yuan per ton. The addition of one glass melting furnace requires an investment of 6.4 yuan per case of glass, while the new construction of a plant requires more than 10 yuan per case of glass. However, the number of old enterprises is limited, and their geographical distribution is very poor.

Using cement plants as an example, before the liberation, most of China's cement plants were located in the northeast, primarily in Liaoning Province. Liaoning's cement output constituted 40 percent of China's total output. Therefore, in accordance with the central government directive on the rational distribution of industry, we have set up six large- and medium-scale cement plants in Ta-tung, Shansi; Yung-teng, Kansu; K'un-ming; Yunnan; Nan-ping, Fukien; Loyang, Honan; and Urumchi, Sinkiang. In addition, the construction of 16 large- and medium-scale cement plants is now being pushed. When these 16 plants are finished, except for individual districts, all provinces and autonomous regions will have at least one cement plant with an annual production capacity of 100,000 tons or more. Throughout China during 1958, more than 280 combined foreign-native cement plants and several thousand small, native cement plants were built, all within just a few months. According to incomplete statistics, these small native plants and small foreign-type plants produced a total of 1,170,000 tons of various grades of cement in 1958, supporting small-scale water conservation construction and other projects in all districts. Adjustments, stabilization, and expansion were carried out in 1959, and equipment capacity has already reached 5 million tons of cement per year.

Throughout China in 1958, large- and medium-scale cement plants with foreign type production produced 9.3 million tons of cement, 36 percent over 1957. This is obviously a leap forward. However, after the small-scale, native-type plants began operating, in just a few short months, they were able to produce more than one million tons of cement. This is without precedent. The designing, construction, and installation work for a large-scale, foreign-type cement plant with an annual output of one million tons requires about 3 years. Members of the people's communes combined study with work, utilized equipment built by themselves and local materials; and, expending very little investment, quickly began producing cement. They used the cement they themselves manufactured to build ordinary farm water conservation projects and buildings. Because these plants have a broad geographical distribution, they require little investment and raw materials, can be constructed rapidly, and can conveniently distribute their products. They suit the present needs of the people's communes and will still be an effective method of solving the cement requirements of the communes in the future.

Many small-scale, native-method plants built in 1958 have already been or are in the process of being converted from native-method production to foreign-type production. During the past few months, there have been improvements in quality of production, labor productivity, output, and costs of many of the small, native-type plants. The small native plants have become a new force on the cement industry battle line. For example, the 37 cement plants in Hopeh that underwent adjustment and integration will be able to produce a total of one million tons per year when in full production.

Investment for the small, foreign-process cement plants in Hopeh Province is an average of 34 yuan per ton of clinker; investment for large-scale, foreign-process plants is 60-70 yuan per ton. The construction of a large-scale, foreign-method plant with a capacity of one million tons per year requires 10,000 tons of equipment; the several tens of small plants in Hopeh produce nearly one million tons of cement per year, but require only 5,500-6,000 tons of equipment. Moreover, the several large-scale pieces of equipment needed in large, foreign-type plants can be manufactured, at present, at only a very few machinery plants and electrical equipment plants, while some must be imported from abroad. On the other hand, equipment for small plants can ordinarily be produced in all the provinces and municipalities.

Through the united effort of the building materials research departments, plants, and mines, we are now able to manufacture many new products. Before 1952, we had only four types of cement products, but since the 1958 leap forward, China can produce 29 types, including dam cement, expanding cement, and alumina cement, all of which could not be produced previously.

China successfully concluded research and trial production for "t'ao-li" [literally, pottery granules] concrete, large light-weight bricks, float stone and "chih-shih" [literally, leech stone] concrete, nonclinker foam concrete, waterproof concrete, and asphalt-rubber oil felt.

With the growth of building materials research, there has been a simultaneous growth in research organizations. Now, besides the cement, glass-ceramic, and nonmetallic minerals building materials research units which are attached directly to the ministry, there are more than 50 building materials research organizations established by the provinces and municipalities. The number of research projects in 1958 was four times that of 1957.

2. PAST DECADE IN CONSTRUCTION -- Peiping, Chien-chu, No 18, 18 Sep 59, pp 1-5

(Note: The following excerpts are from an article by Liu Hsiu-feng, Minister of Construction and Engineering.)

In the last 10 years, more than 520 million square meters of factories, housing, and public construction was completed; this is 25 times the preliberation construction area of Peiping or 10 times the size of present-day Shanghai. The average yearly construction area completed during the period of the First Five-Year Plan was over 53 million square meters. Since the great leap forward in 1958, the average yearly construction area completed has reached more than 100 million square meters. Both the scale of construction and the speed of construction are increasing.

During the First Five-Year Plan, construction was carried out on over 10,000 industrial and mining enterprises, including more than 900 above-norm, large-scale enterprises. In 1958, small-, medium-, and large-scale industrial and mining enterprises blossomed like flowers after the rain, including over 1,000 large-scale enterprises for which construction was started in 1957. Over 700 above-norm, large-scale enterprises were completely or partially finished and put into production.

In the past 10 years, over 350 million square meters of housing and all types of public construction were completed. Of this, state-appropriated housing construction amounted to more than 163 million square meters. If housing construction by individual enterprises and "self-built, public-aid" housing are both included, the figure will be much higher. In the last 10 years, there was a total of 44 million square meters of construction area completed in college, middle school, and primary school

construction, four times the total school area before the liberation. More than 2,500 new motion-picture theaters and legitimate theaters were built, 2.7 times the preliberation figure. More than 1,300 hospitals were newly constructed, the number of beds now being six times the number before the liberation.

Large-scale industrial and civilian construction has greatly changed the appearance of our cities, and the urban population has increased from 40 million before the liberation to the present level of about 100 million. In the last 10 years, construction work was carried out in more than 2,100 cities, towns, and industrial districts, 167 of which were newly built and 124 of which underwent large-scale reconstruction and expansion. Many "consuming cities" have become "producing cities," and many new cities have arisen in frontier regions. For instance, the steel capital of the Inner Mongolian plateau, Pao-t'ou, formerly had a population of less than 100,000 people; now, it is a modern industrial city of 500,000-600,000 people. New construction in Peiping during the 500 years prior to the liberation totaled only a little over 20 million square meters, yet since the liberation 27 million square meters of new industrial and civilian construction has been completed. The new construction areas for the industrial cities of Sian, Lo-yang, Cheng-chou, T'ai-yuan, Ta-t'ung, Chu-chou, Ho-fei, Nan-ning, Kuei-yang, Urumchi, and Huhehot have already doubled the existing construction.

II. MINING AND METALLURGY

1. TECHNICAL MANAGEMENT REORGANIZED THROUGH OPERATIONAL REGULATIONS -- Peiping, Yeh-chin Pao, No 32, 7 Aug 59, pp 25-28

(Article written by the Office of the Party Committee of the T'ai-yuan Iron and Steel Company.)

During 1-20 May, our company called conferences of five grades of cadres. Based on the directive of our superior, we analyzed the situation of the company and discovered that the crux of contradiction in production was the question of raising the quality of our products.

We then initiated a campaign for raising quality and increasing production within the company. The first phase of our campaign was to bring the quality question into the open and to make the workers conscious of quality by means of education. In 2 weeks, we collected over 27,900 questions pertaining to quality from various persons by means of blackboard bulletins, exhibitions, symposiums, and personal interviews. By analyzing these questions, we came to these conclusions: that inferior products and inferior engineering works are not only extremely costly to the operation of our company and harmful to the morale of our workers and staff members who want to improve their technical ability, but also are harmful to the production of fraternal enterprises and their plans for future expansion and construction.

Through this phase of the campaign, we also found the difficulties pertaining to the quality question, and understood clearly the steps to take to raise quality. The quality questions are mainly these: the low percentage of up-to-standard products, especially in important products; the unsatisfactory trial-production of new products and new varieties of products; and the inferior workmanship in basic construction projects, such as foundation, factory structure, road engineering installation, and pipe-laying work.

There are many factors in the quality question. Nevertheless, the direct causes are the confusion in technical management and the lack of order in normal production. These are expressed by the violation of technical regulations and the laxity in enforcing operational regulations, the laxity and abandonment of technical inspections, the erroneous and inferior workmanship in basic construction designs, and the laxity and weakness of the technical responsibility system.

Since 1958, when the positions of chief mechanical engineer and of chief dynamic (tung-li) engineer were abolished in the production system, there was no unified commander in charge of machinery or dynamic power. Without the chief engineer, who is the mainstay of the company, there was

a great laxity in the system of command for production and production techniques after the plant managers assumed the commanding role. All of these point to the fact that during the great mass movement, we relaxed in the collective leadership of technical management, thus seriously affecting the quality in production and workmanship.

To improve quality, we knew that we must resolve the technical management question. Through the practical application of various methods, we concluded that it was relatively appropriate to begin with operational regulations. First, although 90 percent of the regulations were abolished correctly in 1958--and the abolishment had a stimulating effect on production and construction--other regulations should not have been abolished. As a result, in production either there were no regulations to follow or no one followed them. Obviously, the operational regulations needed revision and reorganization. Second, during the great leap forward, there were many new developments in production techniques. Therefore, these new techniques should be summarized clearly and in an orderly manner for incorporation into operational and technical regulations. Third, sound operational regulations should be established for the operation of new plants, the production of new products, and the application of new techniques for basic construction engineering. Fourth, physical and equipment accidents have continuously occured during operations. This raises the question of revising the personnel safety regulations and the equipment protection regulations.

On 1 June, we entered the second phase of the campaign by tackling the problem of revising and reorganizing the operational regulations and of strengthening technical management.

In reorganizing the operational regulations, we followed these principles: we analyzed each operational regulation; approved the correctly abolished regulations; created new conditions to resolve the abolished regulations which actually are fundamentally correct; and restored the regulations which were incorrectly abolished. The revision of the operational regulations required half a month.

The new regulations embrace these features: they are advanced, practical, simple, and written in plain language for the masses. In the advanced aspect, we incorporated over 200 advanced experiences and suggestions from the specialists in the regulations. In the practical aspect, we retained over 6,140 regulations, revised and amended over 2,000 regulations, abolished over 1,160 regulations, and created over 2,400 new regulations. We simplified and consolidated over 1,800 complex and duplicate regulations.

During the revision of regulations, we were aware of the important question of the relations between production practices and operational regulations. Subjectively, operational regulations are the reflection of

technical practices. Inversely, they direct production practices. Because production practices develop and change continuously during the struggle in production, operational regulations should also develop and change continously. Otherwise, the latter will strangle and obstruct production. However, during a certain period, regulations should not be freely changed, but should be used as rules for guidance. This is the dialectical and unified relation between production practices and operational regulations.

With operational regulations as the pivot, what direction should we take to reorganize technical management? We have two diametrically opposite directions to follow. In one direction, we find the workers implementing the regulations established by the leaders. In the past, this practice inevitably led to impracticality and to the lack of fundamental support from the masses. In the other direction, we have the full mobilization of and reliance on the masses, through the expression of "tri-unity" (san chieh ho) of the leading cadres, technical personnel, and working masses (especially veteran workers), in the joint revision and implementation of regulations. Regulations established in this manner will be practical and satisfactory.

We can achieve "tri-unity" by depending on the veteran workers because they are the creators and executors of operational regulations. Simultaneously, we must fully develop the talent of technical cadres because they possess the technical and theoretical knowledge to assist the workers in summarizing their experiences. These two groups can cooperate smoothly only with the correct leadership of a third group--the leading cadres. Only through the leading cadres can correct ideas on guidance be established, good points of the two groups be developed, weaknesses of the two groups be corrected, and correct opinions be collectivized.

While relying on veteran workers, the work of technical cadres must also be strengthened. At the start of the campaign, we discovered two questions on thoughts. Some persons adopted a liberal attitude toward scientific and technical problems, spoke vaguely, refused to stand by the truth, and feared accusations (tai-mao-tzu); many persons considered the great abolishment of regulations of 1958 as a "mistake." They denied the achievments of the abolishment. We told workers and staff members possessing such ideas that the exposures and debates were of a technical and scientific nature, not of a political nature, and that they should boldly express their views without being afraid of accusations. In practice, we used them on many jobs, respected their correct ideas, invited them to attend party committee meetings to study the regulations, and organized them into groups to draft regulations and to participate in debate with the workers. By these means, their worries over accusations were removed.

After these steps were taken, there were some improvements in product and engineering quality. With 20 May as the starting point of the campaign, the 40 days after the beginning of the second quarter showed the following

output increases over the 50 days before the second quarter: 1.29 percent in up-to-standard pig iron, 2.37 percent in electric furnace steel, 3.71 percent in open-hearth steel, and 5.33 percent in thin steel plate. In basic construction, the faulty constructions during 1-20 June were 56 percent less than those of the same period in May; major faulty constructions were reduced by 67 percent.

Although there is an improvement in quality, we still have not fully resolved this question. This is expressed by the tardiness and instability in raising the quality of products and engineering work, the shallowness of penetration of the quality concept into the minds of the masses, and the inadequacy in the reorganization of technical management. Briefly, technical management is still the weakest link in the chain of enterprise management. In addition, since the launching of the campaign, some units have shown a decline in production and a slow-down in engineering projects, such as the failure of supplying and transporting raw materials to meet production demand and the slowness in rennovating converters and small-scale furnaces.

Obviously, if these questions can not be resolved quickly, we will not be able to achieve good quality and high production. In the next phase, we will try to resolve the above questions so that the campaign may continue to progress.

2. FOUR GREAT TARGETS ACHIEVED IN MINERAL DRESSING -- Yeh-chin Pao, No 32, 7 Aug 59, p 22

(The table below shows the achievements in the four great mineral targets for June)

	Tenor of Concentrates (%)	Recovery in Dressing (%)	Ball Mill Running Rate (%)	Crushers Utilization Coefficient (ton/cu m/unit-hr)
Iron (magnetic dressing)				
Nan-fen Ore Dressing Plant of Pen-ch'i	64.94	77.73	96	4.00
An-shan Sintering Plant	63.87	77.13	97.3	4.35
Ta-ku-shan Sintering Plant of An-shan	62.87	77.93	94.5	3.97

	Tenor of Concentrates (%)	Recovery in Dressing (%)	Ball Mill Running Rate (%)	Crushers Utilization Coefficient (ton/cu m/unit-hr)
Copper (flotation)				
Hsin Yeh	18.35	92.3	--	--
Shih-chu-tze	17.31	95.64	90.4	1.79
Shou-huang-fen	14.53	83.86	76.7	2.6
Tung-kuan-shan	14.49	93.51	78.08	3.27
Fu-yung	11.42	93.32	98.37	1.07
Ch'ing-yuan	8.84	92.13	94.5	1.71
Hua-tung	8.2	82.15	--	--
Lead and Zinc (flotation)				
Hsiu-yen				
Lead	67.4	67.95	71.03	2.11
Zinc	48.27	81.92	--	--
Heng-jen				
Lead	63.14	84.37	87.45	2.26
Zinc	51.52	90.96	--	--
Shui-k'ou-shan				
Lead	60.46	86.43	92.46	2.77
Zinc	50.29	83.29	--	--
Ch'ing-ch'eng-tzu				
Lead	56.95	90.18	86.6	1.95
Zinc	47	69.19	--	--

3. SPRAYED CEMENT USED TO SHORE MINE GALLERY -- Peiping, Mei-tan Chi-shu, No 17, 1 Sep 59, pp 21-22

In the Ta-t'ung [Shansi] Mine area, much of the gallery construction is through conglomerate of grade 6 hardness. Many times, under such conditions, neither temporary nor permanent propping has been necessary. However, it has been found that a coating of sand-cement concrete sprayed prevents crumbling and provides a very clean, permanent working gallery. A sprayed coat of sand-cement of 5-centimeter thickness gives a strength (Ch'iang-tu) of 130-196. The common mixture of cement and sand is one part cement to three parts sand, which should contain no grains larger than 6 millimeters in diameter. The water content should be 4-4.5 percent of the total mixture. The water should, if possible, be clean and soft.

The equipment required is as follows:

1. One 50-horsepower vacuum air compressor (may be regular or temporary mine equipment).

2. One sprayer with a capacity of 1.2 cubic meters per hour.

3. One wind chamber (feng-pao) with a capacity of 0.4 cubic meter with a safety valve and pressure gauge for safety and filtering.

4. One water chamber (shui-pao) with a capacity of 0.5 cubic meter (with a safety valve and pressure gauge for safety and filtering purposes.)

5. Two transport trucks, U-shaped, capacity one metric ton each.

6. One electrically heated drying box (other means of heating may be employed for heating, but the temperature should not exceed 105 degrees centigrade).

7. One light-duty scale with a capacity of from one gram to 1-2 kilograms.

8. One platform scale with a capacity of 100-200 kilograms.

9. One 325-kilogram cement mixer (requiring 45-kilowatt motor for power).

10. One sieve with 8-millimeter mesh.

11. One 10-kilogram water container (should be graduated inside in 0.5 kilogram steps.)

12. Four truck brakes preventing voluntary motion or collisions.

The spraying mechanical requirements are as follows:

1. One sprayer with a capacity of 1.2 cubic meters per hour.

2. Required compressor capacity, 3.5 cubic meters per hour.

3. Nozzle pressure, 3.5 atmospheres.

4. Water pressure, 4.2 atmospheres.

5. Spraying speed, 100 meters per second.

6. Diameter of spray gun nozzle, 10 millimeters.

7. Lead pipe--inside diameter, 25 millimeters.

8. Each spray mixture charge, 8 liters.

9. Weight of whole apparatus, 410 kilograms.

The above equipment is produced by the Loyang Machinery Plant.

4. CAPITAL CONSTRUCTION IN THE COAL INDUSTRY--Peiping, Kung-jen Jih-pao, 9 Sep 59, p 2

According to initial statistics, the amount of work completed by coal capital construction departments throughout the nation during August was about 25 percent more than in July; Kiangsu, Kiangsi, and Sinkiang provinces were about 140 percent higher than in July. Up to the end of August, the capacity of the mines that went into production in 1959 was 8,990,000 metric tons, an increase of 31 percent over the same period in 1958. The capacity of coal washing plants that went into production during this period was 5.1 million metric tons, or 93 percent of the total figure for 1958. In particular, during August all areas took the final stages of projects firmly into hand, and the progress of projects was far ahead of schedule. In August, the capacity of coal mines which were completed and producing was 2,860,000 metric tons, and the capacity of coal washing plants put into production during August was 4.3 million metric tons.

The shaft project No 7 of the Honan P'ing-ting-shan Colliery designed for an annual production capacity of 900,000 metric tons that went into production in August 1959 is more complex than the shaft No 3 of the Huainan Hsieh-chia-chi Colliery that went into production during the First Five Year Plan; however, the shaft construction period was only 20 months, 5.3 months shorter than the construction period of the Hsieh-chia-chi shaft No 3.

III. TEXTILE INDUSTRY

1. RAPID EXPANSION OF TEXTILE INDUSTRY IN KIRIN PROVINCE -- Ch'ang-ch'un, Kirin Jih-pao, 6 Jul 59, p 2

During the first half of 1959, the production of major products by the 40-odd cotton weaving, knitting, and wool textile mills in Kirin Province exceeded the level achieved during the first half of 1958. For example, cotton textile products increased 36 percent and knitted products increased onefold over that of the corresponding period of 1958. The two comparatively large knitting mills in Yen-chi City and Kirin City, for example, increased their production of cotton and wool suits by 14,000 dozen and of underclothing by 24,000 dozen over that of the corresponding period of 1958.

During the first half of 1959, the textile industry in Kirin Province did not confine its expansion to increased production. It also expanded by increasing its production of new products. New products produced during this period included corded wool, printed wool, high-grade checkered wool, raised pattern bedspreads, printed towels, raised pattern blankets, and children's blankets.

The quality of products also rapidly improved. For example, the percentage of up-to-standard cotton and wool suits rose from 96 percent to 97.5 percent, and the percentage of up-to-standard underclothing rose from 97 percent to 97.65 percent.

2. CHEKIANG TEXTILE INDUSTRY'S PRODUCTION TARGETS FOR 1959 -- Peiping, Chung-kuo Fang-chih No 3, 21 Jan 59, p 28

The Chekiang Province textile industry production targets for 1959 are as follows: cotton yarn, 250,000 chien; cotton cloth, 187.7 million meters; dyed cloth, 120,930,000 meters; knitting yarn, 300,000 chien; gunnysacks, 16,180,000 pieces; and gunnysack cloth [burlap], 1.5 million meters.

IV. TRADE AND FINANCE

1. COMMERCE IN TSINGTAO DURING THE LAST TEN YEARS -- Tsingtao, Tsingtao Jih-pao, 17 Sep 59, p 6

(The following information is taken from an article by Chao Ming-fu, Deputy Chief, Trade and Finance Work Department, Tsingtao Municipal Committee of Chinese Communist Party.)

During the national economic restoration period, at the same time that Tsingtao's commercial work was strongly developing rural and urban exchange of goods and promoting a flourishing rural and urban economy, methods of processing orders for finished goods, unified purchasing, contract and commission sales, etc. were adopted. This caused the socialist economy to attain an unprecedented increase in the development of industrial and agricultural production, strengthened the leadership of the socialist economy, and implemented socialist transformation of capitalist industry and commerce. From this, privately operated industry and commerce were gradually placed on the path of state capitalism.

In 1956, with the arrival of the high tide in agricultural cooperativization, capitalist commerce and capitalist industry implemented public-private joint-operation of whole lines of business. Because the socialist reconstruction of privately operated commerce was already basically completed and socialist unified markets had already materialized, socialist commerce was greatly developed. In 1945, there were only 51 large and small socialist commercial units. At the beginning of 1958, they had increased to 2,875, forming a socialist commercial network responsible for supplying the needs of the people of Tsingtao and of industrial and agricultural production. This network became an important part of Tsingtao's economic construction program.

In the last 10 years, Tsingtao's state-operated commerce conscientiously carried out the party's basic principle of stabilizing prices. This basic principle played a great role in promoting the development of China's industrial and agricultural production. Everyone knows that the preliberation Tsingtao market was a market of inflation, speculation, and rapidly rising prices. According to statistics, from 1936 to 1948, prices rose 320,000 times. After the new China was established, with socialist commerce carrying out the principle of stabilizing prices, prices maintained a level line of stability. If the index for March 1950 is used as a base of 100, the over-all retail price index had dropped to 94.4 in 1958.

In the last 10 years, Tsingtao's commercial departments have accomplished much in aiding and promoting the development of industry and agriculture. In 1958, the total value of local industrial products purchased by commercial departments increased 532.67 percent over that of 1950, and in the same period, the means of production supplied to industry, agriculture, and the fishing industry increased 1,878.43 percent. To promote the development of agricultural production, commercial departments strengthened cooperation with industrial departments, sent many cadres to factories and enterprises to study the situation of production needs, adopted many measures advantageous to the development of production, and aided industry in raising the quality of products and in increasing the variety of goods. Moreover, they used all ways and means to find resources for industrial production and strongly promoted the development of industrial production.

While industrial and agricultural production was developing, there was a universal rise in the level of the livelihood of the people. To satisfy the increasing daily needs in the lives of the people, commercial departments used all ways and means to organize supply. In the last 10 years, there has been a great increase in the volume of market commodity supply. In the past, there were several things that only a minority could use or eat; now, the majority can have them. In respect to the retail supply of several major commodities comparing 1958 to 1950, underwear increased 741.28 percent, rubber-soled footwear increased 256.60 percent, soap increased 348.26 percent, radios increased 14,653.15 percent, woolen yarn increased 730.06 percent, machine-made paper increased 673.14 percent, bicycles increased 1,936.25 percent, pork increased 51.51 percent, sugar increased 226.67 percent, and pastries increased 419.33 percent. Because of the increase in commodities, the volume of retail sales of commodities rose yearly. Using 1950 as 100, 1952 was 167.49, 1957 was 269.03, and 1958 was 293.28. In the first half of 1959, it was 36.86 percent higher than in the first half of 1958. In this aspect, commercial work conformed to the great leap forward in industrial and agricultural production and guaranteed the people's livelihood needs.

At the same time, the supply method was continuously reformed, and service quality was raised. People engaged in business worked toward an active, cordial, patient, and respectful service attitude. They adopted the method of delivering goods to the door, and they used all ways and means to facilitate purchases by the masses. To make shopping easier for the masses, in the last few years, commercial departments have implemented several adjustments in the commercial network and developed repair service operations. In the first half of 1959, 36 full-time repair stations were set up, auxiliary repair operations were set up in 179 retail outlets, and 59 mobile service teams were established. Because of the continuous rise in the quality of service, commercial employees have received over one million written compliments from the masses in the last 10 years.

At the same time that they were serving production and consumers, commercial departments conscientiously carried out the principle of diligently and frugally building the country and managing enterprises, underwent an expansion of commodity exchange and an acceleration of capital turnover, lowered commodity circulation expenses, accumulated a large amount of capital for the state, and aided the state in socialist construction. If 1952 equals 100, the capital turnover in 1958 was 174.77; again using 1952 as a base of 100, the level of commodity circulation expenditures in 1958 was 81.51. In the last 10 years, the amount of capital accumulated for the state by all commercial departments was 595,540,000 yuan. This capital is sufficient to construct 70 textile factories with 50,000 spindles each, or 1,103 kilometers of railroad, or 100 thermal electric power stations each capable of 12,000 kilowatts, or 1.5 iron and steel factories each capable of producing one million metric tons yearly, or 2,836 middle schools each capable of accommodating 1,200 students.

[Two graphs included in the article, give the following data:]

Social commodity retail sales in 1949 amounted to 64,370,000 yuan, and in 1958, the amount was 257,110,000 yuan.

The development of the total value of purchases by state- and cooperative-operated commerce (1950 equals 100): 1952 amounted to 267, 1957 amounted to 341, and 1958 amounted to 482.

2. TA-P'U COMMUNE IN HUNAN CITED FOR RURAL TRADE MARKET -- Peiping, Chung-yang Ho-tso T'ung-hsun, No 5, 11 Aug 59, pp 9-11

The Ta-p'u Commune has 25 big teams and more than 46,000 people, and its cultivated area is more than 82,000 mou. Among its subsidiary agricultural and indigenous products are live hogs, domestic poultry, watermelons, plums, and "liang-shu" [sweet potatoes?]. The commune has three market towns, Ta-p'u-chieh, Shih-t'an-miao, and T'ieh-szu-t'ang. Of these, Ta-p'u-chieh is the largest and has been the political and economic center. Traditionally, these three market towns are accustomed to markets, having held one every 5 days to which peasants could go and trade various commodities required for daily living. Locally produced items were previously sent to hsien markets at Heng-yang and Heng-nan, and good exchange relations were maintained. Some 2,000-3,000 people would come to Ta-p'u-chieh whenever there was a market (attendance at Shih-t'an-miao was 400-500 people), and transactions were lively. These markets played an active role in making the rural economy prosperous and in helping the peasants solve their buying and selling problems. Following communalization, there were deep changes in the rural market. Commercial people and retailers engaged in the market became fewer, and small traders and peddlars went into industry. Aside from one retail sewing group, handicraft industry has been transferred to other departments.

To push the development of production and expand commodity circulation, stimulate the rural economy, and satisfy the diverse needs of the people in cities and hsiangs, Ta-p'u Commune established rural trading markets. From June 22 to July 2, two markets were held, and more than 4,900 people attended. More than 100 types of miscellaneous daily goods and local waste products and by-products were on the market. Transactions amounted to 16,500 yuan, of which 5,950 yuan was for purchases and 10,550 yuan was for sales. The various big teams called commodity exchange meetings at the same time, and the total amount of business transacted by the supply and marketing departments was 70,000 yuan. At the same time, the various production brigades of the commune realized nearly 310,000 yuan in total third-quarter purchases. The market was very lively, and the masses were content. Judging from the number of people at the market, the variety of commodities, and the volume of transactions, conditions came back to the precommunalization level. Achievements were great, and they can be listed as follows:

1. Development of production was boosted, and the enthusiasm of the commune members was spurred. Halting of market activity in the past had affected the production of some sideline and handicraft products. With the advent of markets these things were given a sales outlet which spurred their production. For example, the old folks home of the Pai-sha Big Team was able to make more rain hats than it needed for itself, but had no way of selling the surplus. On June 22, 45 rain hats and 30 caps were sold on the market. After this, production was expanded. Ordinarily, 53 of these hats were made in one month. Now 352 hats were made in the 10 days between June 22 and July 2. All of them were sold at the market on July 2. Not only was the efficiency of production and processing work increased, but also the scope of production was extended because these people started making straw hats and straw rope. Another example is the case of the Hsin-t'ang Big Team. Originally, there had been no thought of raising ducks. Later, 1,000 ducks were bought on the market, and these affected the sideline production of individual commune members. Again, many commune members of big teams like T'ien-chia and Pai-sha went out and caught fish and shrimp. The number of those coming to the market increased. At the market of June 22, eight people bought dried fish and shrimp, about 12 chin. At the second market on July 2, more than 30 people bought these items because 60 chin of dried fish and shrimp had been brought to the market.

2. Supply was adjusted, the old commodity circulation routes were revived, and the various needs of the consumer were satisfied. On the day of the market, not only did the various production teams (and units) in the commune organize people and commodities for the market so that the production and sales of many small commodities could be directly offset, but also they looked forward to the arrival of everyday commodities from

Hsia-liu-shih and Heng-nan. On the basis of incomplete statistics, there were some 70 types of commodities on the market when it started. Now, there are over 100 types, 1.8 times as many as before the revival of markets. Among these were 300,000 sweet potato tubers urgently needed for current production and more than 800 chicks. As to handicraft products, the production of many local items was revived, and such miscellaneous products as chopsticks, washbasins, brooms, brushes, and fertilizer buckets became directly available to the consumer by way of the market. This was especially the case with vegetables for army units and mines. The handicraft industry was also on the market with such services as fixing pots, making keys, fixing jars, and repairing shoes, thereby, satisfying the masses.

3. The incomes of communes and commune members were increased, a fact which helped solve the problem of capital needed for production and livelihood. Capital released by purchases on the market helped the commune members solve capital difficulties. For example, the Fifth Team of the Pai-sha Big Team lacked money to buy fertilizing materials. After selling plums, watermelons, and vegetables on June 22, it could buy 450 chin of chemical fertilizer.

4. Commodity circulation was expanded, and the rural economy was made more active. During the two markets, purchases totaled 5,950 yuan -- 2,621 yuan for the market on June 22, an increase of 820 percent over the previous market, and 3,329 yuan for the market on July 2, up 28 percent over the market of June 22. Free transactions totaled 1,500 yuan, an increase of 92 percent. Conditions show that 22 percent of the transactions were in second-category commodities and 78 percent in third-category commodities. Of the sales, 80 percent were collective, and 20 percent were sales of subsidiary agricultural products by individuals. The latter sold subsidiary agricultural products and local native products and bought production and livelihood materials, thus expanding commodity circulation and boosting the rural economy.

5. These markets were beneficial to market control and rational distribution of commodities. Previously, towns and markets had a short supply of vegetables and subsidiary foodstuffs. With the revival of markets, the amount of these increased and satisfied the needs of the consumers. At the same time, proper distribution was carried out in accordance with market availability. Violations of market controls and price policies was easily detectable because the time and place of markets were more concentrated than before. This was beneficial for controlling and stabilizing the market. Specific methods were as follows:

a. Party committee guidance at all levels and unified organization and arrangements. Under the prerequisite of having effective agricultural production, emphasis was given to mobilizing the masses from the start of production, preparing commodities, and utilizing partial labor forces and women on the market. There were unified arrangements for manpower and materials.

b. Energetic educational work and thorough ideological efforts. Following revival of markets, some production teams and unit cadres had three fears for production: fear that going to the market would harm work and affect agricultural production, fear that commune members would engage in capitalist undertakings, and fear that commune members would look out only for their own interests and thus harm collective income. With regard to this, it was explained at various meetings and mess halls that the measures, policies, and good points of establishing markets would help the masses initiate production of subsidiary items and provide markets for the sale of these products and for indigenous products. This information was widely disseminated. By meetings and other means, industry and mining staff members and employees, organizational cadres, and residents of market towns were informed of the significance of the rural market and of market control policies.

c. On the one hand, there was thorough investigation, and, on the other, initiation of sideline production. On four occasions, the commune sent some 15 cadres to 23 big teams. The visits were thorough: there was understanding of telephone conferences and ideological work, the status of commodities was determined, and there was review of the historical problems existing among production-supply-marketing conditions, arrangement of labor forces, and sideline production. Existing problems were used to improve the outlooks of production teams and units. For example, it was explained how big teams, such as Ch'ing-ya, had sent large amounts of fruits and vegetables to the market on June 22 and how, later, the supply and marketing departments properly adjusted the supply for the various units that wanted these items. Again, the T'ien-chia Big Team made more wooden utensils than it needed and then distributed them to neighboring areas. Production teams were also helped with specific arrangments for raising industrial crops and for growing domestic poultry, which provided a stable base for livening the market and satisfying needs.

d. Adjustment of organizational structures and strengthening of personnel and material forces. In addition to setting up 14 stalls, such as one retailing service and others for items like cloth, fruits, tobacco, and wine, people from nearby supply and marketing departments and peddlers were asked to set up stalls at the market so that marketing operations could be carried out effectively. These people still carried out the

regular operations of their departments. In addition, people engaged in repair work, such as coppersmiths, tanners, tinkers, and unbrella repairers, were mobilized to go from hsiang to hsiang. On the market day, they came to the market and provided many services for the masses. Various types of services were rendered, and even a tea shop was provided.

e. Establishment of market control organs and strengthening of controls. Under the leadership of the commune party committee, a market control committee was formed by commerce, finance, tax, and grain components and nearby big teams. This committee detailed full-time personnel and cadres to be responsible for the daily operations of market control. Each big team also formed small teams for market control and defined market control methods and scope and, with the commerce departments as a base, became responsible for specific operations of the market control committee. Specific tasks of the market control committee were: (1) implement state policies and measures for market control, (2) guide and assist the rural trade markets by organizing the guidance of commodity exchange gatherings, directly overseeing production and sales, and specifiying responsibility for trade offices, (3) supervise and study market changes and conditions of production and sales, (4) actively cooperate with and help commune production teams develop sideline production and other undertakings, (5) help plants run by the people to buy raw materials and push sales of finished goods, (6) have a good grip on market control -- manage market commodity prices, be responsible for the education of outside procurement personnel and of procurement personnel from local factory and mine organs, continue to strengthen the socialist education of small traders and peddlers, and be responsible for handling illegal marketing practices, (7) explain state market control policies to the people at various levels, (8) check and control the quality of industrial and commercial products, (9) be responsible for allocating commodities in short supply, and (10) strengthen cooperation among the departments of various localities and harmonize various relationships.

In setting up rural trade market operations, we must pay attention to, study, and solve the following problems at key points in order to consolidate rural trade markets, boost production, and activate commodity circulation:

1. Problem of Labor Arrangements

The arrangement of labor forces can directly affect the development of agricultural production and the consolidation of rural trade markets. We believe that, when markets are being organized, more people are available during slack times than during busy ones and that labor power for busy and slack seasons should be adjusted. Trades dealing with repairs or services (e.g., repairing of chains, jars, shoes, and pots) should be organized and sent to the market. Thus, they can increase incomes, help the masses, and not hinder agricultural production.

The number of rural trade markets established and the times they are held can also affect the relationship between labor arrangements and agricultural productions. We believe that the rural labor force became tight following communalization and that the commercial network was extended. Problems of buying and selling general commodities can be solved by local supply and marketing departments. Consequently, not too many rural markets should be set up. In general, each commune can establish one. The times when markets are held should not be too frequent; in general, once in 10 days. At the same time, the free time of commune members should be geared to the market days.

2. Problem of Developing Sideline Production

Rural market trade is the appropriate form for exchanging small commodities at a given time. Active development of sideline production is an important key for consolidating and making the rural market active. Under the prerequisite of ensuring increase of grain output and effectively engaging in collective production, the following problems should be borne in mind with regard to sideline production.

a. There should be a thorough check, study, and probe of problems traditionally connected with the scope of sideline production, the supply of raw materials, production and marketing conditions, and producers. There should be active organization of raw materials and substitute products, and all personnel who can should participate in these operations. In this way, we can revive old and develop new sideline production.

b. There should be a rapid definition of collective and individual sideline production. The demands of the people's livelihood are increasing techniques are becoming more complicated, and the necessity for labor power is increasing. There should be appropriate concentration of sideline production and collective undertakings by communes and teams. On the other hand, there can also be undertakings carried out by individual commune members, such as poultry and stock breeding, catching fish and shrimp, planting vegetables, gathering fruits and medicinal herbs that grow unattended, and turning out small daily miscellaneous commodities.

c. Present special sideline production teams and producers engaged in turning out commodities of a special nature should broaden the scope of commodities produced and increase the volume of production. Producers engaged in turning out special items should cooperate, including in the seasonal repair of agricultural implements. In this way, they can organize and broaden the production of such commodities as fishing baskets, chopsticks, manure bucket handles, brooms, brushes, pot covers, and water buckets. Becuase raw materials and technical problems present some difficulties, agricultural plants directly under the control of the commune or production team can also, with the concurrence of the party committee, turn out some small daily-use handicraft products to satisfy market needs.

d. Teams and units should be helped to solve the problems of getting implements, raw materials, and technical instructions needed for beginning sideline production. For example, some teams and units lack utensils for raising hogs; others can perform the processing work for straw hats, but the technical level is low, the quality is inferior, and samples are not attractive. All of these must have specific help.

e. Leadership must be thoroughly strengthened. The views of the central government on sideline production must be implemented. Regulations have to be drawn up and disseminated to lower units, where commune members have to give freely of their time to improve arrangements. At the same time, education should be strengthened, and the masses should not have a strong voice in the compilation of regulations and plans by various big teams. There should be fixed inspection times and prompt organization of advanced marketing experiences to boost the initiation of sideline production.

3. Problem of Organs

Establishment of rural trade markets has led to some changes in purchasing and selling activities. The commerce network has to make appropriate adjustments for this new way of doing things. Under the principle of "convenience to party committee leadership, ease in organizing commodity circulation, benefits to the masses, and agreement with business accounting" and in line with the idea of getting a better concentration of people and goods on the day of the market, we have the following opinions.

a. Following establishment of rural trade markets, the total amount of market business has increased. The length of the market day is longer, but there are fewer markets than before. For example, the amount of business at the two markets of June 22 and July 2 was 3-5 times what it might ordinarily have been. However, in comparing the half month following June 22, when there was no market, to the previous half month,

indigenous goods, general merchandise, and daily miscellaneous items were off 9.8 percent, procurements 10 percent, and the food catering business 12 percent. On the basis of these conditions, we believe that, in addition to properly establishing more fixed organs, the important thing is to increase the number of temporary market stalls to meet needs on market days. The way to do this is to organize nearby supply and marketing units and peddlers who go from hsiang to hsiang to come to the market and set up stalls (especially for general merchandise and cloth) and to detail members of supply and marketing subunits to do the same (primarily for indigenous goods, daily-use miscellaneous items, and food catering).

b. Trade offices can be established in markets that are diverse and have a rather large commodity turnover. These units can be responsible for such activities as organizing commodity circulations, and agent and commission sales and purchases.

c. To strengthen control operations for rural trade markets and commodity prices, we should detail full-time personnel and cadres to implement state regulations for these things.

4. Problem of Plan Adjustments

Following the establishment of rural trade markets, there was a noticeable increase in the production and marketing of some third-category commodities; but the amount passing through commerce departments and then again being locally supplied will decrease. Commodity supply, then, has increased on the market, while the number of offices in nearby markets has decreased. Consequently, the purchases of third-category commodities by commerce departments and the supply plans fo nearby units dependent on the market have to be adjusted. In view of the situation at Ta-p'u, the following things are noticeable:

Purchasing plans. Commodities that are needed and have ample production and sizable targets for shipments out of the province (e.g., red dates) can be freely traded only after state purchase targets are completed. Commodities of sizable output, but with small targets for shipments out of the province (e.g., watermelons, plums) can be organized by commerce departments for direct trading. The departments may also purchase some of these. Items that do not have targets for shipments out of the province should have their sales extended by the commerce departments, which may also purchase them to support production. As to commodities that are actually locally produced and marketed (e.g., small dried fish, straw shoes, and daily miscellaneous items), the commerce departments should not interfere and allow direct production and sales.

Supply plans. The plans of supply units near the market can be decreased and those of units on the market can be increased, so as to meet changes in objective conditions.

5. Problem of Market and Commodity Price Controls

Following establishment of the rural trade market, permission was given to staff members and workers of some organs, factories, and mines or their dependents, who had come to the market to buy first- and second-category commodities (e.g., eggs), to freely do business in third-category commodities. It is still necessary to strengthen control operations to ensure market and commodity price stability.

These are the points to be made about market control: (1) Each production team (group) and its units or individuals must sell first- and second-category commodities to the state-designated purchasing departments. No unit or individual can engage in purchases. (2) Aside from departments which can engage in commerce under state regulations, no unit or individual is permitted to do so. (3) Procurement personnel from outside commerce and production units must make wholesale purchases of third-category commodities in meeting production and marketing needs. Unified arrangements are to be made by the local market control committee, and these people are not allowed to trade on the market. (4) Market control departments are to call meetings to determine the proper allocation of some third-category commodities coming on the market. (5) Commodities which cannot entirely be sold on the rural trade market by collectives or individuals can be purchased by the commerce departments (e.g., sweet potato sprouts, plums, and watermelons). Other (e.g., vegetables, small bamboo and wooden utensils, etc.) can be sold by the commission trade offices. Then there are some that cannot be purchased (e.g., chili plants, kittens, pigeons, and chicks). (6) Members of the commune in P'i-lin Hsien have had long experience in exchanging goods and should be allowed to come to our market. However, they must be subject to local market controls and to state price policies.

Some remarks about price controls. (1) First- and second-category commodities are sold according to the state price list and are purchased by state-designated departments. (2) Third-category commodities are under the state purchase price list; in general, they can be freely traded between the purchase price list and the retail price list. They are handled under the policy of price according to quality and are characterized as small commodities with quality standards. (3) Market free trade has helped some of these third-category commodities. When offered under the purchase price list, these commodities can also be bought by the commerce departments. (4) Determining the price of commodities not being handled by the commerce departments should be from the double aspect of production and sales and should be in line with the traditional price level and comparative prices for similar commodities. For example, when the market

price would be lower than the cost and production would be unprofitable, the commerce departments should properly determine the purchase price in line with the future development of the commodity and the state's need, which will ensure production. (5) Market controls should be strengthened, and there should be thorough education with regard to the prices of third-category commodities that are disproportionately high. Trade prices should be published to keep the market price at a proper level. (6) A certain amount of flexibility should be allowed prices of some third-category commodities which are of a seasonal nature (e.g., vegetables). They can be a little high at the beginning of the season and a little lower at the end, but there should be a definite range, and the differential should not be too great. With regard to commodities that are widely produced in sizable amounts, market control departments can call on commerce and agricultural departments for study and price determination to get uniformity of market prices.

3. MISCELLANEOUS TRADE AND FINANCE STATISTICS FOR KWANGSI -- Nan-ning, Kwangsi Jih-pao, 10 Jun 59, p 1

In 1958, the total value of purchases in Kwangsi Chuang Autonomous Region was 78.1 percent more than in 1957, and total retail sales were 34.1 percent ahead of 1957. Because of improved management and control, profits remitted by commercial departments during 1958 were 391.78 percent above the amount remitted in 1957; and 72.21 percent more export commodities were supplied in 1958 than in 1957. Financial income in 1958 was 54.5 percent higher than in 1957, and expenditures during 1958 were 80.9 percent higher than in 1957. In addition, savings and loans balances in all banks were higher than in any previous year.

Commodity purchases during the first 4 months of 1959 were 133.19 percent above those of the same period of 1958, and retail sales increased 68.27 percent, but, nevertheless, shortages in the supply of certain commodities did develop because production could not keep up with increased purchasing power. This is only a temporary hardship, however, and can be easily overcome. Measures which will rationally control purchasing power must be adopted, and the masses must be motivated to achieve this end.

4. SUPPLY OF COMMODITIES IN NANKING CONTINUES TO INCREASE -- Nanking, Hsin-hua Jih-pao, 5 Sep 59, p 2

Normally, August is the hottest and driest month of the season, and vegetable production and supply are "less abundant." However, in 1959, there was a larger supply of vegetables during August than in previous years. The average amount marketed daily in the entire month was 770,000 chin, or 45 percent more than in August 1958. If supplies from outside areas are added, the increase is considerably larger.

Nanking currently has 207,000 mou or more planted in vegetables. This is 16 percent more than in July and 170 percent more than in the beginning of 1959. In August, the increase in the supply of young green vegetables was double the increase in 1958; salted vegetables increased 400 percent over July.

The supply of meat products also increased in August. Supplies of fresh pork were up 19.7 percent over July, and more than 40 varieties of pork, beef, cured meats, salted duck, etc. are now available. The supply of fish and shrimp during August amounted to 2.5 million chin, or 50 percent more than in July.

This tremendous increase in the supply of meat products is due primarily to an increase in the number of domestic animals in both the rural areas and the Nanking area (including Chiang-ning, Chiang-p'u, and Liu-ho). At the end of August, the Nanking area had more than 253,000 live pigs, or 20 percent more than in July, and 4,150,000 chickens, ducks, and geese, or 4 percent more than in July and 480 percent more than in the beginning of 1959.

The production, purchase, and handling of daily-use industrial goods and handicraft goods show marked achievements. The purchase volume of such things as knit goods, textiles, and cultural articles increased 33 percent, woolen yarn increased 26 percent, rubber shoes increased 350 percent, porcelain wash basins increased 150 percent, cotton cloth increased 26 percent, and soap increased 50 percent.

August is usually the month of seasonal change -- when the sales of summer commodities decline and the sales of fall and winter goods increase. At the Hsin-chieh-k'ou state-operated retail store, there were about 4,000 more kinds of goods in August than there were in July, and the value of commodities on the market increased 36 percent.

5. MUKDEN MANUFACTURES 25 KINDS OF "HARD-TO-GET" ITEMS FOR DAILY USE -- Peiping, Jen-min Jih-pao, 23 Sep 59, p 4

Recently, several "hard-to-get" items appeared, one by one, in the Mukden market. According to initial statistics, Mukden has already added 25 kinds of items for daily use that could not previously be obtained or produced for the people's livelihood needs.

Among the products added were handkerchiefs, elastic bands, cigarette lighters, stainless steel watch bands, shoe polish thumb tacks, vacuum cleaners, locks, gas lamps, mechanical toys, sewing machines, and sewing machine parts. Formerly, Mukden depended on other areas for aid in supplying these products. In 1958, after the great leap forward in production and after communalization was realized in rural areas, the level of the people's livelihood was greatly raised, and the need for commodities for daily use increased greatly. Sole dependence on supply from other areas was far from satisfying the needs of the people. From the beginning of 1959, the Mukden Municipal Party Committee led light industrial, commercial, and other departments concerned in an investigation of the "hard to get" products and immediately commenced experimental manufacture and production.

Under the leadership of the party and because all areas put forth effort, displayed a spirit of daring to think, speak, and act, and coped with various difficulties in raw materials, equipment, and technique, all kinds of new products went smoothly into production. Among these products were 9,500 gas lamps, 10,000 dozen handkerchiefs, 2,000 sewing machines, and over 3,100 dozen cans of shoe polish which have been produced and put on the market. All factories were increasing their production capacity, raising the quality of products, and increasing the variety of products. Besides producing 2-inch padlocks, the Chu-chien-lu Commune lock manufacturing plant increased the production of 1½-inch padlocks of excellent quality for private use. There are already 15 kinds of Yin-hua handkerchiefs which are in various colors, low priced, and liked very much by the masses.

6. PHOTOGRAPHIC PRICES LOWERED -- Canton, Kuang-chou Jih-pao, 6 Jan 59, p 2

To lighten the burden of the consumer, the Canton photographic industry decided to lower the prices of portraits and of developing and printing ordinary pictures and other photographs. Extensive reductions began 1 January 1959. First-class photography shops lowered the price of small one-ts'un portraits from 0.68 yuan per picture to 0.55 yuan and lowered the price of enlarged one-ts'un pictures from 1.05 yuan to 0.80 yuan. The price of two-ts'un pictures was lowered from 1.95 yuan to 1.65 yuan. Other

classes of photography shops also lowered prices according to this ratio. Prices were reduced 15-24 percent. Prices for developing and printing ordinary pictures also dropped 14-20 percent. At the same time, all classes of photographic prices were lowered, according to the principle of good quality and good prices, and the original six grades of photographs were combined into three grades. Prices in general were lowered one grade in accordance with the original grades. After lowering prices, it is estimated that the consumers' yearly burden will be lightened approximately 30,000 yuan.

7. DATA ON RISE IN COMMUNE PURCHASING POWER -- Nan-ch'ang, Kiangsi Jih-pao, 19 Sep 59, p 2

(The following figures purport to show the rise in purchasing power of commune members in the An-ch'an Brigade (ta-tui) of the Nan-ts'un Commune in Lien-hua Hsien. The figures were published "to counteract wide-spread public rumors that the market situation is worse than it was before the "great leap forward" of 1958.)

	1948	1950	1955	1958	1959 (estimate)
Population	244	269	274	286	291
Land (in mou)	749	749	789	848	864
Grain (av yield per mou, in chin)	160	200	281	430	465
Tea oil (in chin)	--	--	250	364	400
Live hogs	54	60	181	161	282
Chickens and ducks	659	846	1,128	1,130	1,880
Raised fish	100	100	500	900	2,000
Total income (in yuan)	8,593	12,108	22,790	37,314	45,697
Average income per capita (in yuan)	35.23	44.91	81.88	142.97	171.70

The above figures show that the development in production (except for live hogs in 1958) has been amazing. The following table shows the increases in volume of the major daily-use industrial goods [consumer goods] purchased by the commune members:

	1948	1950	1951-1955	1956-1958	1959 (1st half)
Cotton goods (in ch'ih)	1,342	2,287	17,689	21,943	3,319
Bed sheets	--	--	5	38	16
Woolen yarn (in bales)	--	--	1	50	43

	1948	1950	1951-1955	1956-1958	1959 (1st half)
Towels	--	--	301	447	110
Rubber-soled footwear (pairs)	1	30	261	308	311
Socks (pairs)	--	--	1,084	1,104	437
Soap (cakes)	--	--	492	1,404	376
Cigarettes (cartons of 200)	--	--	24	246	312
Undershirts	--	--	354	404	445
Woolen trousers (pairs)	--	--	109	137	36
Hot water bottles	--	--	6	16	9
Mosquito nets	--	4	22	107	62
Porcelain basins	--	2	93	95	22
Silk goods (in ch'ih)	--	--	--	21	39
Flashlights	--	--	62	166	34
Scented soap (cakes)	--	--	90	529	283

8. COST DATA IN KWANGSI -- Nan-ning, Kwangsi Jih-pao, 13 Jun 59, p 1

By strengthening economic accounting, getting a firmer grip on cost control, and similar measures, various industrial enterprises in Kwangsi Chuang Autonomous Region were able to reduce production costs and increase capital accumulation. In Yu-lin Electric Plant, one shift competed with another in trying to reduce coal consumption. Consequently, coal consumption per 1,000 kilowatt-hours of electricity produced was reduced from 582 kilograms in February to 472 kilograms in March.

In the nine factory-mines belonging to P'ing-kuei Mining Bureau, costs in the first 4 months of 1959 were 6.92 percent lower than in the same period of 1958, and profits reached 2,180,000 yuan, whereas in the same 4 months of 1958, there was a loss of 11,000 yuan.

Through diligent and frugal operation of the enterprise -- by making their own tools, etc. -- the cost of producing raw coal in a mine in Yung-ning Hsien declined steadily. In the fourth quarter of 1958, the unit cost was 2.9 yuan, but by February 1959, this was reduced to 2.1 yuan. At the time that this mine was established, in August 1958, the total investment required was only 900 yuan, and since then, its total state accumulation has amounted to 220,000 yuan.

At present, all enterprises are allied in the campaign for increasing production economy, stamping out waste, extending technical reforms, tapping latent capacities, raising labor productivity, and economizing on raw materials and production expenses so as to reduce production cost even more.

V. LABOR

1. WAGE PAYMENTS -- Moscow, Izvestiya, 1 Oct 59, p 3

Average [annual] wage payments increased 70 percent during the period of restoration of the national economy of the People's Republic of China. The increase during the First Five-Year Plan was 42.8 percent, with an additional 3 percent in 1958. Peasants' income rose 43 percent from 1952 to 1958.

Moscow, Voprosy Ekonomiki, No 9, 1959, p 71

The average wage payment for workers and employees in China in 1957 was 637 yuan, i.e., it increased 42.8 percent over that of 1952.

2. MISCELLANEOUS DATA ON LABOR IN CHINA -- Moscow, Vechernyaya Moskva, 28 Sep 59, p 3

Ma Wen-jui, Minister of Labor in Communist China, reports that there were over 45 million workers in 1958, which is five times more than in 1949. Whereas in 1949 there were a few more than 270,000 workers enrolled in evening schools, this figure had jumped to 7 million in 1958. There were over 600,000 engineers and technical workers in 1958. Labor insurance (including free medical aid) amounted to over 14 billion yuan from 1952 to 1958.

VI. TRANSPORTATION

1. GROWTH AND ECONOMY IN RAILWAY TRANSPORT -- Tientsin, Hopeh Jih-pao, 14 Jun 59, p 2

In Hopeh Province, over 90 percent of the total amount of freight transportation, in ton-kilometers, is performed by the railways. According to plans, the total tonnage of freight to be transported in Hopeh in 1959 is 149.9 percent of that transported in 1958. The comparative amounts of the chief kinds of freight, in percentages, are as follows:

	1958	1959
Coal	100	145.5
Ores	100	211.4
Iron and steel	100	153.2
Capital construction building materials	100	136.8
Other	100	160.5

The record has not been very good in regard to the avoidance of irrational transportation, even in the making of transport plans. For example, in May 1959, in Hopeh, the number of loaded cars whose transportation was irrational for various reasons was as follows:

	No of Cars
Cross-hauling	2,371
Excessively long hauls and misrouting	16,612
Double operations	870
Total	19,853

These all represent a waste of power, of transport capacity, of labor, and of money, and they call for more careful and accurate planning.

2. EIGHTEEN SECTIONS OF LOCAL TYPE RAILWAYS IN ANHWEI PROVINCE -- Peiping, Kung-jen Jih-pao, 7 Oct 59, p 2

To help solve the problem of short-distance transport, 18 sections of local-type railways, with an aggregate length of 132 kilometers, are being built in Anhwei Province in 1959. Very recently, seven sections serving the Huai-nan coal mines district have been put into operation, rails are being laid for five sections, and the surveys and planning for six sections are now in progress.

For the many new or expanded mining enterprises in Anhwei, the present means for short distance transport are insufficient, inefficient, and expensive, and they require an immense amount of human labor. There are now 17 coal or iron ore mines, each with an output capacity of over 300 metric tons per day, that are unable to get their potential output moved promptly to market. In view of these conditions, the Anhwei authorities decided to build some local-type railways under their own auspices.

Technical and material assistance of various kinds has been contributed by the Ministry of Railways' railway bureau at Pang-fou, which has set up a special department to render advice and assistance in connection with the construction and operation of local type railways.

Five of the local-type railways are of standard gauge, and the others, of narrow gauge. For the former, old rails discarded by the Huai-nan railway, which has been rebuilt into a first-class railway, have been obtained, and these lines have direct connections with the main-line railways. Some cast-iron rails, simple switches, and 5-ton coal and ore cars have been made locally. Apart from two lines that are to be used for special purposes, the 16 lines are for hauling coal and iron ore, and their aggregate annual transport capacity is estimated at 620,000 tons. Four different types of motive power are being used, such as internal combustion engines taken from motor trucks, coal gas engines, and electric motors.

3. AN-YU--HUANG-LIU RR SECTION OPENED TO TRAFFIC -- Tientsin, Hsin Wan-pao, 11 Oct 59, p 1

On 1 October, the 108-kilometer An-yu--Huang-liu section of the railway to circle Hainan Island was formally opened to traffic. The line includes the 29-kilometer Huang-liu--Ying-ko-hai spur line, thus making a total of 137 kilometers. The section which was just opened stretches from the An-yu dock in Yai Hsien to Huang-liu of Lo-tung Hsien. At one terminal is China's largest salt field, the Ying-ko-hai. On its northeast corner is one of China's eight large forests, Chien-feng Ling. Along the line are nearby fishing harbors such as Chiang-men, Chiao-t'ou, and Wang-lou.

4. OVERPASS FOR CROSSING TRACKS AT NAN-CH'ANG -- Nan-ch'ang, Kiangsi Jih-pao, 9 Sep 59, p 2

On 6 September, workmen succeeded in placing on its piers a 47-ton truss which is the main member of an overpass for the use of passengers needing to cross the railway tracks at the Nan-ch'ang railway station. It is planned to complete the bridge by 1 October, for the celebration of the tenth anniversary of the establishment of the government of the People's Republic of China.

5. COMPLETES FIRST PEDESTRIAN RR OVERPASS -- Nan-ch'ang, Kiangsi Jih-pao, 23 Sep 59, p 1

The construction of the first pedestrian railway overpass in Kiangsi, the South Nan-ch'ang Railway Station overpass, was completed on 18 September, and on 22 September, it was opened to pedestrian use. This structure was completed 12 days ahead of schedule. This is a permanent reinforced structure, the bridge being 20 meters long, 8.17 meters high, and 3.7 meters wide. The bridge spans three rail tracks.

In addition to the construction of the overpass, the No 1 platform is being extended 100 meters, and a center platform of 500 meters by 9 meters is being constructed. These structures will add greatly to the convenience of the passengers.

6. TIENTSIN MOTOR TRANSPORT WORKERS SET NEW DAILY TRANSPORT RECORD -- Tientsin, Hsin Wan-pao, 11 Oct 59, p 1

On 10 October, motor vehicle transport workers of the Tientsin Public Communication Bureau moved 85,246 metric tons. This was a 11,100-metric-ton increase over the day the largest amount was transported in September, thus setting a new record. During the first 10 days in October, 14,300 metric tons more were transported than in the same period in September, and the efficiency was increased 5.7 percent.

7. PEIPING MOTOR TRANSPORT COMPANY DRAWS ON LATENT CAPACITIES -- Peiping, Pei-ching Jih-pao, 7 Sep 59, p 2

During August, due to rain and mud, the trucks of the Peiping municipal transport company did not fulfill the planned quota of transportation for the month. To fulfill and surpass the September quota, the employees have increased the number of trucks hauling trailers from 600 per day in the first 10 days of August to 1,756 trucks per day during the first few days of September, and have increased the number of trucks at work on night shifts from over 500 per day during the first 10 days of August to 1,032 in September.

8. QUICK SERVICE AT KAN-CHOU SERVICE STATION -- Peiping, Kung-jen Jih-pao, 8 Oct 59, p 2

Beginning 1 October, the service station and parts manufacturing shop for southern Kiangsi Province at Kan-chou has undertaken to complete all repair and servicing jobs within 24 hours. Hitherto, motor vehicle major repair jobs have averaged 12 days. This speeding up of repair jobs is being accomplished in accordance with methods explained and demonstrated in a conference conducted last July at Canton by the Ministry of

Communications. Since then, the Kan-chou service station has finished each of 17 major repair jobs within one day. This station anticipates that during the coming quarter an average of 21 major repair jobs per month will be handled. At this rate, the saving of time while trucks are undergoing repairs will permit an additional 161,700 ton-kilometers per month to be performed.

The new methods involve a reorganization of the working force, a division of labor, and specialization in skills, but mainly psychological changes in attitudes on the part of management and workers.

9. KIANGSI SETS WATERWAY TRANSPORT RECORD -- Nan-ch'ang, Kiangsi Jih-pao, 21 Sep 59, p 2

On 10 September, the Kiangsi waterway transport workers set a new record for steamer and tug transport by moving some 31,000 metric tons. On 18 of September, a higher peak was established by transporting some 72,000 metric tons that day. For September, 96.23 percent of the plan has already been completed. This is 85.44 percent of the cargo transport plan for the entire year.

10. CONSTRUCTION OF LARGE WHARF AT JIH-HUI-KANG -- Shanghai, Chieh-fang Jih-pao, 28 Sep 59, p 2

In 45 days, the Harbor Construction Bureau has completed the first work stage in the creation of a modern harbor at Jih-hui-kang on the Huang-p'u Chiang [on which the city of Shanghai is located]. The wharves will lie on the west bank of the river and eventually will extend 1,700 meters. In this first stage, one wharf, 210 meters long and 27.5 meters wide, has been built. The wharf structure is of reinforced concrete for which 598 square piles were driven in deep water. Freighters of the 10,000-ton class will be able to tie up alongside the wharf, which will have a handling capacity of 1.2 million tons per year.

Construction of the first stage of this harbor development project formally began on 10 August and was completed on 25 September. This wharf will substantially increase the turnover capacity of Shanghai port, especially with respect to coal handling which comprises about 40 percent of the port's traffic. In particular, it will conveniently serve the large industries in the southern section of the city, as well as the household needs of the people who live in this section.

In the past, about 90 percent of the coal yards have been situated on the P'u-tung side of the river, while about 96 percent of the consumption is on the other [west] side. With the expansion of wharf facilities at Jih-hui-kang, the cost of coal distribution to consumers will be considerably reduced, and many lighters hitherto engaged in ferrying coal across the river, will be released for other work. Additional highway and rail connections between the city and the new wharf are now being built, and the wharf will soon be opened for use.

11. TIENTSIN IS BUSY PORT OF INLAND WATERWAY NETWORK -- Tientsin, Hopeh Jih-pao, 3 Jun 59, p 2

Apart from coastal shipping traffic, Tientsin is a busy port of the inland waterway network of North China. Large quantities of agricultural and native products, including wheat, the raw materials for producing vegetable oils, and reed matting, come to Tientsin via the Grand Canal and other rivers from Shantung, Honan, and other parts of Hopeh Province. Returning, the boats carry back to the rural regions fertilizers, living necessities, and the articles that are imported or manufactured in the industries of Tientsin. The river boats are of shallow draft so as to be able to navigate on small rivers and canals and reach remote districts.

12. SS HO-P'ING No 60 LAUNCHED -- Shanghai, Wen-hui Pao, 18 Sep 59, p 2

On 17 September, the coastal freighter SS Ho-p'ing No 60 was launched at the Hu-tung Shipyard in Shanghai, after being on the stocks only 19 days. This ship is 99.23 meters long, will draw 5.5 meters of water, has a displacement of 4,735 metric tons, and will carry a pay load of 3,000 tons. It will be a diesel oil burning steamer. Work on the welding of the hull was interrupted for 2 days because of a lack of electric current due to the effects of a violent storm. A sister ship, the SS Ho-p'ing No 59, launched in this same shipyard, was on the stocks for 60 days.

13. TURNOVER TIME AT CHUNGKING PORT SHORTENED -- Chungking Jih-pao, 15 Jun 59, p 2

Following an exhaustive investigation of the time spent in port by steamers, the Chungking Harbor Bureau has improved the management of cargo, whereby the unproductive time of ships in port while awaiting cargo for shipment is substantially reduced.

In the first 10 days of June, the daily time in port was 43.5 percent less than the daily average time for May. This is equivalent to saying that in June, the same tonnage of ships could transport 16,847 metric tons more cargo.

The formation of a cooperative agency of shippers and shipping agencies has contributed to this saving in time, Shipment plans are now being made, not only on a monthly basis, but also on a 10-day and a 5-day basis. Loading and unloading operations have also been speeded up, not only through greater use of mechanized equipment, but also by increased promptness in commencing and finishing cargo-working operations. On 9 June, the crew of the SS Chiang-i, prior to reaching its mooring berth, moved some of the cargo from the hold to the deck, thus hastening the completion of unloading operations after arrival in port and moving forward the time when loading could begin.

14. EARLY PREPARATION OF BARGE TRAINS SAVES SHIPS' TIME -- Chungking Jih-pao, 15 Jun 59, p 2

The Szechwan provincial Shipping Company's SS No 105 and SS No 401, which are used for towing barge trains out of Chungking, now save more than an hour's time each trip. This is achieved through an arrangement by which the make-up of a barge train that is to be taken in tow, including the attachment of the hawsers, is attended to on the day of the ship's arrival in port, instead of at the time of departure, on the following day. This not only shortens the ship's turnaround time, but also saves about 10 tons of fuel per month per ship.

15. EXPERIMENTAL USE OF A FUEL MIXTURE OF DIESEL OIL AND WATER -- Tsingtao Jih-pao, 5 Sep 59, p 2

Acting on the suggestion of a section of the Ministry of Commerce charged with the responsibility of promoting economy in the consumption of petroleum, a section of the Tsingtao Marine Transport Bureau has been experimenting with a mixture of a small quantity of water with the fuel oil used in a four-cycle diesel engine on MS Lu-min No 106. They claim it is possible, thus, to effect a saving of 4.22 percent in consumption of diesel oil.

VII. ELECTRIC POWER

1. PROGRESS OF ELECTRIC POWER STATIONS PROJECTS IN ANHWEI PROVINCE -- Peiping, Shui-li Yu Tien-li, 20 Sep 59, pp 20-21

The Ma-an-shan project -- A steam-turbine generator unit is now being installed in the Ma-ah-shan Electric Power Plant. It is expected that this unit, the second set to be installed during the second stage of expansion of the Ma-an-shan plant, will be put into production before 25 September 1959. When completed, the existing electric power capacity will be increased by more than 50 percent. At present, the steam-turbine engine, pressure valves, tubes, pipes, and auxiliary equipment have been placed in proper positions. The foundation on which the transformer with a capacity of 31,500 kilovolt-amperes will be placed has been completed.

The Huai-nan Electric Power Plant -- The installation of a new generator unit in the Huai-nan Electric Power Plant will be completed on 10 September 1959, according to an estimate.

The Huai-nan Electric Power Station -- The expansion project of the Huai-nan Electric Power Station is near completion since most of the heavy equipment, including the steam turbine, is now being installed.

The Hsiang-hung-tien Hydroelectric Station -- The 500 or more workers of the Hsiang-hung-tien Hydroelectric Station projects pledged that they will put the No 1 generator unit into production before 15 September 1959. When this is realized, the original installation plan will be fulfilled ahead of schedule by one half month.

The Hsiang-hung-tien-- Liu-an line route project -- The Hsiang-hung-tien--Liu-an section of the Hsiang-hung-tien--Liu-an--Ho fei high voltage transmission line project is now under construction. The installation of a line along this section, totaling some 40 kilometers in length, will be completed before 15 September 1959. The Hsiang-hung-tien--Liu-an project was initiated on 5 August 1959, when the Liu-an--Ho-fei line officially started the transmission of electricity.

2. FENG-MAN HYDROELECTRIC PLANT EXCEEDS AUGUST OUTPUT PLAN -- Peiping, Shui-li Yu Tien-li, 20 Sep 59, p 23

The Feng-man Hydroelectric Plant exceeded its August output plan by 25.7 percent, thus an additional amount of electricity totaling 23,930,000 kilowatt-hours was produced.

From January through July 1959, the electric output of this plant exceeded its production plan by 46.5 percent, thus producing an additional 131,660,000 kilowatt-hours of electricity, saving 100 million metric tons of water, economizing 200,000 kilowatt-hours of electricity consumed by the plants, and lowering the production cost by 5.65 percent.

In August 1959, the amount of water consumed for the production of a kilowatt-hour of electricity was reduced from 10 metric tons to some 7 metric tons; and 63 million metric tons of water was saved in this month. During this period, a system was developed in the plant to economize in the use of electricity; as a result, a total of 32,000 kilowatt-hours of electricity was saved.

It is expected that, in 1959, the electric power output by the plant will be 11 percent over that of the state plan. During the last 4 months of 1959, it is expected that a total of 450,000 kilowatt-hours of electricity will be economized, 200 million metric tons of water will be saved, and the production cost will be lowered by 200,000 yuan.

3. TRANSMISSION LINE TO SPAN YANGTZE RIVER -- K'un-ming, Yunnan Jih-pao, 25 Aug 59, p 2

The first high-voltage electricity transmission line, with a designed capacity of 220,000 volts, to span the Yangtze River is now under construction at Wuhan. A 146.75-meter-high tower has already been erected on the Han-yang bank of the river, and another such tower is now being built on the Wu-ch'ang bank of the river. The height of the tower is equivalent to that of a building with 40-odd stories; it is the highest tower ever built in the history of electric power industry in China. When the entire project is completed, there will be eight strings of one-inch-in-diameter wires hanging on these towers to span the river. It is expected that the line will transmit a total of 1.5 billion kilowatt-hours of electricity annually from the Ch'ing-shan Heat and Electric Power Plant, crossing the river to Hankow and Han-yang.

4. T'ANG-SHAN NEW TRANSFORMER STATION STARTS OPERATION -- Tientsin, Hopeh Jih-pao, 19 Aug 59, p 1

The newly built transformer station, with a capacity of 110,000 kilovolt-amperes, in the suburbs south of T'ang-shan shih, has already been put into operation. The station was designed by the T'ang-shan Electric Power Supply Bureau. The control and operation of the equipment in this station are fully automatic. This station will be greatly satisfy the needs of electric power in the iron smelting shop of the T'ang-shan Locomotive and Rolling Stock Works, in the T'ang-shan Coking Plant, in the industrial sites of Feng-jun, and in some water conservation construction areas.

5. NANKING HEAT AND ELECTRIC POWER PLANT STARTS INSTALLATION OF EQUIPMENT -- Peiping, Shui-li Yu Tien-li, 20 Sep 59, p 18

The installation of equipment in the Nanking Ta-ch'ang-chen Heat and Electric Power Plant was initiated ahead of schedule on 2 September 1959. The installation of the boiler unit in this plant was completed on the same date.

6. FOU-HSIN ELECTRIC POWER PLANT'S NEW GENERATOR TO START OPERATION SOON -- Peiping, Shui-li Yu Tien-li, 20 Sep 59, p 18

In July 1959, a large generator unit was installed in the Fou-hsin Electric Power Plant. It is expected that the new unit will be put into production within a year.

7. FOU-HSIN ELECTRIC POWER PLANT EXCEEDS AUGUST ELECTRIC OUTPUT PLAN -- Peiping, Shui-li Yu Tien-li, 20 Sep 59, p 22

The Fou-hsin Electric Power Plant fulfilled its August's electric power output plan ahead of schedule by 4 days on 27 August 1959. The ratio of coal consumption was 0.440 kilogram per kilowatt-hour of electricity produced, or a saving of 0.028 kilogram of coal as compared with the original plan.

8. LIU-CHOU ELECTRIC POWER STATION EXCEEDS AUGUST CONSTRUCTION PLAN -- Peiping, Shui-li Yu Tien-li, 20 Sep 59, p 19

The Liu-chou Electric Power Station in Kwangsi exceeded its August construction plan by 15.46 percent.

9. MIN-HANG ELECTRIC POWER PLANT'S NEW GENERATOR UNIT TO START PRODUCTION -- Peiping, Shui-li Yu Tien-li, 20 Sep 59, p 19

The new generator unit in the Min-hang Electric Power Plant in Shanghai, which was originally scheduled for production in January 1960, will be test-run in October and formally put into operation on 1 November 1959.

10. HUAI-NAN ELECTRIC POWER PLANT EXCEEDS AUGUST PRODUCTION PLAN -- Peiping, Shui-li Yu Tien-li, 20 Sep 59, p 22

The Huai-nan Electric Power Plant in August 1959 exceeded its monthly output plan by 230,000 kilowatt-hours of electricity. The rate of fuel coal consumption per kilowatt-hour of electricity was 0.025 kilogram lower than the original plan.

VIII. POSTS AND TELECOMMUNICATIONS

CHINA'S POSTAL SERVICES AFTER A DECADE OF DEVELOPMENT -- Peiping, Jen-min Yu-tien, 22 Sep 59, pp 6-7

(Following is from an article by the Postal Administration Bureau, Ministry of Posts and Telecommunications.)

Since the establishment of the People's Republic of China under the leadership of the party and the government, the postal services in the nation showed an over-all and rapid development. Postal bureaus and branches were established in the cities and villages, postal communications routes were integrated in various areas throughout the nation, the volume was tremendously increased and the speed of transportation and delivery was highly accelerated. At the same time, the quality of postal services was greatly improved thus basically satisfying the needs of the party, the government, and the broad masses of the people.

Since the liberation, the postal services in the nation have been restored and developed and the weak foundation of these services has been consolidated. In 1952, the national postal network, was established with Peiping as the center. The total length of postal routes in the nation was increased 100 percent over that in 1949, and the volume of postal operations exceeded the peak level of that in 1936.

During the First Five-Year Plan period, from 1953 through 1957, postal undertakings in China again showed a great development. As of the end of 1957, the number of locally sponsored postal establishments was increased to more than 22,000, or an increase of 3.3 times over that in 1952 and it was equivalent to 3.8 times of that established over a period of some 80 years in old China. There was an average of one postal unit in every ch'u throughout the nation. Moreover, there were more than 23,000 agencies in various areas all over the country. Thus the number of locally sponsored postal bureaus and branches established in the rural areas during this 10-year period was increased more than 33 times over that in the preliberation period. The total length of postal routes reached some 2,200,000 kilometers, or more than triple that in the preliberation days.

In 1958, under the enlightenment of the socialist general line, with the encouragement and motivation of the great leap forward in industrial and agricultural development and the realization the people's communes in the rural areas throughout China, the postal enterprise accomplished stupendous achievements. In this year alone, the number of postal establishments added in the nation was 15,344. The total thus reached 60,719, of which, 39,293 were the locally sponsored units (including those sponsored by the communes), or an increase of 7.1 times over that in 1949. In the ethnic minority areas, the number of posts and telecommunications bureaus and branches also showed a great increase in 1958 over that in 1949: in Tsinghai, 4.8 times; in Inner Mongolia, 6 times; in Sinkiang, 4.7 times; and, in Kwangsi, 1.4 times. The length of postal routes reached 3,010,000 kilometers, or an increase of 3.3 times over that in 1949, of which more than 790,000 kilometers were established in 1958 alone. Following the growth of postal networks in the nation, the range of volume of operations was also expanded. In 1958, the volume increase over that in 1949 is listed as follows: letters, close to 2 times; parcels, more than 8 times; postal money orders, some 14 times; and the aggregate number of newspapers and periodicals, more than 25 times.

Since the rural population in China accounts for more than 80 percent of the total population, the party and the government during the past 10 years has given much attention to satisfying the needs of the broad masses in the rural areas for postal services. In 1950, the "Procedures for Using Posts and Telecommunications Facilities in the Land-Reform Areas" was issued. In 1952, to strengthen the leadership of posts and telecommunications enterprise, the "Decisions Concerning Supervisory Relationships of the Ministry of Posts and Telecommunications and of the Local Government Toward the Postal and Telecommunications Enterprise" was promulgated. In the latter, the procedures for the distribution and delivery of mail in the rural areas were specified. During 1950-1955, postal agencies, the remnants of the old postal administration were rearranged. At the end of 1955, to meet the needs of the nation's agricultural cooperativization and development of agriculture, the national conference on rural posts and telecommunications work was called by the Ministry of Posts and Telecommunications, and the preliminary plans for development in the rural areas were thoroughly discussed. In 1956, to improve postal delivery in the rural areas, postal routes were extended into the agricultural cooperatives. The issuance of the 1956-1967 National Draft Plan for the Development of Agriculture greatly stimulated the development of postal work in the rural areas. According to Article 33 in this draft plan, it specified that within 12 years the rural postal network in the nation will be basically established and that postal delivery work will be greatly improved. In early 1958, the mail carrier system was generally established in all agricultural cooperatives throughout the nation. During the past few years, with the combined efforts of the state and the broad masses of people, postal communications in the rural areas showed a tremendous development.

Before the establishment of the communes, postal routes were available in 98 percent of all hsiangs, and 75 percent of the agricultural cooperatives received direct postal delivery from the posts and telecommunications bureaus. After communalization, postal services were more urgently needed in the rural areas. Therefore, postal networks were rapidly developed. At present, posts and telecommunications bureaus and branches are available in all areas where the communes are located. Posts and telecommunications units and service points are also available in the control areas and in the production teams under the communes. The mail carriers now deliver the mail, including newspapers and periodicals, directly to the mess hall or home of the addressee.

In 1950, while the postal network in the rural areas was being established and developed, newspaper and periodical distribution work was included in the postal service. Since then, publication distribution has been handled by the postal establishments. At the end of 1958, 3,844 newspapers and periodicals were distributed by the nation's postal bureaus. The number of copies per issue of these publications reached 79,210,000, surpassing any previous figure. Postal bureaus in the nation also handle international newspapers and periodicals; 163 newspapers and 1,079 periodicals are now being handled.

The mechanization of postal work is another aspect of great achievements accomplished in the past years. Since the liberation and especially since the great leap forward campaign, much mechanized equipment for the handling of postal work was test-produced; for example, s stamp machines, automatic and semiautomatic newspaper vending machines, automatic fee-collecting and mail-receiving machines, automatic postage calculation scale, postage calculators, sorting machines, newspaper counting and wrapping machines, various kinds of stamp cancelling machines, and various kinds of dust absorbing devices, newspaper binding equipment, and mail bag sealing devices. In the phase of postal transportation, mechanized equipment such as the following were utilized and produced: automobiles, motorcycles, motorized vehicles, railroad cats, and tricycles for use especially in the rural areas. Moreover, other equipment was produced during the technical revolution and technical innovations campaign, as well as in the "one dragon" emulation period, to mechanize and improve the postal work in the nation.

During the past decade, because of the great improvement made in both the management and operation of postal service, the quality of postal work was greatly raised. Fewer errors were committed in the handling of mail and the speed of postal delivery was greatly increased. According to statistics, some 1,300,000 pieces of mail were delivered daily, and some 1,800,000 pieces bypassed transfer points to facilitate early delivery. The speed of mail sorting was greatly increased and the number of pieces sorted per hour reached as high as 5,000. Postal transportation was greatly improved. At present, a total of 14 provinces

and special municipalities (50 percent), is able to receive the central newspaper the same day it is issued; 1,145 hsiens and municipalities under the jurisdiction of the provinces, or 63.7 percent of the total number, are able to receive the provincial newspaper on the same day it is published; 19,736 communes, or 80 percent of all communes, are able to receive the hsien newspaper on the day of publication.

During the past 10 years, China issued 121 series of postal stamps totaling 458 different issues; it also printed some artistic postcards, stamped envelopes, and envelopes. A modern postal stamp printing plant has just been built and it will soon be put into production.

IX. PLANS AND PLAN FULFILLMENT

1. TEN YEARS OF INDUSTRIAL CONSTRUCTION IN LIAONING -- Mukden, Li-lun Hsueh-hsi, No 8, 1 Aug 59, pp 41-44

(The following information is taken from an article prepared by the Statistical Bureau of Liaoning Province, entitled: "The Tremendous Achievement in Industrial Construction in Liaoning During the Last Ten Years," published in the journal of the Liaoning Provincial Committee of the Communist Party of China.)

In 1948, on the eve of the liberation of Liaoning Province, the actual industrial production capacity in the province was only one fifth of what it had been in 1943. The number of workers in industrial and mining enterprises had fallen to about 50,000. Since 1949, there has been a tremendous regeneration and growth, particularly in the steel industry.

By the end of 1949, the proportion of the gross value of production of all industrial enterprises in the province, accounted for by the gross value of production by state-operated and local state-operated industry, had reached 80 percent. The gross value of production of state-operated and local state-operated industry in 1958 had increased 19 times over that in 1949. The proportion of the gross value of over-all industrial output accounted for by socialist industry was 88.7 percent in 1952, 05.1 percent in 1956, and 95.4 percent in 1958.

The chief areas of industrial expansion in the province since the founding of the People's Republic of China have been the An-shan Iron and Steel industry, together, with the Mukden machine-building industry and the coal-mining industry in Fu-shun and Pen-ch'i. In the 10 years from 1949 through 1958, investments in industrial capital construction accounted for 65 percent of total investments in construction throughout the province.

The chief emphasis in the province's industrial capital construction has been on construction in heavy industry, centering on iron, steel, and machinery. During the 10 years, over 90 percent of the total amount of investments in industrial construction was for investments in heavy industrial construction, and of this, investments in iron and steel industry construction represented about 40 percent. Within the emphasis on heavy industrial construction, a further emphasis was placed on the 156 keypoint projects whose construction was aided by the Soviet Union. From 1953 to 1957, more than 70 percent of all investments in heavy industrial construction went for these keypoint projects.

The An-shan Iron and Steel Works has been the heart and core of heavy industrial construction for several years. In the 6 years from 1953 through 1958, state investments in construction for iron and steel accounted for one-third of total investments in industry throughout the province. The major part of the investments in the An-shan complex went for new construction and for reconstruction and enlargements. From 1953 through 1958, of the total amount of investments in construction at the An-shan Iron and Steel Works, investments in new construction accounted for 63.8 percent, and investments in reconstruction and expanded construction accounted for 35 percent, where as the restoration of original equipment accounted for only 1.2 percent.

During the 1953-1958 period, at the An-shan Iron and Steel Complex alone, seven large-scale modernized iron-smelting blast furnaces were reconstructed. Two steel-refining mills and six steel-rolling mills (including a large-scale rolling mill, a seamless steel tubing mill, a thin steel plate mill, a medium steel plate mill, a semicontinuous plate-rolling mill, and a preliminary rolling mill) were newly constructed. In addition, many modernized enterprises were newly constructed or reconstructed, including a machine tool plant, a medium-scale machinery plant, a transformer plant, a pneumatic tools plant, an electric cable plant, the Hai-chou Open Pit Mine, etc.

With the construction or reconstruction of these enterprises, the proportion of the gross value of industrial production in the province accounted for by modernized industry has increased from 67.8 percent in 1949 to 84.6 percent in 1958. In the iron and steel industry, the ratio of iron-smelting capacity to steel-refining capacity has changed from 1:0.58 before the liberation to 1:1.04 in 1958. The share of the machine industry taken up by the machine-building has also increased; from 25 percent before the liberation to 66.2 percent in 1958. Liaoning has thus become the first heavy industrial base to be constructed in China.

The rate of growth of industrial production in Liaoning has been phenomenal. The gross value of industrial production in 1958 was 5.7 times that in 1943, the best preliberation year, and industrial production rose another 59 percent in the first half of 1959 over the first half of 1958. The increments in volume of production of principal products from 1943 to 1958 are as follows: steel, 4.7 times; iron, 2.3 times; coal 1.8 times; machine tools, 3.2 times; cement, 3.6 times; and electric power (amount generated), 1.6 times.

In the 10 years since the founding of the People's Republic of China in 1949, the gross value of industry in the province has risen 13.8 times, an average of more than 35 percent per year. The average rate of growth of the province's industry during the period of the First Five-Year Plan was 19.8 percent, whereas the increase from 1957 to 1958 was 66.1 percent. There was a further increase of 59 percent in the first half of 1959 on the basis of 1958.

The proportion of the gross value of industrial and agricultural production accounted for by the gross value of industrial production rose from 51.1 percent in 1949 to 87.6 percent in 1958. In a further comparison of 1958 and 1949 figures, the production of the means of production increased 23 times, while the production of consumers good rose 4.5 times. This represents an expansion from 49.1 percent to 80.9 percent in the respective proportions of over-all industrial production accounted for by industries turning out the means of production. The growth in proportions of over-all industry accounted for by the iron and steel industry and by the machine industry was also considerable between 1949 and 1958. The proportion rose from 13.5 percent to 19.1 percent and from 7.7 percent to 15.6 percent, respectively.

The level of manufacturing technology in the province's industrial enterprises has also risen considerably. New construction and reconstruction in the iron and steel industry has been on such a scale that more than 75 percent of the province's iron-smelting blast furnaces are now automated (tzu-tung-hua), while more than 77 percent of the steel-refining open-hearth furnaces are automated. The average coefficient of utilization of blast furnaces (amount of daily iron production per cubic meter of capacity) rose from 1.175 metric tons in 1952 to 1.538 metric tons in 1958. The average coefficient of utilization of open-hearth furnaces (amount of daily steel production per square meter of furnace bottom area) increased from 5.81 metric tons in 1952 to 7.89 metric tons in 1958. In the machine industry, 70 percent of the machine tools have already been exchanged for new models. The degree of mechanization of transportation in the pits in the coal mining industry has also surpassed 94 percent.

Since 1953, many new products never before produced in China have been turned out by our industries and mines, notably raising China's self-sufficiency in industrial equipment. The number of modern industrial products for which trial manufacture succeeded during the years 1953-1958 totals approximately 18,600, of which 1,274 fall within the iron and steel category and 8,092 within the machinery and electrical machinery category. Such technologically complex types of steel, such as heat-resistant steel, acid-resistant steel, ball bearing steel, and high alloy stainless steel, etc., needed in the nation's aviation, automotive, chemical industries, and in national defense, can now be produced in large quantities.

Liaoning Province has also provided significant support to the industrial development of other parts of China. Iron and Steel and machinery equipment or, perhaps: equipment for the iron and steel and machinery (industries) shipped outside of the province accounted for 60 to 70 percent or more of total provincial production of those items each year from the end of the First Five-Year Plan through 1958 [sic]. Moreover, several tens of thousands of technical cadres and technicians were withdrawn from our province to aid in the construction of new industrial bases at Wu-han, Pao-t'ou, etc.

2. SHANGHAI INDUSTRIAL OUTPUT IN PAST DECADE -- Shanghai, Shanghai Kung-shang, No 19-20, 5 Oct 59, pp 15-20

(The following item is from an article entitled "Great Achievements in Shanghai Industrial Output in Past Ten Years," by Ma I-hsing.)

Modern industry in Shanghai dates back to 1843, but in the 100 years before the liberation, under quasifeudal and quasicolonial control, productivity increased very slowly. Although Shanghai had approximately 500,000 workers during that time, it had only light industry, based on the textile industry, and no heavy industry whatsoever. Prior to the liberation, the highest output of steel (in 1948) was only 6,964 metric tons.

The machine industry, such as it was, was geared to the maintenance of machinery and equipment shipped in by imperialist countries, and except for a small shipbuilding industry, no complete machinery or equipment was manufactured. Textile and light industries were fairly well established (in 1948 Shanghai's textile output accounted for 60 percent of China's total output, cigarette production accounted for more than 70 percent of total production, and flour production accounted for nearly 40 percent of total production), but equipment was obsolete, techniques were backward, and extended periods of delayed production were common. Shanghai's power industry, public utilities, etc., and even the major resources, were under imperialist control.

Raw materials for industry, and most daily necessities had to be imported from imperialist countries. Indeed, markets were filled with such commodities, At least 80 percent of the fuel oil and 20 percent of the coal for the electric power industry had to be imported. Most of the raw cotton for the textile industry was also imported. According to statistics, 50-70 percent of the raw cotton consumed by privately-operated textile mills from October 1948 to May 1949 was from the US; prior to the War of Resistance, about 50 percent of the wheat used in the flour mills was from the US; and 90 percent of all wood materials, more than 50 percent of the tobacco leaves, and all the pulp for paper was imported. The same was true of metals, and of raw materials needed in the electric power industry. Shanghai's 5 million people even had to depend upon foreign shipments for 50-60 percent of their rice and flour.

In 1935, of the total value of Shanghai imports, various types of raw materials accounted for 52 percent, consumer goods accounted for 37.7 percent, and implements, machinery, communication and other production implements accounted for 10.3 percent.

Following the liberation, Shanghai witnessed these changes:

The old production relationships in industry were uprooted, and new socialist production relationships were set up.

Accompanying the high tide in agricultural cooperativization in 1956 was a fervent demand for public-private joint operation of all privately operated industry and commerce. On 20 January 1956, the Shanghai People's Council approved the public-private joint operation of 203 businessess, or approximately 88,000 establishments, in industry and commerce. This included 94 industrial businesses, or 25,853 establishments. In the same year, the entire handicraft industry was cooperativized. The joint control of all capitalist industry and commerce operations, and the complete cooperativization of the handicraft industry was a great victory for the Party's transitional period general line, and effected the all-important change from a capitalist system of ownership to a system of social ownership. In 1957, under party leadership, the rectification campaign and the antirightist struggle were expanded. The result was an intimate mutual relationship between the party and the masses, and subsequently socialist building and production relationships were more closely adapted to production demands, thus paving the way for increased productivity.

Owing to the change in production relationships, productivity increased rapidly, and in 1958, with the emphasis on steel and the over-all big leap forward policy, other industrial departments expanded rapidly with outstanding successes. In 1949, the gross value of industrial production in all of Shanghai was only 3,095,000,000 yuan; by the time of the economic restoration period, i.e., 1952, the gross value of industrial production had reached 5,954,000,000 yuan; and in 1957, the final year of the First Five-Year Plan it had reached 11.4 billion yuan. In 1958, Shanghai's industrial development was faster than in any other year since the liberation: the gross value of industrial production (not including 11 hsien in the suburban areas) was 17,130,000,000 yuan, an increase of 50.2 percent over 1957, and 450 percent more than in 1949. Heavy and light industrial products increased greatly. Steel output had increased from only 5,233 metric tons in the year of the liberation to 71,400 metric tons in 1952, and to 509,300 metric tons in 1957. By 1958, the year of the big leap forward, steel output reached 1,220,000 metric tons, or 140 percent more than in 1957, and 232 times the output in 1949. In the fourth quarter of 1958, the average daily output was more than 7,400 metric tons, or more than the highest annual output in any year prior to the liberation. Expansion on this scale was incomprehensible in old Shanghai.

Other major products had similar increases. For example, in 1958 the output of steel materials reached 1,339,000 metric tons, or nearly 98 times the output in 1949; metal-cutting machine tools increased 17.4 times over 1949; alternating current electric motors totaled 1,635,000 kilowatts, or 83.1 times more than in 1949; cotton yarn totaled 1,982,000 chien, or 180 percent more than in 1949; and bicycles totaled 472,000 or 106.9 times more than in 1949.

The composition of industrial production changed in that the proportion of total production value accounted for by output of heavy industry increased rapidly. In 1928, capital in heavy industry accounted for only 0.83 percent of total capital in Shanghai; in 1949 it amounted to 13.6 percent. After the liberation, in keeping with the principle of giving precedence to increasing producer goods and to the demands of state construction, heavy industry expanded to the point where in 1948 its capital represented 45.6 percent of total capital. Although light industry and the textile industry also expanded in the past 10 years, their growth necessarily was not as fast as that of heavy industry.

The technical level in industrial production has surged upward. This came as a result of 10 years of struggle by Shanghai workers and technicians, continuous study of foreign, advanced experiences, and the help of specialists from USSR and satellite countries. This technical level had the greatest upsurge in 1958 when more than 12,000 varieties of new products and goods were manufactured. This is equivalent to 75 percent of those produced during the First Five-Year Plan.

Before the liberation, Shanghai could produce only the regular carbon steel, about 40 types of steel materials, 6 kinds of nonferrous metals, a few regular blast furnaces and lathes, common electric meters and other instruments, and 86 types of chemical raw materials. By 1958, however, Shanghai produced 165 varieties of steel goods, 882 types of steel materials, 64 kinds of nonferrous metals, some high-grade grinding machines, 6,000-25,000 kilowatt steam turbines, turbine generators, 1,000-hp diesel engines, 255m^3 blast furnaces, 2,348 varieties of instruments and meters, and 284 types of chemical raw materials. These are proof of a new technical level attained in Shanghai.

Investments in industrial capital construction have expanded, and industrial installations are stronger. From 1950 to 1958, total investments reached 1,873,000,000 yuan; the figure for 1958 alone was 13 times more than that in 1952, and was more than the combined investments during the economic restoration period and the First Five-Year Plan. A total of 1,392 industrial enterprises were newly constructed or expanded. Using the P'u-chiang Machinery and Equipment Plant established in 1952 as the base, in 1953 the Shanghai Blast Furnace Plant was established. With the help of specialists from the USSR, Czechoslovakia, et. al., the workers in this plant built blast furnaces up to 280 metric tons in size. In 1958, one-third of all blast furnaces in China were produced in this Plant.

Industrial enterprises have undergone marked changes. In 1952, factories of 100 men or more accounted for only 2.7 percent of the 25,849 enterprises in Shanghai, and there were only 135 factories with 500 men or more, or 0.5 percent of the total number. By 1958, these percentages had risen to 28.5 percent and 7.5 percent, respectively.

Many factories have become large-scale enterprises with several thousand workers and modern technical equipment. For example, the General Machinery and Equipment Company, constructed with bureaucratic capital, (not known as the Shanghai Steam Turbine Plant) formerly had only 368 employees, now it has 26,752 employees.

The ranks of the working class expanded continuously, and labor productivity increased year after year. In 1958, Shanghai industrial employees numbered 1,187,000, or 163 percent more than in the highest preliberation year (1948), when the employees numbered 450,000.

If 1949 is the base year, labor productivity in 1952 was 142.7, in 1957 it was 191.4, and in 1958 it was raised to 264, or 160 percent more than in 1949. During the First Five-Year Plan, the labor productivity of industrial workers increased 39.7 percent, or an average annual increase of 6.9 percent; in 1958, however, it increased 26.1 percent over the preceding year.

Technical resources grew as a result of expanded production strength. Shanghai made great contributions to state construction in the form of manpower, materials, and finance. For example, in 1958 the following things were shipped to other areas: more than 9,000 metal-cutting machine tools, 42 pieces of iron and steel refining equipment, and shipments of industrial products by commercial departments valued at 6,140,000,000 yuan. In addition, capital accumulations for the state totaled more than 7.5 billion yuan, at least 160,000 technicians and common laborers were dispatched to outside areas for construction, and since 1950, more than 1.5 million laborers have been organized by departments concerned and sent to outside areas to participate in agricultural construction.

On the basis of expanded production, the people's material and cultural livelihood improved. First of all, unemployment was eliminated. According to statistics, the ranks of the employed in Shanghai totals one million, and more than 1.5 million have been dispatched to other areas for industrial and agricultural construction. Second the employees' livelihood has improved. According to data of the Statistical Bureau, the average income of a worker and his family in 1958 was 306.2 yuan; when compared to the average income of 171.56 yuan in 1948, it represents an increase of 78.2 percent. Third labor insurance and welfare benefits have been extended. Births, deaths, sickness, old age, injuries, etc. are rationally handled for the employees. Many factories have their own sanatoriums, nurseries, dining halls, and recreation areas. Housing and sanitation conditions of the working people have been improved. By the end of 1958, a 4,680,000 square-meter area of housing, or enough for about 700,000 employees and their families, was constructed. In most of these areas, roads and sewers were improved, and water and electricity were installed. Fourth, most of the employees received spare-time instruction. In 1958, more than one million people were studying in spare-time schools, and many workers entered high schools and colleges.

The general spirit of the people has changed significantly. All the employees have been moved from the position of the oppressed to that of masters in a state society. They are organized, and enjoy solidarity in their own labor unions. More and more workers are participating in authoritative work. For example, at the Third Session of the Shanghai People's Congress, 232, or 29 percent of the delegates, were workers, and many workers have been appointed to leadership positions in the government, factories, workshops, and work sections. The underlying reason for achieving all of the above changes in Shanghai since the liberation is precise leadership by the party.

In 1959, in Shanghai as well as throughout the entire country, the national economy is progressing along the lines of the unprecedented leap forward in 1958. The gross value of industrial production from January to August, 1959, amounted to 14,212,000,000 yuan, or 47 percent above that for the same 8 months of 1958. Included in this amount is a 72.3 percent increase in heavy industry, a 20.9 percent increase in light industry, and a 22.9 percent increase in the textile industry. In comparing the production of 40 types of major products with that during the same period of 1958, the 13 types whose output more than doubled include sulfuric acid, heavy machinery, electrical equipment, and mining equipment, the output of electricity, steel, and power machinery increased from 50-99.9 percent; the output of steel materials, metal-cutting machine tools, rubber shoes, and sewing machines increased less than 50 percent. As the volume of output increased, the quality also improved considerably.

Subsequent to the recent adjustment of major targets in the national economy, the gross value of industrial production for Shanghai in 1959 has been adjusted to 23,980,000,000 yuan. Nevertheless, it is still a leap forward plan; it is 40 percent above that in 1958, double the 13.9 percent average increase during the First-Five-Year Plan, and 4.7 percent above the 35.5 percent increase in 1957. Although it is somewhat less than the 50.2 percent increase in 1958, the absolute increase is still 19.5 percent more than it was in 1958. The output of steel in 1958 reached 1,222,000 metric tons, of which 248,000 metric tons was produced by native methods, and 1,012,000 metric tons [sic] was by foreign production methods. The adjusted target for 1959 output is 1,656,500 metric tons, all by foreign methods.

During August 1959, the gross value of industrial production was 13.9 percent above that in July, steel output was 33 percent more than in July, and laobr productivity was 14.5 percent higher than in July. However, to fulfill and perhaps exceed, the annual plans for 1959, great efforts must be exerted in these final 4 months.

3. FOOCHOW CHANGED GREATLY IN TEN YEARS -- Foochow, Fukien Jih-pao, 17 Aug 59, p 3

In the last 10 years, especially during the great leap forward in 1958, the entire appearance of Foochow has been changed. The original Sheng-ch'eng Harness Shops that could only repair horse carts were merged and expanded into a machinery and equipment plant, and on 3 June 1958 the first steel refined in the history of this city was turned out. Now, this plant has become a large scale all-purpose machinery and equipment plant, and its steel refining shops have been expanded into an independent "3 June" Iron and Steel Plant. The hardware, machinery, and equipment shops that existed before the liberation were long ago developed into a machinery manufacturing industry consisting of 19 specialized plants with over 16,000 employees. In 1958, the Foochow machine industry added over 1,200 new-style precision lathes (those added by the plants themselves are not included in this calculation), and the metal cutting capacity increased from 3,000 metric tons in the previous year to 15,000 metric tons. Foochow can manufacture finished machinery equipment.

Newly constructed factories spread from Pei-ling in the north to Wu-lung-chiang in the south, and from Ta-mu-ch'i-p'ang in the west to K'ui-ch'i-ma-chiang in the east. In 1958, not only was the western industrial area expanded, with emphasis on the machinery and light industries, but also a northern industrial area was set up with emphasis on metallurgy, and an eastern industrial area was set up with emphasis on the chemical industry.

In the past, Foochow had three great dangers; floods, fire, and epidemics. After the liberation a flood prevention dike 66 kilometers long was built along the Min Chiang which ended the long history of disaster from flood waters. At the same time the Pa-i, Yang-t'ing, and Teng-yun reservoirs, and other water conservation construction projects were set up. In the past, a lack of passable roads and bridges and the construction of buildings from flammable materials caused Foochow to be susceptible to disaster from fires. At present there are 153 kilometers of main roads suitable for vehicular traffic in Foochow and there are 157 newly constructed or strengthened bridges. Running water and fire hydrants are everywhere. All new structures are being built of brick and tile to replace the old wooden structures. Disaster from fire is being eliminated with fire alarms diminishing each year, so the old saying that "Foochow is a city made of paper" has become a passage in history.

The third great danger in Foochow was from epidemics. The youth of Foochow probably do not know what kind of a place the workers' cultural club used to be. Ten years ago this was the filthiest place in Foochow; it was called "Chin-t'ou-shan." Each summer there was a mountain of rubbish here, there were swarms of mosquitos and flies, there was foul smelling air and smog, fearful epidemics spread from here, and the bodies of people killed by the epidemic were carried here to be buried. In 1941 there was an epidemic of

the plague and each day 90 coffins were carried here. Now a legitimate theater, a motion picture theater, a literature and art hall, etc., have been erected on the 16,000 square meter area of Chin-t'ou-shan. There are shade trees and a cushion of grass; it has become a place of amusement for the laborers and the masses.

The number of health and sanitation organs in Foochow has increased to 282, or 30 times more than before the liberation, and the plague, cholera, and smallpox passed down by the old society are under control. While the health movement emphasizing epidemics was developing, the level of the peoples' health was greatly raised and the spread of disease was greatly decreased.

Before the liberation, educational facilities in Foochow were insufficient. Now there are ten general and specialized colleges, 51 middle level schools, and 201 publicly run primary schools. All the students of primary school age have entered school and the total number of students has reached 140,000.

The wealth of Foochow has increased greatly since the liberation. Today when one walks into the Tung-Chieh-k'ou Department store this great four story structure appears to be overcrowded. Each day 90,000 customers are served here, and over 40,000 yuan worth of business is done, 2.4 times as much as was done during the same period in 1958. In the first half of 1959 bank deposits of the people of Foochow have reached 25,360,000 yuan. This is a step in the great leap forward, and the 600,000 people of Foochow are arousing more enthusiasm to take more steps toward the great leap forward.

[Accompanying the article were three graphs which gave the following information:]

Industry

The total value of production increased from 26,079,000 yuan in 1950 to 311,809,000 yuan 1958, a 1241.11 percent [sic] increase, using 1950 as the base year.

The number of employees increased from 5,999 in 1950 to 87,911 in 1958, a 1404.7 percent [sic] increase using 1950 as the base year.

(These figures do not include the handicraft industry and are based on 1957 constant prices.)

Education

The number of college students increased from 2,765 in 1949 to 8,049 in 1958, 287 percent [sic] increase using 1949 as the base year.

The number of middle school students increased from 18,199 in 1949 to 38,387, in 1958, a 290 percent [sic] increase using 1949 as the base year.

The number of primary school students increased from 27,182 in 1949 to 85,592 in 1958, a 317 percent [sic] increase using 1949 as the base year.

Health and Sanitation:

The number of hospitals increased from nine in 1949 to 93 in 1958. The number of medical clinics increased from seven in 1949 to 147 in 1958. The number of antiepidemic stations increased from one in 1949 to six in 1958. The number of hospital beds increased from 738 in 1949 to 3,757 in 1958.

Part 2. POLITICAL

HOW TO UNDERSTAND THE SOCIALIST ECONOMY -- Peiping, Hsin Chien-she, No 10, 7 Oct 59, pp 39-45

(The following is the full text of an article by Hsueh Mu-ch'iao, Vice-chairman of the State Economic Commission, formen head of the State Statistical Bureau, and former vice-chairman of the State Planning Commission.)

The people of our country, under the glorious leadership of the Central Committee of the party, are enthusiatically accelerating the process of socialist economic construction. The practicalities of socialist construction in our country require that we understand very well the socialist economy and recognize the laws of its development. I will now write my preliminary understanding of this problem for everyone to discuss. I invite the readers to point out to me whether I am right.

Socialism Is Low Stage of Communism

Socialism is not a complete and mature form of social economy; it is the low stage of the Communist form of social economy. Lenin, in State and Revolution said: "Marx called what is usually said to be socialism the "first stage" or the low stage of Communist society. Since the means of production are already common wealth, the term 'Communism' can be used, but we must not forget that it is not complete Communism.... In the first stage, communism, economically, still cannot be complete and mature, still cannot completely throw away inheritances and traces of capitalism."

Why is socialism the low stage of Communism? According to my own understanding, the question has meaning from two aspects. On the one hand, the socialist economy belongs qualitatively to the sphere of the Communist economy. This is because the socialist society has already been established on the foundation of the public system of ownership of the means of production and has already eliminated the private system of ownership of the means of production and its exploitive relationships between man and man. Consequently, the socialist society already belongs to a new form of social economy completely different from the old society, to the Communist form of social economy. On the other hand, socialism is still not complete, does still not have [the qualities of] complete and mature Communism. This is because the productive forces of a socialist society still have not developed to the degree sufficient for establishing complete Communism. Moreover, because socialism is a recent change from the capitalist system, it still cannot cast off certain traditions or traces of capitalism. Socialism must pass through a period of development before it can make the transition to the high level of Communist society.

Productive relationships must match the nature of the productive forces. The productive forces must develop certain conditions before certain kinds of changes in productive relationships can be achieved. This is a basic principle of Marxism. At present, the level of development of our productive forces is still not high. On this kind of foundation, it is suitable only to establish socialist productive relationships; we still cannot establish high level, complete, and mature Communist productive relationships. The lower the level of development of the productive forces, the more will there be the immature parts of the socialist productive relationships and the more will there be a need to pass through a comparatively long period before a transition from socialism to Communism, following the development of the productive forces, can be completed step by step.

What are the immature parts of the socialist productive relationships -- the bad aspects? According to my own understanding, the main items are as follows:

1. System of Ownership of Means of Production

Although the system of private ownership of the capitalists and the system of ownership of the individual laborer have been eliminated and the socialist public system of ownership of the means of production has been set up, in the socialist system of public ownership of the means of production, there exists not only the system of ownership by all the people, but also the collective ownership system. Moreover, the collective ownership system is the low form of the socialist system of public ownership. Socialist states always have to retain two forms of socialist public ownership because these countries, at the time of the revolutionary victory of the proletariat, always have capitalist economies and scattered individual economies. The capitalist economy can be directly changed into a socialist economy of ownership by all the people, but the individual economies, under general conditions, can, first, only be changed into the socialist economy of collective ownership. Afterwards, conditions are created for changing, step by step, the collective ownership economy into an economy of ownership by all the people. If the scattered individual economies are directly changed into economies of ownership by all the people or if, when conditions are still not ripe, the economy of collective ownership is forced to make a quick transition to the economy of ownership by all the people, the productive activity of the farmers may be damaged and the solidarity of the working class and the farmers may be destroyed. Such are adventurist actions which cannot be allowed.

2. System of Distribution

Although the exploitation of man by man has been basically eliminated with the change from private to public ownership of the means of production, a socialist society can only basically practice the system of distribution according to labor; it cannot immediately practice the Communist system of distribution according to need. First, production is not yet

sufficient, not able to fully satisfy the livelihood demands of the complete masses of the people; next, because labor is still rather cumbersome and there are still rather large differences between the cultural levels and technical levels of different people and because, in people's minds, the narrow concept of "rights of the bourgeois class type" still exists, we still cannot immediately "labor for society without needing any rights." Consequently, socialist societies still must use the principle of division according to labor, use material benefits to encourage everyone to labor conscientiously and encourage him to to exert efforts in the study of technical matters and to arrange his life based on the rewards which he himself has obtained through his labor. If, before the products of society are plentiful, the principle of division according to labor is abandoned and the Communist principle of division according to need is practiced too early, the development of production will clearly, absolutely, not be benefited.

3. Relations Between Man and Man

Socialist societies are built on the basis of equality between man and man and mutual help and cooperation. However, because the level of development of production is still not high, because of the resulting existence of the two systems of ownership of the means of production and the existence of the system of division according to labor, and because the differences between the city and the village, between mental labor and physical labor (both handed down from the old society), have still not been completely eliminated, there are still qualitative differences between the worker, the farmer, and the intellectual elements. These differences can be eliminated only after the level of production has been greatly raised, after the cultural level and awarenessness of Communist ideology of the working people have been greatly raised, and after the transitions from collective to all-people's ownership and from division according to labor to division according to need have been completed. Then we can completely cast off the traditions and traces of the old society and begin to enter the high stage of the Communist era.

Economic Problems of Socialist Society and Economic Laws

Socialism is the low stage of Communism, so that socialism has a side in common with Communism and a side different from Communism. There is a common nature and a different nature. A socialist society has many economic problems and economic laws, some of which will continue to exist in the Communist era and some of which will not exist.

Because socialism and Communism belong to the same form of social economy, some economic laws are possessed by both. For example, the basic economic law of socialism (in The Textbook of Political Economy, it is said: "The special point of the basic economic law of socialism is the unceasing increase and improvement in production, on the basis of advanced techniques, to fully satisfy

the constantly increasing needs of all members of the society and to make it possible for these members to develop all around." Page 445) has a function, not only in a socialist society, but also will have a function in the Communist society. In other words, this law will pervade the lower and the upper stages of Communism and will always have a function. As another example, the law of the planned and proportional development of the national economy and the law of the unceasing raising of the productive efficiency of labor also have functions in a socialist society and in a Communist society. Consequently, there are economic problems, such as the speed of development of the national economy, proportional relationships, the control of the planning for the national economy, economic accounting, and the distribution between consumption and accumulation, which are common to both socialist societies and Communist societies. Of course, because of certain special characteristics of socialist productive relationships, the above-discussed problems and laws can have forms in a socialist society different from those in a communist society. However, in nature and in basic requirements, they are basically the same.

A socialist society (and a Communist society) always has a contradiction between social production and social needs. The full satisfaction of the daily increasing livelihood needs of the entire mass of the people requires the rapid development of production. A socialist society still has a high degree of social division of labor, and to guarantee the high-speed development of production and to guarantee that production will match demand, the various units of the national economy are required to develop in proportion. The speed and proportional relations of the development of the national economy in a socialist society are subject to the objective laws of the development of the national economy. The speed of development of the national economy is mainly determined by the unceasing raising of labor efficiency under a socialist system. But the unceasing raising of labor productive efficiency (with the exception of improving labor organization, raising the degree of training of the workers, raising the activism and creativity of the laboring people, and fully developing the use of people's subjective motive power) are mainly conditioned on the unceasing raising of the material-technical level of the workers, on using more and better machines and facilities with which to arm our workers.

As a consequence, a socialist nation must first develop heavy industry so as to create conditions for raising the level of material techniques. However, the prior development of heavy industry must not obstruct the development of agriculture and light industry, must not destroy the proportional relationships between the various units of the national economy. We must, under conditions of first developing heavy industry, raise industry and agriculture simultaneously, raise heavy and light industry simultaneously, and cause units in communications transport, etc. to develop to corresponding degrees. If the proportional relationships between the various units of the national economy are destroyed, no unit will be able to continue further development independently. The laws which govern the speed of development and the proportional

relationships of the national economy will continue to have functions when a communist society arrives. When we come to the concrete conditions of speed and proportional relations, because the level of development of the productive forces are clearly different and certain changes will take place in social relations, the concrete conditions are certainly different.

The speed of development and the proportional relationships of the national economy of a socialist state are concretely arranged through the state plan. The basic requirement of the control of plans for socialist economies is that the high speed and proportional development of the national economy be guaranteed. This is basically the same in a socialist society and in a Communist society. However, since two types of socialist ownership systems still exist in a socialist society, the form of planning control is comparatively complex. In regard to the economic units of the collective ownership system, the national plan must use comparatively complex methods, such as the use of advance purchase agreements and price policies, to guarantee the full realization of the state plan. In the future Communist society, these round-about and devious methods need not be used. The basic requirement of economic accounting in a socialist state is the conservation of labor (including live labor and material labor) consumption, the acquisition of the most social product (utilization value) for the smallest consumption of labor. This is basically the same in a socialist society and in a Communist society. However, because commodity-money relations still exist in a socialist society, economic accounting is manifested in the form of money. In the future Communist society, it will be possible for economic accounting to be based on labor time, and money will not be necessary.

A socialist state, to guarantee the expansion of reproduction and the unceasing improvement of the people's livelihood, must correctly handle the relations between accumulation and consumption. Most of the income of the people of the country constitute consumption funds used to satisfy the various livelihood needs of the people; the rest is the accumulation fund used for the expansion of reproduction. Consumption funds are for satisfying the present needs of the entire people; the accumulation fund is for more fully satisfying the future needs of the people. These are both for the benefit of the people, but there is a contradiction between the present good and the long-range good of the people. In the national plan, this contradiction is manifested in the contradiction between consumption and accumulation. The state must very carefully study the proportional relations between consumption and accumulation, seeking to guarantee that the state will have sufficient funds for unceasingly expanding the scale of construction and to guarantee that the livelihood of the people will unceasingly improve following the development of production. This problem can exist even in the Communist period, but the problem is manifested in a more complicated manner in a socialist society. The socialist state must grasp the main portion of the accummulation funds and at the same time must cause the cooperatives of the collective system (or the present stage of the agricultural people's communes; these will be included in the term cooperatives from here on) to also

have suitable [levels of] accummulation for use in various types of construction and for unceasingly expanding their scales of production. When the state is dividing the accummulation funds, it must also consider the livelihood levels of the workers, the peasants, and the intellectual elements and make suitable adjustments. These problems will not exist in the Communist period.

The socialist society also has problems and laws of one nature which will not exist or have functions in the Communist society; for example, the law of distribution according to labor and the law of value. (There are some comrades who believe that the law of value will still have a function in the Communist society, but we will not discuss the problem here.) The problems and laws of this nature include why the socialist society needs the existence of two forms of public ownership of the means of production and the system of distribution according to labor of the consumption funds, why the necessary existence of differences between the city and the villages and between mental labor and physical labor, and how to make the transition from collective ownership of the means of production to the system of ownership by all the people, from the division according to labor of the consumption fund to division according to need. Another problem is how to step by step eliminate the above differences. If we want to understand the socialist economy, we must study the problems and laws of this nature.

The socialist system of public ownership of the means of production is the foundation for socialist productive relationships. The socialist society, because its productive forces are still comparatively low (especially because the productive forces of agriculture are clearly lower than industry), has two forms of socialist public ownership of the means of production. In industry, the main form is ownership by all the people; in agriculture, the main form is the system collective ownership. The economy of ownership by all the people and that of collective ownership are both of a socialist nature. Under the unified leadership of the state, the two are mutually dependent, with ownership by all the people occupying the leading position. Ownership by all the people has the duty of aiding and leading the development of the economy of the collective ownership system. However, each unit of the collective ownership economy (the cooperative or the agricultural people's commune of the present stage) is independently managed and each bears responsibility for itself. Therefore, there is a decided contradiction between these units and the economy of the system of ownership by all the people. There is also a decided contradiction between the units of the collective ownership economy. To solve this contradiction, these units, whether they are exchanging goods with the economy of ownership by all the people or with themselves, must basically use the principle of equivalent-value exchange. Under conditions where two forms of public ownership exist, equivalent-value exchange is the most important method for adjusting the contradiction between the state and the cooperatives and between the cooperatives themselves. If we destroy the principle of equivalent-value exchange, thus damaging the interests of the cooperatives, the raising of the activism of the cooperatives will not be benefited.

The socialist society, because the level of development of the productive forces is still not high, is also different from the Communist society in the system of distribution. In this respect, the workers supply labor to the state in return for rewards (the member does the same with respect to the cooperative). When they obtain consumer goods from the state, they also pay what the goods are worth. The socialist state must bear the responsibility for the livelihood of the entire people, but because there are not yet enough social products, the state cannot combine all the livelihood needs of the people. The state takes all the laboring people and arranges their work according to their abilities and pays them according to the quantity and quality of the labor which they contribute. The laboring people carefully arrange for their own livelihood based on the pay they receive for their labor. Under these conditions, the good of the state and of the laboring people are basically unified, but there is a certain degree of contradiction. The system of division according to labor used by the socialist state is the most important method to solve this contradiction between the state and the laboring people. Consequently, we must have this method if we are to intimately tie together the good of the state and of the laboring people and effectively eliminate this contradiction. At a time when social production still cannot satisfy all the livelihood needs of all the people, if we abandon the principle of distribution according to labor too soon, it will not be beneficial to raising the production activism of the laboring people or to guaranteeing the rapid development of industrial and agricultural production.

Because these conditions exist, there is an inner contradiction of the laboring people in a socialist society. Because the level of the productive forces of agriculture is comparatively low and the collective system of ownership still exists in agriculture, there is a contradiction between the farmers and the workers. A socialist state must constantly adjust the levels of livelihood of the workers and farmers, recognizing that there are differences but that the differences cannot be too great, to benefit the solidarity of the workers and the farmers. Because the cultural and technical levels of the laboring people are not the same and the system of distribution according to labor exists, there is a contradiction between the workers, farmers and the intellectual elements, inner contradictions among the workers, inner contradictions among the farmers, and inner contradictions among the intellectuals. A socialist state must recognize the differences in rewards for the various types of laborers under a system of distribution according to labor, but not let the differences be excessive, so as to benefit the mental laborer and the physical laborer and their inner solidarity. When we have made the transition to Communism, it will still be possible to have contradictions between the whole and the part (such as the state-managed enterprises and the people's communes of the system of ownership by all the people), between the collective and the individual (such as between the state and the people who are distributed to according to need), but the nature of these contradictions will be clearly different from those in a socialist society.

The inner contradictions of the people in a socialist state are based on the basic unity of the people's interests. These contridictions are not of such a nature as to be opposed to each other, and they are basically different from the inner contradictions in a class society (which do oppose each other). The socialist state must recognize the inner contradictions of the people and conscientiously study the sources of these contradictions and methods for the correct handling of these inner contradictions of the people. Only in this way can the active elements of the various sides be stirred to movement, accelerating the completion of socialist and Communist construction.

Transition From Socialism to Communism

Comrade Mao pointed out in his Discourse on Contradictions that "Social changes are primarily due to the development of social inner contradictions -- contradictions between the productive forces and the productive relationships, between classes, and between the new and the old. The development of these contradictions push the advance of a society, push the replacement of the old society by the new." Comrade Mao, in his Concerning the Problem of Correctly Handling the Inner Contradictions of the People, pointed out that, "In a socialist society, the basic contradictions are those between the productive relationships and the productive forces, between the superstructure and the economic base." He has also pointed out that "In general, socialist productive relationships have already been established, and they are suited to the development of the productive forces. However, they are still very bad, this badness being contradictory to the development of the productive forces. In addition to the condition where the productive relationships and the development of the productive forces are matched but also contradictory, there is the same watched but contradictory situation between the supersturcture and the economic base." When we study the socialist economy, we must study well the problems brought out by Comrade Mao and then seek out the laws of the development for the transition from socialism to Communism.

Why must the socialist society have two systems of public ownership of the means of production. The basic reason is that the level of development of the agricultural productive forces is still not high, has still not yet developed sufficiently to lay the basis for the transition to the system of ownership by all the people. Even though the agricultural cooperatives of our country have already developed into people's communes, the level of the agricultural productive forces of our country is still rather low, primarily relying on human and animal power for cultivation. It cannot immediately make the transition to the system of ownership by all the people. In a certain number of years, the agriculture of our country will be mechanized and electrified step by step.

Following this raising of the productive forces of agriculture, the communes will step by step make the transition from collective ownership to ownership to ownership by all the people. This is a necessary trend, because mechanization and electrification will cause agriculture to make the cooperative relations between agriculture and the other productive units much more intimate requiring the state to make unified arrangements more closely. Mechanization and electrification will require that the sphere of operations and control of agriculture be enlarged, causing unified ajustments and distributions of manpower, materials, and financial resources. Mechanization and electrification can also greatly raise the labor production efficiency of agriculture, and thus the payments for the labor of farmers will gradually approach those of the workers. All this has prepared a good economic foundation for the system of ownership by all the people in agriculture.

Why do our state-operated enterprises and the agricultural people's communes need to practice the system of division according to labor? The basic reason is the low level of development of the productive forces. When we have not yet made ready the economic premises for practicing the principle of distribution according to need, if we insist on abandoning the principle of division according to labor, it will not be beneficial to the development of production, to the raising of the activism of the laborers, or to economy in livelihood expenditures. At the time when the social productive forces have been greatly raised and social products very plentiful, when labor time can be greatly shortened due to the mechanization and electrification of production, when society can greatly raise the cultural level of all the laboring people and allow the majority of them to have the opportunity to receive high-level education free, when the Communist awareness and moral disposition of the laboring people have been greatly raised, we will no longer need to maintain the principle of division according to labor, and the state will be able to supply free all the livelihood needs of the people. In this way, we can enter step by step the Communist period of from each according to his ability, to each according to his need.

Following the unceasing raising of the productive forces and the step by step completion of the above-mentioned two transitions, the present differences between the city and the villages and between mental and physical labor will also be eliminated step by step.

From this we can see that the transition from socialism to Communism is first of all determined by the level of development of the productive forces. It is not possible to be late just because we want it or to be early just because we want that. "Since we are enthusiastic for Communist affairs, we must first be enthusiastic for developing our productive forces and use great efforts to realize our socialist plan for industrialization. We should not, without any basis, announce that the agricultural people's communes will 'immediately practice the system of ownership by all the people' or even 'will immediately enter Communism,'" etc. We must develop the social productive forces step by step before we can change the social productive relationships step by step.

Our present socialist productive relationships are basically matched to the level of development of the productive forces. However, there are also some bad aspects which, when the productive forces develop to a certain degree, can lead to contradictions. Efforts to change these bad aspects of the productive relationships, can be profitable to the even speedier development of the productive forces. Our socialist economy will make the step by step transition to Communism in this manner and will step by step develop from the low to the high stage of Communism.

The correct handling of the contradictions between the economic base of the socialist society and the superstructure can also, to a certain degree, push the development of the socialist economy. The ideology and consciousness of people are determined by the material economic livelihood, especially by the socialist productive relationships. However, at times when great changes take place in the productive relationships of the society, the thoughts and consciousness of the people frequently fall behind the development of objective conditions. The socialist economic system has already been established and the state represents the interests of all the laboring people. Even though there are still contradictions between the state, the cooperative (or the people's communes of the present stage in our country) and the individual, the unity of the interests of all the laboring people is the basic aspect.

Under these conditions, the interests of the parts are determined by the development of the whole, the interests of the individual are determined by the development of the collective. The socialist state must educate the laboring people politically and ideologically so that they can better recognize that the interests of the parts are subordinate to the interests of the whole, that the interests of the individual are subordinate to the objective necessity of collective interests. The state must nourish the Communist style of unselfish labor and disregard for rewards. The laboring people can recognize this kind of objective truth by going through the actual [process of earning a] livelihood. Therefore, our political-ideological education must solve the contradiction between the ideology and consciousness of the laboring people and the objective economic base, thereby even better liberating their ideology, stimulating their revolutionary fervor, and fully developing their activism and creativity in socialist construction.

How to Accelerate Completion of Socialist and Communist Construction

In our study of the socialist economy, the aim is not only the recognition of the objective laws of socialist economic development, but even more important, the study of how to grasp and use them to speed up our socialist and Communist construction. The development of the socialist economy obeys fixed objective laws, which cannot be changed or eliminated by subjective wishes. These laws are constant whether or not people are happy with them and will operate of themselves. If the actions of people fit the objective laws of development of the socialist economy, their actions can succeed; but if they violate these objective laws, they will necessarily be defeated. Speaking from this aspect, it seems that the will of people counts for nothing.

However, the development of the socialist economy still must go through the subjective efforts of people to be realized. The socialist economy has the potential for high speed and proportional development. This is an objective law. This type of potential must still pass through the subjective efforts of people, pass through the planned and organized labor of people before it can be concretely realized. The socialist society necessarily makes the transition to Communism. This is also an objective law. However, without the subjective efforts of people, Communism cannot arrive of itself. We must recognize the objective laws of the development of the socialist economy and be good at grasping and using these laws before our subjective efforts can achieve the requirements that we anticipate. Speaking from this angle, there is a need for people to fully develop their own subjective motive power.

To guarantee the high-speed development of the productive forces, we must correctly handle the contradiction between the productive relationships and the productive forces. Following the unceasing development of the productive forces, we should adjust the social productive relationships in a timely manner and adjust the organization of labor and the system of economic control, causing them to be fitted to the development of the productive forces at all times. Because contradictions of a nature which oppose each other do not exist in a socialist society, because reactionary classes which obstruct changes in the productive relationships do not exist, we can change the productive relationships without a revolution. The changes can be made through consultations among the laboring people themselves. However, because the socialist society still has inner contradictions between the laboring people, because the whole and the part, the collective and the individual, and the various layers of the society do not have their material interests completely unified, when changes are made in the social productive relationships, in labor organization and in economic control, we must still pay attention to the correct handling of these inner contradictions, giving due consideration to the interests of all sides. Moreover, we must go through this kind of change to slowly reduce the differences between the different layers of the society and cause the inner contradictions of the socialist society to be gradually solved.

The socialist society, to develop its productive forces and adjust its social relationships, must, furthermore, correctly handle the contradiction between the superstructure and the economic base. Because in the process of changes in social relationships, people's ideology frequently falls behind changes in the objective conditions, some people are accustomed to using the ideology of the past to understand the new social relationships, and consequently, the struggle between advanced ideology and backward ideology appears. In a socialist society, this type of backward ideology is frequently the reflection of the ideology of the bourgeois and petit-bourgeois classes. The party and the state must unceasingly educate the people of the entire country politically and ideologically, rely on the advanced masses to lead the backward masses, rely on the masses to teach themselves, and in this way, unceasingly raise the socialist, Communist ideological awareness of the laboring people, and fully develop their revolutionary fortitude and pioneering spirit to accelerate socialist Communist construction.

To develop production at high speed and to fully satisfy the daily increasing livelihood needs of all the people, the socialist society must also correctly handle the contradiction between social production and social needs, must suitably grasp the proportional relationships between the production of the means of production and the production of consumer goods and between accummulation and consumption, thereby guaranteeing the acceleration of the construction of the national economy and the unceasing improvement of the people's livelihood. In addition, the many problems concerning production itself must be solved. For instance, in our country, there is a pressing need for a technical and cultural revolution and to speedily realize industrialization and the mechanization and electrification of agriculture. Even after the completion of the technical revolution, we will still need to correctly grasp technical policies and unceasingly make technical innovations.

Our study of theory must be combined with the practicalities of the socialist revolution and socialist construction. On the one hand, we should use the theories of Marxism-Leninism to guide the practicalities of our revolution and construction, and on the other, we should unceasingly obtain rich experiences from the practicalities of the revolution and construction and sum them up to enrich the content of our theoretical studies. The system of general lines and policies proposed by the Central Committee of the party, with Comrade Mao Tse-tung as the head, during the course of our revolution and construction are models of the combining of Marxist-Leninist theory with the practicalities of our revolution and construction. Consequently, the study of Comrade Mao Tse-tung's writings and the study of the general lines and policies of the party Central Committee are extremely important parts of the study of the socialist portion of political economics.

* * *

WEEKLY REPORT ON

COMMUNIST CHINA

Number 3

7 December 1959

Prepared by

Foreign Documents Division
CENTRAL INTELLIGENCE AGENCY
2430 E. St., N. W., Washington 25, D.C.

PLEASE NOTE

This report presents unevaluated information selected from foreign-language publications as indicated. It is produced and disseminated as an aid to United States Government research.

WEEKLY REPORT ON COMMUNIST CHINA

Table of Contents

Page

II. METALLURGY

1. BALL MILL OPERATIONAL RATE INCREASES THROUGH CARE OF EQUIPMENT -- Yeh-chin Pao, No 32, 7 Aug 59, pp 19-21

By implementing the plans for the care of machinery and equipment, the production of our dressing plant [that of the Hua Copper Mine] has increased steadily upward in the past few years. During the same period, our operational rates of ball mills showed an increase, and the number of equipment accidents showed a decrease. The following table gives a comparison of the equipment accidents and the operational rates of ball mills:

Year	No of Equipment Accidents	Operational Rate*
1954	79	90.02
1955	30	93.1
1956	28	93.65
1957	18	93.95
1958	11	96.95

*Note: Method of calculating operational rate: Operational rate means the days of operation per year divided by the number of days in a year.

Prior to 1954, our plans for regular inspection maintenance, replacement repair of equipment were haphazardly implemented. For example, according to replacement plan, the steel chain of a winch was to be replaced at a certain time, but the plan was not implemented because the leaders had the idea that a stoppage to replace the chain would affect the operational rate of the ball mill. As a result, the chain broke, and 24 hours were spent for a repair job which would have required only 8 hours if the machine had been stopped and the chain replaced.

Now we have an orderly plan for the care of machinery and equipment: The examination and inspection record, daily operational record, and field inspection record are logged in one defective equipment book; plans for repair work are arranged on the first of each month based on a collective study of the book; and repair work is assigned to various small groups which are informed clearly of their assignments by means of diagrams and meetings.

In compiling the monthly and annual plans for inspection and repair, we consulted the local electric power authorities on their annual power cut-off schedules so that we could arrange our repair dates on or as close as possible to their cut-off dates. We also tried to arrange our repair dates on legal holidays.

In the past, the ball mills needed inspection and repair once a month but because of the care given to the mills, inspection and repairs are now made only twice in 3 months. The main tile shell of the gyratory crusher used to crack after about 2 months of use, but now by using the centrifugal (li hsin) pouring method, the shell lasts more than one year.

2. ELECTROLYTIC COPPER PRODUCED EFFICIENTLY -- Peiping, Yeh-chin Pao, No 32, 7 Aug 59, pp 23-24

By raising the electric efficiency and narrowing the space between anodes, the Shanghai Smelting Plant has raised its electrolytic copper production. The plant's copper production for the first half of 1959 is 50 percent higher than that of the same period in 1958 and the purity of the plant's copper is 99.95 to 99.97 percent. The plant also is leading other similiar plants in the whole nation in technical and economical standards.

In the electrolytic refining process, cast copper slabs (containing 98 percent copper) are suspended in tanks containing a solution of sulfuric acid, and through electrolytic action electrolytic copper is produced on the anode. To raise the production of electrolytic copper three steps must be taken: first, the utilization rate of equipment must be raised, in other words, in each electrolytic tank more anode slabs and starting sheets must be put in and the spaces between the anodes slabs be narrowed. Second, a stronger electric current must be used. Third, the efficiency must be raised by eliminating short circuits and current leakage. The present practices in the plant are to smooth the copper slabs with files, to check the wires and connections frequently to prevent short circuits; to check the voltage to prevent overvoltage -- maintaining the current density at 260 ampere per square meters; and to narrow the space between anodes from 90 millimeters to 74 millimeters.

3. YANG-CH'ENG HSIEN EXCEEDS ITS FIRST QUARTER SULFUR OUTPUT PLAN -- T'ai-yuan, Shansi Jih-pao, 4 Jun 59, p 2

From 1 January to 1 April, Yang-ch'eng hsien produced 5,189 metric tons of sulfur, exceeding the hsien's first quarter output plan by 1.9 percent. Yang-ch'eng is one of the key localities in Shansi for producing sulfur. The hsien has 18 sulfur plants and over 4,000 workers.

III. FUELS

HO-PI MINE ECONOMIZES WITH SUSPENSION TYPE MINE TUNNEL ROOF SUPPORTS -- Peiping, Mei-kuang Chi-shu, No 17, 1 Sep 59, pp 26,27

The Ho-pi Coal Mine has been experimenting with a combination of steel rod suspension and sprayed cement-sand facing as a method of shoring mine tunnels. The rods are 19-25 millimeters in diameter and 1.2-1.4 meters long, and provide suspension support for tunnel roofs and sides.

The rods are inserted in holes drilled into the rock of the ceiling and sides of the tunnel. They are secured in the rock by being split at the inner end with a wedge inserted in the split. When the rod is driven against the wedge the end of the rod spreads and thus is prevented from pulling out. The roof is supported by plates of wood or metal (wood plates 50x250x500 millimeters in dimensions, metal plates 3x50x100 millimeters), which are held in place by nuts threaded on to the exposed ends of the embedded rods. The cement coat is 25 millimeters thick. The cement mixture is 1 part cement, 2.5 parts sand, and 0.8 part liquid lime.

The comparative costs of installing the steel rod-cement coating shoring system as compared with masonry wall and arch support is indicated below.

Steel rod suspension-sprayed Cement Coating System cost per meter of tunnel: Cost of materials, 57 yuan, labor 8.4 yuan, other expense 105.6 yuan, for a total of 171 yuan.

Masonry wall shoring costs for a tunnel of the same size inside: Cost 317.10 yuan for a total of 400.11 yuan. In the second case 84 yuan is allowed per meter of tunnel for enlarging the tunnel to accommodate the thickness of the masonry wall.

Another type of suspension being experimented with is the utilization of elm-wood poles instead of steel rods, with wood planks for plates, for the suspension support, combined with sprayed cement coating.

The saving on this type per meter of tunnel as compared with timber shoring is shown below:

Type of Shoring	Materials Cost (yuan)	Labor Cost (yuan)	Total* Cost (yuan)
Timber Shoring	26.5	0.745	51
Suspension-cement support	11.93	5.94	33.5**

*Total includes indirect costs such as charges from various shops supporting the operation.

**Labor costs include removal of existing timber shoring and repair of broken down ceiling timbers.

Materials utilized for the above two types of shoring per meter of tunnel are indicated below.

	Type of Shoring	
	Suspension Cement	Timber
Mine Props (cu m)	--	0.218
Auxiliary Timber (cu m)	0.075	0.137
Elm Wood (cu m)	0.03	--
Cement (kg)	63.	--
Sand (cu m)	0.17	--

*** Diameter of mine timbers 180 millimeters.

IV. TRADE AND FINANCE

1. STATE-OPERATED MULTIPRODUCTIVE ACTIVITIES IN HEILUNGKIANG -- Peiping, Ta Kung Pao, 8 Sep 59, p 2

Together with the continuous development and forward leap of socialist construction, several new tendencies have appeared in social and economic life: (1) The population of municipalities and cities has increased in the wake of the large industrial growth. The ratio of urban population to rural population was 1 to 2.7 in 1952. In 1958, it became 1 to 1.5. The total amount of social wages in 1958 was up 206 percent over 1952. (2) There is rapid development of the rural economy, peasants have greater incomes, and purchasing power has greatly increased. According to typical surveys, the 1958 annual average income per rural household increased 32.1 percent over 1957. (3) Based on the continuous development of production, the consumption level of the broad masses has been rising daily. At the same time, the differences in consumption between cities and hsiangs, various areas, and between plentiful and lean years have gradually narrowed. This is especially the case for the rural consumption level which has increased rapidly. For example, take hogs, domestic fowls, eggs, and fish. In the past, the consumption of pork in the cities of Heilungkiang Province was higher than in the villages. Now the situation is reversed. More eggs are eaten in rural areas than in cities. In the past, there was little, if any, consumption of fish and domestic poultry in rural areas. Now the consumption of these items is increasing gradually.

Generally speaking, there are two developments: the development of rural consumption and the development of urban consumption. The level of consumption in cities and hsiangs brought a certain degree of pressure to the markets. Rural consumption outpaced the output of rural commodities, which in turn increased the pressure on market supply. There are two ways out of this problem. One is to lower the consumption level of cities and hsiangs; the other is to develop multiproductive activities. The first method does not fit in with the basic nature of socialism. Only the latter is the correct method for us to solve this problem. The actual practice of the past several years proves that whenever we adopt vigorous measures to improve grain production and also developed multiproductive activities the problem of consumption in cities and hsiangs becomes easier to solve.

The development of multiproductive activities means carrying out the following phases: (1) state building of bases for production, (2) making organs and enterprises self-sufficient, and (3) having the people's communes engage in public and private activities. This is an important measure for carrying out the policy of "walking on two legs" by developing multiproductive activities. For a long time we will have to depend on the mass production of the people's communes as a base for ensuring the state's commodity needs. Self-sufficiency in the production of nonstaple foods by organs and enterprises is not only necessary to supplement production deficiencies and to meet the consumption needs of staff members and employees, but the development of rural multiproductive activities and the increasing of commodity outputs is also necessary to satisfy the need for raising the livelihood of staff members and workers. However, the most basic of the three aspects mentioned is the state-operated production base. If we have a sufficient base of multiproductive activities, especially bases of the four large nonstaple foods such as hogs, domestic poultry, vegetables, and fish, we can have an assured amount of commodities and forces to permit market supply to keep pace with the increasing consumption level of cities and hsiangs. Experiences of such state-operated sites as the Ya-erh-sai Farm at Ch'i-ch'i-ha-erh, the Chao-yuan Fish Hatchery in Chao-yuan Hsien, and the Yu-ch'uan Stock Farm in A-ch'eng Hsien show that setting up this type of site can motivate the masses to develop production and gradually lead from collective ownership to ownership by all the people. It can also facilitate direct investment by the state to spur production. Even more important, commodities would be provided, exports assured, domestic marketing adjusted, and markets and prices stabilized, which would in turn mean commodity stockpiles and plenty. What this type of site would provide depends on market needs.

Heilungkiang Province began setting up bases of multiproductive activities in 1956. At that time there were a few feed farms and seed farms run experimentally by state-operated commerce. The techniques and experiences developed served to lead and support the development of sideline production by the masses. On the basis of the preliminary experience

gained, the provincial committee in 1957 submitted a policy for the overall establishment of multiproductive bases. Under this policy, there was further development of bases operated by the commerce departments. In 1958, under the general line, not only did commerce departments run such bases, but the people's communes increasingly took a hand in these operations. During this time, the hog and poultry bases run by commerce departments increased from 38 in 1956 to 132 in 1958, the production value went from 210,000 yuan to 4,030,000 yuan, while hog production increased 92 times and poultry production 8 times. The provincial committee also took bases operated by commerce departments as one of the three methods in trade and finance for the service and development of production.

Important features of the 1958 development of these bases were: (1) From the function of simply serving as models, they reached the point of carrying out three functions: providing commodities, adjusting supply, and being leading guides. (2) From comprehensive bases with a small variety of items (e.g., raising hogs, bees, rabbits, animals, planting pumpkin seeds) there developed specialized bases for certain commodities, and both types of bases were in operation, with the specialized bases also engaging in comprehensive activities. (3) Coordinated state-operated and commune-operated multiproductive supply bases, large, medium, and small, appeared in the province, special districts, cities, and hsiens, for example, 10,000-head chicken farms, 10,000-head hog farms, and comprehensive animal farms and seed-raising farms. (4) There was a tendency to change the collective ownership system to an ownership system of all the people for which the backbone would be the large development of multiproductive activities. (5) There was formation of "red and expert" schools to train cadres and to coordinate brain work and physical work.

The development of bases in 1958 served to give a continuous push in 1959 to multiproductive activities. From the work of 1958, Heilungkiang Province has proposed to set up further specialized bases and comprehensive bases of various sizes and form a network. According to the directive of the provincial committee, the trade and finance forces drew up plans for multiproductive production and supply bases -- for the four major nonstaple foods, including hogs, poultry, vegetables, and fish; for seven major raw materials, including native alkali, reeds, pelts, rosin, straw bags, silkworms, and pyrites; for two basic animals, including rabbits, muskrats, and caster beavers; and for 50 miscellaneous products, including 10 raised products, 10 planted products, 10 decocted products, 10 knitting and weaving products, and for gathering various materials. The provincial commerce department is the first to set up large production bases, including 12 animal husbandry farms and 10 fish hatcheries, which will serve as models, Later on similar operations will be launched in the various cities and hsiens of the province. The establishment and stabilization of these bases will permit Heilungkiang Province to complete 2 or 3 years ahead of time the targets for nonstaple foods and industrial raw materials of the Second Five-Year Plan.

Experiences from such farms and bases as Ya-erh-sai show that the following policies should not be overlooked:

1. Establishment of bases must thoroughly implement the policy of "walking on two legs." One leg is the establishment of large nonstaple food bases by state-operated units of the province, cities, and hsiens and the setting up of major industrial raw materials bases of a rather technical nature and of sizeable investment, and, the other, the establishment of mass collective operations bases.

2. Realize a policy of thrift in managing bases.

3. Bases are to carry out multiproductive activities under regulations suitable for local conditions and have comprehensive utility.

4. The establishment of bases must take into account problems of proportion and balance. This refers to such things as the relations among bases, the variety of commodities, fodder supply, labor forces, etc.

5. The trend for establishment of bases should be from the small to the large. There should be coordination among large, medium, and small bases, and they are to be run according to specific conditions.

6. There must be establishment and practice of business accounting and setting up of quotas for investment, capital construction, and labor.

2. OUTSTANDING COMMERCIAL ACHIEVEMENTS IN HEILUNGKIANG -- Peiping, Chung-yang Ho-tso T'ung-hsun, No 10, 11 Oct 59, pp 7-10

(The following is from an article entitled (outstanding Commercial Achievements in Heilungkiang in Past Decade" by Liu Chen-jung.)

In the past 10 years, commercial departments and production departments have cooperated in expanding commodity production to increase the volume of commodities. The gross value of purchases and the variety of subsidiary products increased greatly. Total value of purchases in 1958 were 10 times those in 1949; purchases of several major subsidiary products increased as follows: pigs increased from 27,000 in 1949 to 1,016,000 in 1958; vegetables increased from 99,800 metric tons to 616,000 metric tons; poultry increased from 20,000 to 1,170,000; and fish increased form 500 metric tons to 17,660. Hogs, eggs, sugar, liquors, vegetables, and other subsidiary products are largely received by intramural China and then shipped out, thereby increasing the volume of exports. Heilungkiang is an important base for such heavy industries as coal, wood products, and machinery; nevertheless, light industry also expanded rapidly in the past 10 years. If 1949 represents 100, the total value of

industrial products purchased by commercial departments in 1958 would be represented by 3,900. The volume of sugar shipped has increased from 7,580 metric tons in 1949 to 93,916 metric tons in 1958; paper increased from 400 metric tons to 19,021 metric tons; matches increased from 40,000 chien to 25,177 chien; rubber shoes increased from 23,000 pairs to 7,993,000 pairs; cotton cloth increased from 150,000 bolts to 538,000 bolts; and gold pens, fountain pens, and lead pencils increased from 50,000 dozens to 692,000 dozens.

The purchasing power of the people has increased to where in 1958 it was 6.9 times more than in 1949, and estimates are that in 1959 it will be 8.7 times that in 1949. During this time, the population increase was less than one third. The annual per-capita supply of various commodities increased as follows: pork increased from 1.4 kilograms in 1949 to 5 kilograms in 1959; cotton cloth increased from 4.5 meters to 8.7 meters; coal increased from 0.75 metric tons per urban household to 2.5 metric tons; rubber shoes increased from 0.085 pairs to 0.71 pairs; grain increased from 0.6 kilograms to 2.6 kilograms; and cigarettes increased from 11 ho to 27 ho.

Maintaining stable market prices is a prerequisite for guaranteeing the expansion of socialist construction operations and for ensuring a higher standard of living for the people. Despite the fact that the people's purchasing power has increased steadily, prices have remained stable. If 1950 equals 100, the retail price index for subsequent years is as follows: in 1951 it was 109.9, in 1952 it was 122.89, in 1953 it was 124.06, in 1954 it was 129.07, in 1955 it was 130.36, in 1956 it was 130.32, in 1957 it was 132.12, and in 1958 it was 131.46. Retail price indexes have risen slightly in the past 10 years, but it is primarily the result of adjustments in the price of agricultural and subsidiary products (from 1950-1958 the price of agricultural products increased 93.7 percent). The people's purchasing power and employee wages, however, increased more than that; in 1958, the former was 283.5 percent that of 1950, and the latter was 173 percent that of 1950.

After price adjustments, the irrational gap between industrial and agricultural products was lessened. For example, in Harbin in 1943, 100 shih chin of sorghum exchanged for 6.03 meters of plain cloth; and in June 1959 it could be exchanged for 17 meters of plain cloth. In some instances it has been necessary to raise the price of agricultural subsidiary products and to lower the price of industrial products. For example, the price of grain, flax, beets, etc., were adjusted several times, and the prices of a large number of industrial products were intentionally reduced from 0.25-19.8 percent (in early 1956 prices were reduced on 18,000 types of industrial products). At the same time, price differences between various areas left over from preliberation days were diminished by 5.8-18 percent. In 1958, prices of more than 50,000 types of commodities were reduced; this is the same as saying that the average per-capita income of the people in Heilungkiang was increased by 2 yuan or more.

In 1954, circulation expenses had reached 15.38 percent, but by adopting various measures, administrative control was improved so that by 1958 expenses were reduced to 11.16 percent from 14.15 percent in 1957, and by mid-1959 it was further reduced by 8.8 percent.

Commercial departments in Heilungkiang currently have more than 200,000 personnel; except for about 30,000 personnel who are directly responsible for production quotas, almost 200,000 persons are responsible for commodity circulation and social service operations.

At present all employees of commercial departments are striving to fulfill all the major targets of the Second Five-Year Plan by the end of 1959.

3. TIENTSIN MARKET DATA FOR 1959 -- Peiping, Ta Kung Pao, 17 Sep 59, p 1

Tientsin markets were unprecedently prosperous during the first 8 months of 1959. Retail sales of social commodities during this period were 26.01 percent ahead of those in the corresponding period of 1958. Specific increases were as follows: grain, 21.33 percent; edible oils, 13.84 percent; vegetables, 18 percent; marine products, 6.93 percent; fruit, 37.5 percent; cigarettes, 26.03 percent; cotton cloth, soap, and bicycles, up to 10 percent; woolens, towels, porcelain bowls, flashlight batteries, machine-made paper, and coal, from 10 to 20 percent; and underwear, cotton and wool shirts and trousers, woolen yarn, toothpaste, matches, and gold pens, 50 percent or more.

This increase in market prosperity stems from expanded production. Tientsin's gross value of industrial production during these 8 months was 33.88 percent above that for the same period in 1958. Agricultural and subsidiary industry production in suburban areas also expanded. In the first quarter of 1959, there were 850,000 pigs, but by the end of August the number had increased to more than 1.3 million. In support of a constant leap forward in industrial and agricultural production, commercial departments devised every possible means to supply producer goods; in the first half of 1959 they supplied more than 140,000 metric tons of various types of raw materials and other materials for industrial production, and recovered more than 200,000 metric tons of "scrap goods' to be used as raw meterials. The total value of producer goods supplied to suburban areas was 14.6 percent more than in the first half of 1958, and during August, the total value of purchases by commercial departments for the urban area was nearly one third more than in the same month in 1958. The supply of industrial goods to various areas also increased.

To accommodate the daily increasing demands for the people's livelihood, the Party Committee and People's Council in Tientsin have adopted several measures to increase the output of supplementary food products and articles of daily use. In suburban areas, the area to be planted in spring and summer vegetables has been doubled, more than 200,000 mou has been seeded in fall vegetables, inter-field control is being strengthened, and the goal is to double the supply of vegetables this winter and next spring. The source of marine products was augmented considerably by the use of fish ponds during high-water and low-water periods in the first 6 months of 1959, and just recently, more than 10,000 fishermen were organized to maintain the ponds. The number of chickens, ducks, sheep and goats, and rabbits also increased rapidly. It is estimated that within the next 2 years, major supplementary foods products will be completely self-supplied. With regard to industrial foods of daily use, the production of small commodities as well as major commodities has increased. Since the end of June, more than 1,500 small commodities are being turned out and put on the market.

Purchases of industrial goods in the first 10 days of September have fulfilled the revised monthly plans 34.28 percent, an increase of 88.94 percent over the first 10 days of August; and the supply of [these products] has fulfilled the monthly plan 32.94 percent, an increase of 26.2 percent over the same 10 days of August.

4. SHANGHAI GUARANTEES TO EXCEED ANNUAL PURCHASE PLAN OF INDUSTRIAL GOODS
-- Peiping, Ta Kung Pao, 15 Oct 59, p 2

Great achievement was attained by Shanghai commercial departments in purchasing industrial goods during the first three quarters of 1959. At present, in coordination with the industrial production departments' campaign for increased production and economy, they have decided that in the fourth quarter they will strive to guarantee to exceed the total figure for the annual industrial goods purchasing plan passed down by the state by 1.2 billion yuan in addition to fulfilling it ahead of schedule. This increase figure is nearly 20 percent of the figure for the increase over 1958 of the social purchasing power of the entire nation. The major portion of the industrial goods purchased in excess will be shipped out to other parts of the nation.

Because the leadership departments concerned got an early start, the production of industrial goods for daily use in Shanghai showed a continued leap forward in 1959. At the end of the third quarter the total value of municipal industrial production had increased 47.1 percent over the same period in 1958; the total value of distribution and supply fulfilled the plan passed down by the state 85.8 percent, and the total volume of commodities shipped out to various areas reached over 830,000 metric tons. The amount of the many major commodities shipped out to various places throughout the nation increased greatly over 1958, among these, shipments

doubled for towels, cameras, photographic paper, aureomycin powder, aureomycin capsules, mycin capsules, medical instruments, adjustable wrenches, electric cords, etc., and shipment increased over 50 percent for undershirts, underwear, all kinds of clocks, gold-point pens, rubberized wire, fluorescent lamps, hack-saw blades, etc.

In support of industrial production, Shanghai commercial departments organized the supply of raw materials and materials. In regard to the steel, metals, and major raw materials for agricultural, subsidiary, and native production distributed by the state, along with industrial departments, they sent several hundred cadres including management and division heads to production areas to hasten distribution and shipment and to strive for in-shipment according to quantity, quality, and schedule. In the first three quarters of 1959 the total value of all the recovered waste goods increased 50.4 percent over the same period in 1958, among these there was 41,000 metric tons of waste paper alone, enough to produce 1.3 billion folded newspaper sheets. Along with industrial departments commercial departments utilized native steel, native iron, natural fiber, natural starch, etc., to manufacture door locks, hinges, sewing machine frames, paper sheets, alcohol, and other products.

In arranging, distributing, and supplying commodities, the commercial departments of Shanghai resolutely carried out the principle of "the whole nation being one chess board." In regard to the bamboo water containers, underwear, cart tires, cart wheels, and other commodities needed in rural areas, precedence was given to supporting markets in rural areas. In the first three quarters the total value of commodities for fall and winter sales shipped ahead of schedule reached over 300 million yuan.

At present, all the employees of the purchasing and supply stations of the Shanghai Commercial Bureau No 1 are advancing whole-heartedly and preparing to continue their efforts another quarter so that the total value of purchases in the fourth quarter will increase 15.6 percent over the third quarter. In this manner it will be completely possible to overfulfill the annual leap forward purchasing targets, to strongly supply the Shanghai market, and to use the major portion of these commodities to supply the needs of other parts of the nation. -- Shanghai Commercial Bureau No 1

5. PRE-SCHEDULE FULFILLMENT OF PURCHASING PLANS IN KIANGSU AND KWANGSI
-- Peiping, Ta Kung Pao, 15 Oct 59, p 2

The conference of the heads of special commissioner's offices and municipal commercial bureaus of Kiangsu Province which was concluded on 10 October called upon all the 600,000 commercial employees in Kiangsu to strive to fulfill completely the annual purchasing plan for agricultural and subsidiary products one half month ahead of schedule and to do a good job at supplying the means of production and subsistance during the fourth quarter.

In September, the volume of purchases of pigs was 3.5 times that in August, purchases of domestic fowls increased ten times, cotton and hemp purchasing plans were fulfilled many fold, egg products and marine production showed an increase, quotas for processing and transporting agricultural and subsidiary products were over-fulfilled, and there were six special area commercial departments in the province that attained provincial "Red Flags" in purchasing and transporting supplementary foodstuffs. There was greater effort in October and in the first 10 days of the month the average daily volume of purchases of ginned cotton reached 60,000 tan, which was twice that in the last 10 days of September, and the four hsien that concentrate on cotton production; Tung-t'ai, Nan-t'ung, Hai'men, and Ch'ang-shu fulfilled the monthly purchasing plan 20 days ahead of schedule. According to statistics for 10 October, in comparing the total volume of purchases with the same period in 1958, cotton increased 33.9 percent, jute increased 23.9 percent, tobacco leaves increased 226 percent, tea leaves increased 138 percent, and the annual plan for purchasing tea leaves and waste goods was fulfilled ahead of schedule. The purchase, the transportation, and supply of the means of production and industrial goods for daily use also had great achievement.

The commercial department of Kwangsi Chuang Autonomous Region called a conference of the heads of the special area and municipal commercial bureaus from 6 to 11 October to summarize the work of the first three quarters and to arrange concrete quotas for the fourth quarter. The conference, stressing the purchase of agricultural and subsidiary products, called upon all the commercial employees to concentrate on such major goods as pitch, hemp, tea, bamboo, wood-oil, natural starch, natural oil-bearing crops, edible sugar, rushes, Chinese native medicines, fruit, and fuel, to positively participate in production, to encourage the development of diversified operations, and to strive in the fourth quarter to completely fulfill all annual plans, to guarantee to exceed purchases by 10 percent and to strive to exceed them by 15 percent, and to further arrange markets.

By the end of September, the entire region exceeded the purchasing quota for the first three quarters by 25.44 percent, an increase of 109.53 percent over the same period in 1958, and six special areas completely fulfilled the plan. Among these, Pai'se Area and 13 hsien including Lin'kua, Ch'uan-chou, and T'ien-tung fulfilled the annual purchasing quota one quarter ahead of schedule. Supply in the first three quarters increased 32 percent over the same period in 1958, and the supply of exports also exceeded the quarterly plan by 9.04 percent. Administrative management and service quality were also greatly improved.

V. POPULATION

CHINESE POPULATION STATISTICS -- Paris, Cahiers Franco-Chinois, No 3, Oct 59, pp 8-13

[The following is the full text of an article entitled: "Population and Demography," by R. Pressat, attached to the (French) National Institute of Demographic Studies, and one of a group of French economists who visited China in August 1958. This article is listed as having appeared earlier in the publication: Population. The above-cited source is subtitled Paris-Pekin, la revue des Amities Franco-Chinoises, which organization is considered to be a Communist front.]

Birth Rate and Mortality. The state registration of vital statistics still functions in a very imperfect manner. National data on the birth rate and the death rate can be based only upon the extrapolation of figures obtained from districts in which the registration of births and deaths is considered satisfactory. The State Statistical Bureau probably used such extrapolations in arriving at the figures in Table 1.

Table 1. Birth Rate, Death Rate, and Population Growth

	1952	1954	1957
Births	21,510,000	21,560,000	21,660,000
Birth rate	3.7%	3.7%	3.4%
Deaths	9,880,000	7,790,000	6,890,000
Death rate	1.7%	1.3%	1.1%
Natural growth			
Absolute number	11,630,000	13,770,000	14,770,000
Rate	2.0%	2.4%	2.3%

[Note: in the original table, the percentage figures were printed without the decimal points.]

The figure of 650 million inhabitants as of 1 January 1958 assumes that the population has, since 1953, grown at a mean rate of 15 million inhabitants per year; this figure is higher than the growth admitted [or adduced] for the years 1954 and 1957 (Table 1) and than it is reasonable to deduce for the intervening years. This is because the birth, death, and natural growth rates are underestimated especially for the earlier years (1952 and 1954). (See Population, No 4, Oct-Dec 1957, "La population de la Chine, nouvelles donnees et nouvelle politique," pp 697-699.)

Given the progress accomplished in the registration of births and deaths, the data for 1957 are better than those for 1952 and 1954. Consequently, the rates have, in reality, dropped more than is apparent. This is why the drop in the birth rate in 1957 could be so significant, could in fact be greater than these figures show, and could be related, at least in part, to the first effects of the contraceptive propaganda.

But above all, the apparent drop of 35 percent in the mortality rate in 5 years (from 17 per 1,000 to 11 per 1,000) furnished a minimal estimate of the progress accomplished during this period. Taking account of the readjustments previously adduced as regards the mortality rates (cf. note 2, page 570; the actual rate for 1952 was estimated at about 20 per 1,000), a general mortality rate of 12 to 13 per 1,000 in 1957 seems very probable.

Taking into account the age structure of the Chinese population, this rate must correspond to a mean life duration on the order of 55 years (in previously applying [cf. our views of population which appeared in Le Tiers Monde, notebook No 27 of the collection "Proceedings and Documents" of the I.N.E.D.] various sets of mortality rates by age to a population having a constant birth rate on the order of 45 per 1,000, we found a gross mortality rate of 12.4 per 1,000 when the life expectancy was 54.6 years. It is from this calculation that we deduce the present estimate of the mean life span in China.) and represents, consequently, a remarkable gain of nearly 15 years in the space of 5 years. Progress as rapid as this, for a large country, is without precedent.

The State Statistical Bureau has calculated for nine cities, in which they estimate that the state registration of vital statistics is functioning approximately correctly, the birth and death rates of recent years (Table 2).

Table 2. Birth Rates and Death Rates (per 1,000) in Several Cities

Birth Rates

	1952	1953	1954	1955	1956
Peiping	35.0	39.6	43.1	43.2	39.3
Tientsin	27.1	39.5	44.9	43.9	40.2
Shanghai	38.0	40.4	52.6	41.4	40.3
Harbin	47.0	48.1	53.1	47.3	41.3
Sian	33.3	41.2	49.9	45.3	47.7
Hangchow	40.1	40.6	45.4	39.6	36.8
Canton	36.7	41.8	43.7	39.5	39.0
Ch'ang-ch'un	--	--	--	--	45.5
Ho-fei	--	--	--	--	32.4

Death Rates

	1952	1953	1954	1955	1956
Peiping	9.3	9.3	7.7	8.1	6.7
Tientsin	6.0	8.6	7.6	8.4	6.6
Shanghai	12.4	9.9	7.6	8.1	6.7
Harbin	14.8	15.9	9.7	10.6	8.5
Sian	9.5	7.4	6.9	7.4	7.4
Hangchow	12.4	9.7	9.0	9.6	8.5
Canton	9.2	7.9	7.2	7.0	6.8
Ch'ang-ch'un	--	--	--	--	7.2
Ho-fei	--	--	--	--	6.0

These figures have an unequal value, depending on the cities and the years. One has every reason to consider that the birth rate and probably the death rate of Ho-fei are underestimated. It seems as if there was an important under-registration nearly everywhere in 1952. The sudden fits and starts for certain cities in certain years are equally suspect. The increased homogeneity of the 1956 results attests without doubt to more reliable data.

Before the birth control campaign, a birth rate of 40 per 1,000 in the urban areas seems to have been a minimum (and hence furnishes a lower limit to the rate for China as a whole).

The registered death rate oscillates between 6.5 and 8.5 per 1,000: this suggests a real death rate which surely does not attain 10 per 1,000, which is clearly less than the death rate of the entire country during the same period; this points at the same time to the great youth of the population and probably to better sanitary conditions (better care, better hygiene).

Infant mortality is known for the cities in Table 2 (cf. Table 3):

Table 3. Infant Mortality Rates (per 1,000) in Several Cities

	1952	1953	1954	1955	1956
Peiping	65.7	59.3	46.1	44.5	35.1
Tientsin	46.7	51.1	45.3	40.9	29.9
Shanghai	81.2	51.3	35.1	43.4	31.1
Harbin	86.6	85.0	45.1	50.1	40.0
Sian	44.3	45.8	43.3	35.1	33.3
Hangchow	64.0	51.6	44.6	43.1	42.4
Canton	47.7	37.0	35.2	31.8	25.1
Ch'ang-ch'un	--	--	50.7	30.2	43.8
Ho-fei	--	--	39.9	40.9	40.6

These figures indicate important progress (notably in Peiping, Shanghai, and Harbin), and very low over-all level, in 1956. In that year, Canton had a rate as low as that of Paris. (Paris has the lowest infant mortality rate of any large French city; for the whole of France, in 1957, the rate was of the order of 34 per 1,000, taking into account the "false still-births.") To Ch'ang-ch'un, the city with the poorest ranking, is attributed an infant mortality lower than that of ten departments in France.

There are certain reasons why the rates in Table 3 should be suspect. In countries in which vital statistics registry is still imperfect, it is the registration of the deaths of all infants which suffers from incompleteness for the longest time.

The state of habitation in the cities which we visited sufficed to make us fear that the conditions necessary for a low infant mortality have not yet been attained.

Opposed to this impression are arguments which make low rates (not exceeding 50 per 1,000) likely in certain Chinese cities:

The cities in Table 3 are those in which the registration of vital statistics is the best; this is the index of an effective administrative organization and a good discipline of the population, two favorable factors for effective medico-social action.

If the conditions of life in China are still very inferior to those of economically developed populations, progress in certain areas is remarkable. In particular, the dissemination of simple rules of hygiene must be excellent in this disciplined and enthusiastic population; for example, the well-known campaign of the struggle against the "four pests" (flies, mosquitoes, rats, and sparrows) has been, thanks to the cooperation of the entire population, a remarkable success: aside from the advantages to the sanitation plan of the success of such a campaign, it bears witness to what it is possible to do with populations which are still poor, but are suitably directed.

Finally, infant mortality was measured in a precise fashion in 1954 and 1955 in the Chinese countryside, at the time of the investigations by sampling. The rates so discovered are completely compatible with a low urban infant mortality, at least in certain cities, of 50 per 1,000 in 1956. (It is well known that at the present time infant mortality in the cities is more easily reducible than that in the countryside, since the exercise there of medico-social action is easier and more effective.)

It has in fact been found during the investigations into the budgets of rural families, taking two different samples for comparison (the first drawn from 14 provinces, the second from 24 provinces), the rates of: 138.5 per 1,000 in 1954, and 109.7 per 1,000 in 1955. These tally with a palpable progress, since the rate of infant mortality for the whole of China before the revolution must have been between 200 and 250 per 1,000 (and far above these figures in the war years or in time of natural catastrophes, such as floods and famines).

In 1958, infant mortality in the countryside could not have surpassed 100 per 1,000, and that of the cities must have occasionally fallen below 50 per 1,000. The great preponderance of the rural population means that the over-all rate must be fairly close to 100 per 1,000.

According to the standard tables of mortality ("Age and Sex Patterns of Mortality. Model Life-Tables for Underdeveloped Countries," Population Studies, No 22, United Nations, New York, 1955), and infant mortality rate of 100 per 1,000 accords with a life expectancy at birth, for the entire population, of 56.7 years, which in turn agrees satisfactorily with the mean life duration of 55 years which we have shown to correspond with a crude mortality rate of 12 to 13 per 1,000 in 1956.

Urban Growth. China is essentially rural, but urbanization, along with industrialization, is taking place:

	Urban Population (%)	Rural Population (%)
30 June 1953 (census)	13.3	86.7
1 January 1957*	14.6	85.4

*Data furnished by the State Statistical Bureau; these correct the figures in Population, No 4, 1957, p 705.

In default of precise and recent figures for all of the industrial cities visited, we have obtained the evaluation, as of 1 January 1958, of the population of cities of more than a million inhabitants at the time of the census of 1953.

Table 4. Population Growth

	30 Jun 53	1 Jan 58	Increase (%)
Shanghai	6,200,000	6,900,000	11
Peiping	2,770,000	4,010,000	45
Tientsin	2,690,000	3,230,000	20
Mukden	2,300,000	2,410,000	5
Chungking	1,770,000	2,120,000	20
Canton	1,600,000	1,840,000	15
Wuhan	1,430,000	2,150,000	50
Harbin	1,160,000	1,550,000	34
Nanking	1,090,000	1,420,000	30

For certain of these (notably Peiping and Wuhan), the growth is considerable and has followed industrial development.

VI. TRANSPORTATION

1. LAND TRANSPORT SITUATION IN KWANGSI PROVINCE -- Nan-ning, Kwangsi Jih-pao, 10 Jun 59, p 2

In response to the call for universal participation in the red flag emulation movement which involves competition in relation to six indexes, namely, economy, efficiency, safety, cooperation, degree of completion of task quotas, and service attitudes, and the Ministry of Communications' directive of 19 March with reference to safety, economy, and performance (10,000 ton-kilometers per month per truck-ton of capacity) in the field of local land transportation, the transportation authorities of Nan-ning Special District took action that has produced notable results. Compared with the month of March, the volume of freight transported in April and the amount of transportation performed increased 19 percent and 3 percent, respectively; and these performances in May 1959 were greater by 198 percent and 110 percent, respectively than in May 1958.

Since March 1959, some 30,000 laborers have been working on the improvement of motor highways, straightening sharp curves and reducing steep grades of the 3,000 kilometers of highways in the Nan-ning district. Specifically, they are reducing the grades of the important Nan-ning--Po-se highway from 13 percent at the worst points to not more than 8 percent. Motor trucks are now able to haul from one to 3 trailers on all the highways of the District.

Since April, highway transport in the Yu-lin Special District has been operating on a system of seven fixed standards, namely, fixed equipment, fixed trailer assignments, fixed personnel, fixed loads, fixed routes fixed schedules, and fixed time limits for various types of repair jobs. There has been enthusiastic emulation in the Wu-chou Special District, with the adoption of a target performance for 1959 double that of 1958. In the Po-se Special District, it is the aim to have all trucks working two shifts a day by the end of the second quarter, and to have a large portion of the trucks hauling one or more trailers. Similar aims have been adopted in Kuei-lin and other special districts. In many places trucks are using a mixture of gasoline and kerosene as fuel; some are using charcoal. In the Yu-lin Special District, the cost of transport per ton-kilometer or passenger-kilometer has been reduced by 22.34 percent.

2. FENG-TU HSIEN AND SHORT HAUL PROBLEM -- Peiping, Kung-jen Jih-pao, 7 Oct 59, p 2

Feng-tu Hsien in Szechwan Province is coping with its short distance transport problem by more general use in the transportation network of the five means of transport and by more systemmatic organization of transport operations. The five means of transport that should be utilized to the maximum extent, to minimize human labor and increase output, are wheeled vehicles, water borne craft, vehicles that run on tracks, overhead cable transmission, and inclined chutes. The more systemmatic organization of transport involves fixed personnel, fixed equipment (vehicles and implements), fixed routes, fixed schedules, and fixed numbers of participating units.

Constant efforts are made to detect and remedy weak spots in the system, and to improve the working conditions of transport workers, in such ways as arranging satisfactory overnight stopping places, better eating arrangements, convenient thirst-quenching stops for man and beast, and conveniently located first aid clinics.

Beginning with the month of June, the planned tasks of transporting industrial and agricultural products has not only been accomplished, but the quota has been surpassed. Formerly, 45 percent of the total number of workers in industrial plants and mines were engaged in transport tasks, but now this proportion has been reduced to 24 percent.

3. COAL, COKE AND OIL SUPPLIES LESS THAN DEMAND -- Chungking Jih-pao, 20 Jun 59, p 2

The inescapable fact is that the supply of coal, coke, and oil is not equal to the demand. There are two ways to equalize these amounts. One is to increase output, and this is being widely done, especially by discovering and utilizing latent powers. The other way is to reduce consumption and eliminate waste. Unfortunately, too few people are aware of the urgency of this situation. However, in Chungking, many of the crews of powered river craft have realized the importance of economy and have effected substantial savings. Conspicuous among these is the crew of tug No 90 of the Municipal Water Transport Company which in May reduced their consumption of coal by 10.45 percent.

4. MOTOR VEHICLE PERFORMANCE IN CHUNGKING -- Chungking Jih-pao, 9 Jun 59, p 2

During May, 43 chauffeurs and motor trucks of the Chungking Municipal Motor Transport Company performed more than 10,000 ton-kilometers of transportation per ton of truck capacity. This truck section formerly worked on long trip assignments; but in May most of the trucks were assigned to work on short runs of 20-30 kilometers in and near the city of Chungking. During the first part of the month their performance record was not very good, only 49 percent of the month's quota. But after learning of the good performance of the Chen-wan-t'ang section, the chauffeurs of the third section, among whom were some men of considerable ability and leadership, resolved to emulate the Chen-wan-tang men. They added one or two trailers per truck, and also worked two shifts a day; and by the end of the month 43 of the chauffeurs had made the target performance. The men working on the building of trailers have also speeded up their production from an average of one trailer each 2 days to 15 trailers in 12-13 days.

5. NAN-CH'ANG RR BUREAU COMPLETES 1959 PASSENGER TRANSPORT GOAL -- Nan-ch'ang, Kiangsi Jih-pao, 24 Sep 59, p 2

The Nan-ch'ang Railway Bureau exceeds its passenger transport plan for 1959 by completing the goal 3 months and 16 days ahead of schedule. On 14 September, the total number of passenger transported by the entire bureau reached 6,001,565.

6. SZECHWAN INCREASES ACTIVITIES IN HIGHWAY CONSTRUCTION -- Peiping, Ta Kung Pao, 1 Nov 59, p 2

The people of Szechwan Province are being mobilized to participate in the repair and renovation of its highways. Most recently, in Mien-yang Special District, some 754,000 work-days were mobilized, 310,000 cubic meters of material were obtained for road repairs, and major portions of highways were repaired and renovated. In Wan-hsien Special District, 754,000 work-days were mobilized for the repairs of some 1,030 kilometers of highway. Some 80 to 100 fangs of material were collected for each kilometer. Reconstruction was accomplished in 31 places.

7. LIANG-FENG-YA TUNNEL BREAKS THROUGH -- Kuei-Yang, Kweichow Jih-pao, 17 Jun 59, p 1

On 16 June 1959, the 4,370 meter Liang-feng-ya tunnel on the Szechwan-Kweichow railway was broken through. In November and December 1957, work formally started on the south and north openings. It took 19 months to dig through but it was 15 months ahead of schedule. The Liang-feng-ya tunnel is one of the longest in China. It is in Kweichow Province between T'ung-tzu and Sung-k'an.

8. CONSTRUCTION OF CHUNGKING YANGTZE RIVER BRIDGE PROGRESSES -- Chungking Jih-pao, 9 Jun 59, p 1

On 6 June, workmen finished the construction of the last pier for the second great bridge across the Yangtze River at Pai-sha-t'o, a short distance upstream from Chungking. Completion of the substructure was accomplished in 9 months ahead of the imminent 1959 period of high water. By 1 May, the piers had been built to a height a little above the water level at that time. But prior to 10 May, in the space of 48 hours, the water level rose over 3 meters. To speed up the rate of progress, the party cadres urged greater efforts by the workmen so that the bridge as a whole, including the superstructure, might be completed before 1 October 1959.

The materials for the 12 spans of plate girders required for the bridge are on hand at the bridge site and are now being assembled. The riveting of three spans is finished.

9. HAI-HO PONTOON BRIDGE OPENED FOR TRAFFIC -- Tientsin, Hsin Wan-pao, 24 Sep 59, p 1

The five major municipal construction projects scheduled to be ready for the National Day celebration have been completed. On 18 September, the 110-meter long and 12-meter wide Hai-ho pantoon bridged was connected; it was opened for traffic on the 24 September. The center portion of the bridge has two lanes for motor vehicles. On each side, the space is for pedestrians and pedicabs. The concrete approaches on both ends of the bridge have been completed. On the eastern bank the Wu-hao Lu leads to Liu-wei Lu and on the western bank the Ch'iung-chou Tao and Wen-chou Tao are connected with the Chieh-fang Lu.

10. HUAI-YANG LOCK UNDER CONSTRUCTION -- Peiping, Jen-min Jih-pao, 3 Nov 59, p 3

Construction on the Huai-yang boat lock has begun on the Peiping--Hanchow canal. At the bottom, the lock is 20 meters wide. The lock area is 230 meters in length. When completed it will be able to accommodate a 3,000 ton vessel.

11. PEIPING PLANS SUBWAY -- Moscow, Komsomol'skaya Pravda, 3 Oct 59, p 3

The government of the People's Republic of China has decided to begin construction of a subway in Peiping. The total length of this facility will be 170 kilometers.

12. BUS SERVICE IN INNER MONGOLIA -- Hu-ho-hao-t'e, Nei-meng-ku Jih-pao, 3 Jun 59, p 2

There are now five scheduled motorbus routes operating out of Chining, in Inner Mongolia, whose other terminals are Ts'ai-yu Yu-ch'i, Feng-chen, Liang-ch'eng, Mei-kuei-ying, and Shang-tu, respectively. Seven buses are available for these runs, two of which are new "liberation" model cars, while the other five vehicles are old and frequently out of service for extensive repairs. Engine repair jobs formerly took 20-30

days. The chi-ning motor vehicle service and repair station has now speeded up its work, and finished an engine job in 7-10 days. It is now arranged to have at least two of the old buses always in operable condition, and for two buses, by working two or three shifts a day, to do the work formerly done by five buses, each running 438-512 kilometers a day instead of 154-260 kilometers a day. Freight trucks are also working two shifts a day.

13. SCHEDULED FLIGHTS BETWEEN SIAN AND KUEI-LIN -- Sian, Shensi Jih-pao, 5 Jun 59, p 1

Beginning 1 June, regular airplane flights were inaugurated between Sian and Yu-lin in northern Shensi Province. The distance between the two cities is about 460 kilometers, and the time required for a round trip is 3 hours and 5 minutes. The schedule calls for a round trip, at fixed times, on Mondays, Wednesdays, and Fridays of each week.

Apart from the transport of passengers and other things, this service will be of great benefit to Yu-lin in connection with the transport of several million young fish which are purchased each year in Hankow and become a secondary industry in Yu-lin. Formerly, due to distance and the hardships en route, there was a big loss, but by plane, it is expected that at least 95 percent of the fingerlings will reach Yu-lin alive.

14. AIRPLANES SEED SANDY AREAS -- Hu-ho-hao-t'e, Nei-meng-ku Jih-pao, 10 Jun 59, p 1

On 3 June, for the first time in this region, two planes of the China Civil Aviation Company rose from the airfield at Hailar and dropped seeds in two sandy areas in the Hu-lun-pei-erh grassy plains. In this region there are about 1,000,000 hectares of sandy desert, and by the dropping of seeds it is hoped to start vegetation there to hold down the sand and enlarge the grazing area. The planes flew as far as A-mu-ku-lang of the Hsin-pa Tso-ch'i, and dropped over 1,600 catties of hu-chih-tzu seeds from a height of 6.8 meters above the ground.

On 31 May, a plane dropped 300 kilograms of white birch tree seeds on a portion of the Cho-erh logging district in the Greater Khing-an mountains which had been denuded by forest fires.

15. PAO-T'OU RAILWAY COLLEGE -- Hu-ho-hao-t'e, Nei-meng-ku Jih-pao, 17 Jun 59, p 3

The Pao-t'ou Railway College was established at Pao-t'ou to produce scientifically trained men for railway construction and operation. The 4-year course includes the construction of roadbeds, bridges, and tunnels, and combines, outdoor practice with classroom instruction. This institution is expected to contribute to the technical standards of the Pao-t'ou steel center plants that are now being developed.

VII. POSTS AND TELECOMMUNICATIONS

1. DATA ON 10 YEARS OF POSTS AND TELECOMMUNICATIONS DEVELOPMENT -- Peiping, Jen-min Yu-tien, 1 Oct 59, p 2

Taking 1949 as a base of 100, unless otherwise indicated, the June 1959 index figures for posts and telecommunications operations were as follows: outgoing mail, 189.4; newspapers and periodicals (1950 equals 100), 874.1; outgoing telegrams, 212.9; outgoing long-distance telephone calls, 287.2; locally sponsored bureaus and branches, 863.2; total length of postal routes, 452.9; total length of long-distance communications routes, 252.8; total capacity of municipal telephone exchanges, 235.3; total capacity of hsien telephone exchanges (1951 equals 100), 1,273.1; carrier-wave telephones, 373.1; carrier-wave telegraph, 295.4; teletypewriters, 651.6; facsimile machines, 525.0; radio stations, 1,309.5; railroad mail cars (1949 equals 0), 76 cars; postal trucks 264.9.

2. CAPITAL CONSTRUCTION DATA -- Peiping, Jen-min Yu-tien, 24 Oct 59, p 2

January to September 1959, percentage completions of capital construction investment plans for posts and telecommunications in various areas were as follows: Chekiang, 83.3; Sinkiang, 83.1; Peiping Municipal Telephone Bureau, 80.2; Hunan, 74.3; Heilungkiang, 72.6; Kwangtung, 71.5; Shansi, 69; Shanghai, 59.5; Yunnan, 55.4; Inner Mongolia, 54.4; Shensi, 50.7; Kiangsu, 49.2; Szechwan, 49.1; Fukien, 46.6; Kansu, 45.4; Hupeh, 42.4; Honan, 38.9; Shantung, 38.7; Kiangsi, 38.3; Hopeh, 36.5; Peiping Long-Distance Telephone Bureau, 35.3; Kweichow, 34.5; Tsinghai, 32.5; Liaoning, 32.5; Kirin, 32.3; Kwangsi, 30.7; Ninghsia, 27.5; Peiping Postal Bureau, 16.7;

The aforementioned investment plans included that of the central government and local authorities. The statistical data were supplied by the Capital Construction General Bureau, Ministry of Posts and Telecommunications.

3. CHINA USES POWERFUL RADIO COMMUNICATIONS EQUIPMENT -- Peiping, Wu-hsien-tien, 19 Oct 59, p 3

Ten years after the liberation China has fully utilized modern and powerful equipment for its radio communications. For instance, the single-sideband, frequency modulation, very high frequency, and microwave relay technique and equipment are now being widely used in radio communications throughout China; the antenna now being used are the diamond type and the fishbone type.

Along the nation's communications trunk lines most of the transmitters used for domestic purpose are those with output power of one kilowatt or more; on the international circuits, transmitters with output power of more than 15 kilowatts are being used. Many transmitters with 80 kilowatts capacity are now in use.

4. PEIPING'S PROGRESS -- Peiping, Pei-ching Jih-pao, 14 Oct 59, p 2

A decade since the liberation Peiping has established itself as the pivot of posts and telecommunications in the nation and as the center for communications with foreign countries. Since the liberation, the state has invested more than 90 million yuan in the posts and telecommunications enterprise in the nation's capital. With this tremendous investment, the posts and telecommunications enterprise achievements have been stupendous. For instance, circuits and lines have increased in 1958 over 1949 as follows: telegraph circuits, 11 times; long-distance telephone circuits, 90 times; total capacity of municipal telephones, 1.8 times; the length of railway postal routes, 3.8 times. The number of letters handled in 1958 was increased 3 times over that in 1949, and the number of parcels handled, 11 times. There was little or no telephone service in the suburbs and rural areas before liberation. Since the communalization in 1958, telephone exchanges have been made available in all communes, and telephones were installed in more than 90 percent of the production brigades. Postal services now extend into every area of greater Peiping; of the 3,500 odd villages, and more than 70 percent of them are able to obtain the newspaper on the same day it is published.

During the preliberation period, subscribers of telephones mostly included the military, governmental, and commercial groups; accounting for 69 percent of the total number of telephone subscribers in the Peiping area. Since the liberation in 1949, subscribers classified under the governmental groups and the state-operated enterprises account for 38.5 percent of the total number of telephone subscribers in the entire area; the number of subscribers of the privately operated enterprises account for 45 percent. In 1957, during the high tide of socialist construction in the nation, the number of the subscribers of the governmental groups and the state-operated enterprise was increased and accounted for 76.8 percent, and that of the public-private jointly operated enterprise accounted for 10.4 percent.

After the liberation, the scope of posts and telecommunications services in the Peiping area was greatly broadened by adding 43 new items of services. For instance, operation of the insured postal money order system, greatly benefited both the payee and payer; the service of handling

subscription to only the Sunday edition of newspaper, and the service of delivering newspapers to subscribers at their employment address on weekdays and to their home address on holidays has been of great convenience to the subscribers. In telecommunications, the photograph transmission service, the facsimile telegraph service, and the long-distance conference telephone service were inaugurated. Moreover, 1,400 public telephones were installed throughout the city. The "05" information service station of the Peiping telephone system not only gives informations concerning cultural and recreational activities, schedule of trains and busses, but also reports on the weather and helps locate lost persons. During 2 months of this year more than 790 lost children were located and sent home.

The quality of services has improved since the liberation; the irrational regulations having been eliminated. Especially in 1958 with the Tung-ssu Posts and Telecommunications Bureau taking the lead many irrational rules and regulations were rescinded in the posts and telecommunications enterprise in Peiping. The service attitudes of employees toward customers and subscribers and the services rendered by the various bureaus in the municipality were enormously improved.

Modernization of equipment and technique continues to take place in Peiping. Before the liberation, there were only two automobile and truck routes for the postal run; as of now, there are 11 such routes, and in addition, there are 17 motorized vehicle routes in the entire area. The number of automatic telephones was increased substantially during the past years. More facsimile equipment were installed. The output of the radio stations in Peiping was increased more than 10 times over that in 1949.

With the "one dragon" emulation in its full swing, the posts and telecommunications work in the nation's capital under the enlightenment of the party's general line will continue to be developed to meet the needs of the people and of socialist construction.

5. PEIPING RADIO AND TELEVISION STATIONS OPERATING HOURS -- Peiping, Wu-hsien-tien, 19 Oct 59, p 8

The Peiping Central People's Broadcasting Station now operates four programs for a total of 70 hours a day for its domestic broadcast; and its foreign broadcasts in 24 different languages for a total time of 52 hours each day.

The Peiping Television Station telecasts a total of 22-25 hours per week. The Peiping Television Station located in the same building occupied by the Peiping Central People's Broadcasting Station is the first television station in the nation; the whole set of equipment used in this station was manufactured in China. Shanghai and Harbin have established their television stations. "Pei-ching" brand television sets are now being used by the television viewers.

6. SHANGHAI TELEVISION STATION'S WORK PERFORMANCE -- Shanghai, Wu-hsien-tien Yu Tien-shih, 3 Oct 59, p 12

The Shanghai Television Station of the Shanghai People's Broadcasting Station was inaugurated on 1 October 1958. During the past year, it has made tremendous progress in its experimental telecast work. Many forms of programs (including films, on-the-spot telecast, life telecast from the studio) were adopted on trial basis, and many technical problems concerning the operation of the station were studied and solved. As of 1 October 1959, the Shanghai Television Station ended its experimental operation and officially started its regular telecast work.

During the past year, a total of 125 televised programs was made, of which, 47 were on-the-spot programs. The total telecast time accounted for by the various programs was as follows:(in percent): politics, 14; literature and art, 71; culture and education, 9; science, 2; children's programs, 2.5; mass literature and art, 1.5. Of the news items telecasted, 32 percent were on industry; 24 percent on agriculture; 18 percent on law and politics; 13 percent on culture, education, and health; 7 percent on commerce; 3 percent on young people and children; 2 percent on events in the society; one percent on capital construction.

A total of 29 professional organizations had come to perform in the station for 84 times. Approximately 1,600 performers participated in the various programs in the station. It was estimated that in each show there were approximately 100,000 viewers. In some instances more than 300 people used only one television set.

With a good antenna the Shanghai suburbs, Soochow, and Nan-t'ung are all able to receive the televised programs from the Shanghai station. Preparations are now being made by the Soochow People's Broadcasting Station to relay the Shanghai telecast programs.

7. SHANGHAI COMPLETES SUBURBAN WIRED-RADIO DIFFUSION NETWORK -- Shanghai, Wu-hsien-tien Yu Tien-shih, 3 Oct 59, p 8

The wired-radio diffusion network in the suburbs of the Shanghai municipality, under the supervision of the party committee of the municipality, various hsiens, and people's communes, made great strides in its development especially during the communalization in 1958. At present wired-radio diffusion stations are not only available in various hsiens but also in the great majority of the people's communes. There are now some 85,000 speakers hooked up with these stations in the entire suburbs, averaging one speaker for every nine households. With these developments, more than 90 percent of the production teams in the Shanghai suburbs are able to receive broadcasting programs. Basically, the wired-radio diffusion network has been extended into the entire suburbs thus the targets as specified in Article No 32 of the Draft Program for the Development of Agriculture was fulfilled 8 years ahead of schedule.

The installation of a wired-radio diffusion network in the Shanghai suburbs was initiated in 1956. From 1956 to 1958 before the communalization, 43 wired-radio diffusion stations with 28,796 speakers was established, and a broadcasting line totaling 5,621.9 kilometers was installed. From initial communalization to the present time, a short period of one year, the number of speakers tripled the combined totals in the past 2 years.

8. SHANGHAI ESTABLISHES NEW AUTOMATIC TELEPHONE BUREAU -- Peiping, Jen-min Yu-tien, 1 Oct 59, p 2

The Shanghai posts and telecommunications enterprise on the eve of 1 October completed the construction of the Ts'ao-ch'i Lu Telephone Bureau with a capacity of 1,000 circuits in its automatic telephone system. The installation of equipment in this bureau through technical innovations and with the full efforts of the workers was completed within only 2 months.

9. WORKS AND EQUIPMENT ON EXHIBITION -- Peiping, Jen-min Yu-tien, 1 Oct 59, p 2

Posts and telecommunications works and equipment are on display in the National Industry and Communications Exhibition (1949-1959) which was officially opened on 27 September 1959 in Peiping. Charts, graphs, statistical figures, and illustrations showing the performances and operations of the nation's posts and telecommunications enterprise during the past 10 years are now being exhibited in Group 1 in the postal and telecommunications hall. In Group 2 of the exhibition are the latest communications equipment produced in China, including the 12-channel carrier frequency telephone equipment, the 16-channel carrier frequency

telegraph machine, the 30-channel municipal telephone carrier frequency set, the facsimile machine, and the crossbar automatic telephone exchanges. In Group 3, records of postal achievements are on display.

VIII. ELECTRIC POWER

1. SINKIANG'S ELECTRIC POWER INDUSTRY 1949-1959 -- Peiping, Shui-li Yu Tien-li, 20 Sep 59, pp 31-33

(The following information is from an article by the Sinkiang Electric Power Industry Control Bureau.)

Before the liberation, in the vast area of Sinkiang totaling some 160 square kilometers, there were only 3 small and simple electric power stations with a total capacity of 744 kilowatts and a total of 218 workers and staffs in Urumchi, Kuldja, and T'a-ch'eng. After 10 years, the Sinkiang electric power industry, under the brilliant leaderships of the party and Chairman Mao, through the rehabilitation period, the First Five-Year Plan, and the Great Leap in 1958 has achieved extraordinary accomplishments.

During the economic rehabilitation period in the nation, the state appropriated to the Sinkiang region a total of some 13,262,000 yuan for capital construction investment in the electric power industry. Through the great efforts of the various nationalities and the efforts of the People's Liberation Army in Sinkiang, 13 small electric plants (including locally sponsored electric plants) were built. During this period, the preparatory work for the construction of the Wei-hu-liang Electric Power Plant and the Wu-la-po Hydroelectric Power Plant was initiated. After 3 years of rehabilitation, the output of electricity was increased 3.5 times, labor productivity was raised 31 percent, production costs were lowered 42 percent, and the installed capacity put into production during the 3 years period totaled some 4,504 kilowatts, or an increase of 5 times over that in the preliberation period.

In 1953, the first year of the First Five-Year Plan, to expand the electric power industry in Sinkiang, full efforts were concentrated on the completion of the construction of the Wei-hu-liang Thermal Electric Power Plant; subsequently, Sinkiang's first modern hydroelectric station, the Wu-la-po Hydroelectric Station was completed. With the establishment of these two electric power units, the Urumchi electric power supply net was formed. During the First Five-Year Plan period, other than the aforementioned establishments, some 100 small thermal electric power plants and 9 small hydroelectric stations were built. At the end of this period, the output of electricity was increased 16.8 times, labor productivity was

raised 3.7 percent, and production costs were lowered 93 percent. The newly installed capacity totaling 33,293 kilowatts was increased 6.4 times over that in the rehabilitation period. During this period, there were four transmission lines totaling 46.3 kilometers in length and each having line capacity of 35 kilovolts; the total number of 35 kilovolt transformer stations was four with a total capacity of 16,800 kilovolt-amperes.

During the great leap forward in 1958, electric power plants and stations built included the Hung-yen-ch'ih Electric Plant, the Ha-mi Region Electric Power Plant, the Kashgar Hydroelectric Station, the Ko-ko-t'o-hai Hydroelectric Station, the K'u-erh-lo Electric Power Plant, and the Ha-mi Electric Power Plant. Moreover, the second and third stages of expansion of the Wei-hu-liang Electric Power Plant were also carried out during this period; the installation of two transmission lines with capacity of 35 kilovolts each was completed, and a transformer station with a capacity of 35 kilovolts was also established in 1958.

In 1958, there was a great leap in the construction of small hydroelectric stations in the rural areas in Sinkiang. A total of 138 such stations with installed capacity of 5,033.2 kilowatts was under construction; of which, 45 have been completed and out into production. Moreover, 74 hydropower processing stations with installed capacity of 3,000.6 kilowatts were built during this period.

Sinkiang's electric power industry in 1958 produced a total of 1,140,210,000 kilowatt-hours of electricity, as compared with an output in 1957 of 792,800,000 kilowatt-hours. The labor productivity in the industry was increased 43 percent, and the production cost was lowered 27.8 percent. The amount of newly installed equipment put into operation in 1958 was equivalent ot 53.2 percent of the installed capacity established during the First Five-Year Plan period.

In 1959, the Sinkiang electric power industry is expected a greater and better leap in its undertakings since 1959 is the decisive year of the nation's 3 years bitter struggle. It is expected that the following targets will be fulfilled during this year: output of 220 million kilowatt-hours of electricity; installed capacity of 39,000 kilowatts; seven 35-kilovolts transmission lines totaling 79 kilometers; one 110,000 volts transmission line; eight 35,000-volts transformers stations with total capacity of 51,900 kilovolt-amperes. With the sky-rocketing zeal of the employees in the electric power industry, the production plans of the first half of 1959 were exceeded.

In 1959, the output of electricity was equivalent to 228.7 times that in 1949, 49.2 times that in 1952, and 2.8 times that in 1957. Labor productivity was increased 9.6 times. In the phase of capital construction, the installed capacity during the past 10 years has increased to 98,524 kilowatts (excluding hydroelectric stations in the rural areas), or equivalent to 206.5 times that in 1949. The installed capacity in 1959

alone was equivalent to 76.6 times of that in the economic rehabilitation period, 1.17 times of that in the First Five-Year Plan period, or 1.8 times of that in 1958. Added to the network of transmission lines were thirteen 35-kilovolt lines totaling 185 kilometers in length, and one 11,000-kilovolt line totaling 20 kilometers in length. A total of twelve 35-kilovolt transformer stations with a total capacity of 72,300 kilovolt-amperes was established.

In the vast region of Sinkiang there are now more than 170 large and small electric power stations (excluding those in the rural areas). In every special district and in every hsien in this autonomous region there is now a small electric power plant.

After 10 years of development, Sinkiang is now able to survey, design, install, and construct electric power plants. It is able to survey and design an electric power plant with capacity less than 300,000 kilowatts independently. It is able to install a generator unit with capacity of 25,000 kilowatts, and to handle installation work of 110,000-volt transformer project.

The number of employees in the Sinkiang electric power industry showed a tremendous increase during the past 10 years. At present, the total number of employees was increased 21.6 times over that in 1949. Of this, 682 were employees of the ethnic minorities, and 328 were engineers and technical personnel. In 1958, an electric power school and a technical school with a total of 643 students were established in Sinkiang.

Wages and benefits for workers in the electric power industry during the past decade were greatly improved. The average wages of the employees in 1959 was increased 31.17 times over that in 1949. During the past 10 years the state appropriated a large sum of capital to establish the following for the workers: the construction of 58,820 square meters of living quarters, 9 medical offices, 21 mess halls, 4 nurseries, 6 barber shops, and 3 bathhouses.

2. KWEICHOW TO COMPLETE FIRST LARGE HYDROELECTRIC STATION -- Peiping, Shui-li Yu Tien-li, 20 Sep 59, p 30

The Mao-t'iao-ho Hydroelectric Station Kweichow's first large hydroelectric station, is now entering a new stage and will soon be completed. The water intake tunnel for the electric power station was basically completed and water was led through on 3 September 1959; on the same date, the main retention dam was enclosed thus taming and diverting the flow of water in the Mao-t'iao-ho as desired.

Construction of the Mao-t'iao-ho Hydroelectric Station, begun in August 1958, is one of the key construction projects of Kweichow Province carried on by investment. When completed, the generating capacity will be equivalent to one half the total generating capacity now in existence in Kuei-yang municipality. Construction of this station involved three principal projects: the power house project, the main dam project and the water intake tunnel project, of which the latter two were initiated simultaneously last year. The main retension dam will be 390 meters long and 53 meters high. The total length of the water intake tunnel will be 280 meters and its diameter will be 5 meters. The 14,000 workmen of this project are striving to ensure the completion of the station at an earliest possible date.

3. CANTON INSTALLS HIGH-VOLTAGE TRANSMISSION LINE -- Canton, Kuang-chou Jih-pao, 7 Jan 59, p 2

To meet the needs of industrial facilities in the Fang-ts'un and Ho-nan areas in Canton, a high-voltage transmission line with a capacity of 110 kilovolt is now being installed from Hsi-ts'un to Fang-ts'un. The total length of the line route is only 16 kilometers. Because of the shortage of steel materials, reenforced concrete poles were used along the line route instead of metal frame towers.

IX. PLANS AND PLAN FULFILLMENT

1. AUGUST AND SEPTEMBER PRODUCTION INCREASES -- Peiping, Chung-kuo Ch'ing-nian, No 20, 16 Oct 59, pp 6-8

China's production of some products fell off in June and July, as a result of rightist ideology. Since the August meeting of Central Committee of the Chinese Communist Party, however, there has been a new surge of production.

The gross value of China's industrial production in August was 14 percent greater than that in July, while that in September was about 27 percent greater again than in August. In the period from January through September, the gross value of industrial production increased 45.5 percent over that in the same period in 1958. The amount of steel production was 13.5 percent greater in August than in July, and another 20 percent greater in September than in August. By the end of September, steel production for the year had already surpassed the amount of steel produced by Western methods during the entire leap forward year of 1958. The rises in iron production were 7.3 percent from July to August and 25 percent from August to September, and the production of iron, too, in the first 9 months of 1959, was greater than during all of 1958.

Coal production shows that in August it was 11.5 percent greater than that in July and that in September it was 18 percent greater than that in August. By 28 September, 76.3 percent of the annual coal production plan had already been fulfilled. Annual plan quotas in the machine industry for the production of many items, including metallurgical equipment, combines, pumps, drainage and irrigation machinery, and machine tools, have been completed 3 or 4 months ahead of schedule. The gross value of production in the machine industry had already fulfilled 77 percent of the annual plan figure by the end of September. The value of consumer goods production was 26.9 percent higher in September than in August. Within this figure, the increase in cotton yarn production was 14.2 percent, that in production of rubber footwear was 22.1 percent, and that in cigarette production was about 100 percent.

On the commercial front, purchases of commodities in August and September showed an unprecedented increase. By the end of September, the commodity inventory had increased 22 percent over that of the same period of 1958. The shortages which had occurred with regard to a small number of commodities have already basically turned for the better.

These figures demonstrate that after the high tide in the national economy during the first 5 months of 1959, we are now going through a still higher tide. In addition, there are a few other indexes of the increased

pace among the 18 key enterprises of the iron and steel industry. During August, coke consumption per metric ton of pig iron smelted dropped 2.4 percent from the July figure. The daily level of production by all of the nation's small blast furnaces rose 9.5 percent from July to August; the rate at which the pig iron turned out by these furnaces met specifications rose from 78 percent in July to 79.5 percent in August; and, at the same time, the amoung of coke required to produce one metric ton of pig iron was lowered from 1.67 metric tons to 1.5 metric tons.

The prospects for the year as a whole are that China's gross value of industrial production should increase more than 25 percent over 1958, and it gross value of agricultural production (including agricultural, forestry, pastoral, subsidiary, and fisheries production) should increase more than 15 percent, with an increase of over 3 billion yuan due to diversified operations in the people's communes alone.

2. MISCELLANEOUS PRODUCTION AND CONSTRUCTION FIGURES FOR FUKIEN--Foochow, Fukien Jih-pao, 12 Aug 59, p 1

In a recent telephone conference the Fukien Provincial Committee analyzed the current status of the province. They agreed that industrial and agricultural output in the first half of 1959 was ahead of that in 1958. The area planted in early rice in 1959 was smaller than in previous years, and despite repeated damage by wind and rain, the unit output in many localities was higher than before. The area planted in peanuts this year is 140,000 mou larger than in 1958; there is a heavy stand and harvesting has begun. The areas allotted to such industrial crops as sugar cane and tobacco was also increased in 1959. The number of chickens and ducks has increased 50 percent or more, and there was a comparable increase in live hogs.

Achievements on the industrial front have been equally good. The gross value of industrial production in the first half of 1959 is 47 percent more than in the same period of 1958. Of this, industry at hsien level or above increased 74 percent. Many major products also increased. For example, during this 6-month period, iron increased 6 time over that of the same period of 1958, coal increased 6 time over that of the same period of 1958, coal increased 4.12 times, electrical output increased 1.31 times, the gross value of the machines industry production increased 1.55 times, and the gross value of production by light industry increased 62 percent. Investments in capital construction were 1.4 times higher than in 1958. Within this increase, investments in industrial capital construction increased 2.4 times, or 96 percent of industrial investments during the First Five-Year Plan. In the first half of 1959, four above-norm factories and mines started operations, as compared to only 3 during the First Five-Year Plan, and 41 light industry factories began operations during this period.

In the first 6 months of 1959, 484 kilometers of highways were newly built in Fukien; this includes the section of highway between P'u-ch'eng and Sai-ch'i which connects the trunk highway from north to east Fukien. The total volume of highway and waterway transport increased 103.9 percent; the volume of railway transport increased 66.5 percent.

As a result of the abundant summer harvest and the development of commune diversified operations, agriculture was able to supply more raw materials to industry. In support of socialist construction, many commune members sold surplus grain to the state. The amount of grain purchased and stored during this summer season was more than in any year, and 1.5 times more than in the same season in 1958.

At this conference, the provincial committee arranged the work for industry, agriculture, and subsidiary industry for August and September, and called these 2 months a key period for production of industrial crops.

3. HONAN, HUNAN PRODUCTION DATA FOR 1958, 1959--Peiping, Jen-min Jih-pao, 7 Oct 59, p 5

The Honan Provincial Party Committee held the 14th Plenary Session of the First Provincial Congress from 23 August to 25 September 1959, and at the same time a three-level cadre conference was called on the provincial, district, and hsien levels. The congress pointed out that the overall conditions in Honan are very good.

A great leap forward was realized in 1958 and the great leap forward continued in 1959. In 1958, the total value of industrial production increased 173.71 percent over 1957, about equal to an increase of five times the total increase during the period of the First Five-Year Plan; capital construction investment more than tripled that in 1957, the total volume of grain production increased 62 percent, cotton increased 58.6 percent, and coal increased over 150 percent. On the foundation of the great development of production, the level of the livelihood of the people was also raised greatly. Honan, a province with a history of having no iron and steel, after concentrating on iron and steel in 1958, produced 413,000 metric tons of good iron and 31,662 metric tons of good steel. The proportion of the total value of industrial and agricultural production taken by the total value of provincial industrial production rose from 26.1 percent in 1957 to 36.1 percent in 1958, and in 1959 it will rise to 40 percent. The development of the metallurgy, chemical, and machinery manufacturing industries has begun to change the backward appearance Honan has had in industry, and to accelerate the progress of industrialization and agricultural mechanization.. The congress analyzed the excellence of communes. The concentration on iron and steel in 1958 by 6 million people, the great development of water conservation construction, the leap forward in the development of industry, agriculture, transportation and communications, trade and finance, education, and welfare operations, and the large-scale, long, and

effective battle against drought in 1959 all express the rich vitality of the commune. Since 1958, there have been many water conservation projects set up in Honan, the irrigated area reached over 7 million mou. The communes in the entire province already have over 10,000 power machines, and 14 percent of the communes have tractors. Commune-operated industries have reached over 4,000.

From January to August 1959, great achievements were made in the province on all fronts. The total value of industrial production increased 119.78 percent over the same period in 1958. Pig iron, raw coal, electric power, machinery, chemistry, communications and transportation all developed greatly. The total volume of grain production is expected to increase 12.5 percent over 1958 and cotton will increase 33.3 percent. The quota for fall sowing is 80 million mou. In water conservation the goal is to have 90 million mou of effective irrigated area, and if possible 100 million mou, before the 1960 wheat harvest.

The Hunan Provincial Party Committee held an expanded plenary session from 22 August to 15 September 1959.

The congress felt that the present conditions in Hunan Province are typical of the entire nation. On the foundation of the great leap forward in 1958, great achievements were attained by all departments of the national economy and in all aspects of socialist construction. In regard to agriculture, in 1959 there was again a bountiful harvest, although the area sown with early and middle paddy decreased over 4 million mou, and a large area of the middle paddy crop suffered from drought, the total volume of production was still greater than in 1958. The transplanting season of the late paddy was ahead of schedule compared to former years, and a great victory was attained in the recent battle against drought. There was a greater area sown with cotton, hemp, oil-bearing crops, sugar crops, and other industrial crops than in 1958, and the total volume of production will surpass that of 1958. The annual volume of production of animal and aquatic products, such as pigs, fish, chickens, ducks, etc., will surpass 1958, and the 2.5 million cubic meter plan for felled lumber can also be realized. The average income of people in rural areas will increase 20 to 30 percent over 1958.

Comparing the first half of 1959 with the same period in 1958, the total value of industrial production doubled, while hsien and commune industry has undergone an adjustment and is on the road to healthy development. The volume of freight transportation [in tonnage] of transportation and communications increased 77.62 percent over the same period in 1958. In regard to commerce, the volume of purchases of agricultural and subsidiary products increased 41.05 percent over the same period in 1958, especially the volume of supply of the means of production, which surpassed any year in the past; the situation of market supply in the first half of 1959 was stable. Cultural, educational, health and sanitation operations also were greatly developed and raised.

Economizing on goods, implementing the planned use of grain, economizing on labor force, especially liberating female labor force to participate in production, have all played a great role. Throughout the province over 9 million women were released from household labor to participate in agricultural and industrial production, which was over three times as many as in 1957.

X. ILLUSTRATIONS

1. Caption: "The Water conservation pivot project at San-men-hsia [Honan] has been under construction over 2 years. In 1959, it was effective in partial food control. The project will be effective in flood control, electric power supply, irrigation, and navigation on the Yellow River."

Description: Photo shows concrete-pouring operations within the cofferdam, giving some idea of the vastness of the structure.

Source: Peiping, Jen-min Hua-pao, No 19, 1 Oct 59, p 24

2. Caption: "At the Liu-chia-hsia pivot project [upstream from Lan-chou, on the Yellow River], which has production of hydroelectric power as its chief purpose, a diversion tunnel 14 meters in diameter and 600 meters long is being constructed. The river current will be blocked during 1959."

Description: Photo shows narrow gorge of the stream in background with trucks and men working on the tunnel in the foreground.

Source: Peiping, Jen-min Hua-pao, No 19, 1 Oct 59, p 25

3. Caption: "Work on the Yen-kuo-hsia water conservation pivot project, [on the Yellow River between Lan-chou and Liu-chia-hsia], begun in September 1958, has reached the point of completion of the concrete sluice gates and the cutting of the stream flow on the left bank. It has already successfully stood the test of a flood such as occurs only once in 50 years. Its hydroelectric output capacity will be 400,000 kilowatts."

Description: Photo shows construction on sluice gates in foreground and upstream view of the stream and gorge in the background.

Source: Peiping, Jen-min Hua-pao, No 19, 1 Oct 59, p 26

4. Caption: "Work on the foundation of the dam for the Ching-t'ung-hsia water conservation pivot project [downstream from Lan-chou on the Yellow River] is proceeding from both banks simultaneously. When finished, this project will provide for irrigation of 715 million mou of farm land. It will also practically eliminate the danger of widespread flooding from the Yellow River in Inner Mongolia. Its hydroelectric power capacity will be 260,000 kilowatts."

Description: Photo shows what seems like flat land on the near side of the stream and only moderately high banks on the far side. Some construction work is apparent in the foreground and midground.

Source: Peiping, Jen-min Hua-pao, No 19, 1 Oct 59, p 26

5. Caption: "Thirteen minority nationalities (Chinese, Uighurs, Kazakhs, Uzbeks, Russians, Khirgiz, Tatars, Tadziks, Moslems, Mongols, Salars, Daghors, and Sibos) belonging to the Production-Construction Army Group in Western Sinkiang in the Sinkiang Military Region, operate the K'o-k'o-ta-la State Farm, comprising 300,000 mou."

Description: Photo shows a large number of caterpillar tractors pulling two five-bottom gang plows each, on a wide flat plain.

Source: Peiping, Jen-min Hua-pao, No 19, 1 Oct 59, p 30

6. Caption: "Tractors donated by neighboring Soviet Union."

Description: Photo shows several motor trucks, each carrying a rubber-tired tractor, coming through a farm gateway.

Source: Peiping, Jen-min Hua-pao, No 19, 1 Oct 59, p 31

7. Caption: "After the organization of the people's communes, mechanized agricultural equipment appeared in the mountainous area of Tsun-hua Hsien, Hopeh."

Description: Photo shows two rubber-tired tractors, each pulling a four-bottom gang plow and one, driven by a woman, pulling what appears to be a disk-harrow and disk pulverizer traveling through a narrow valley on an unimproved rocky road, toward mountains in the background.

Source: Peiping, Jen-min Hua-pao, No 19, 1 Oct 59, p 10

8. Caption: "A small-scale steelworks developing at Hofei, Anhwei, arising out of a native-style beginning."

Description: Photo shows a rather large area covered with tall chimneys and accessory buildings.

Source: Peiping, Jen-min Hua-pao, No 19, 1 Oct 59, p 15

9. Caption: "A battery of small, modern steel furnaces at Yen-t'ai (Chefoo), Shantung."

Description: Photo shows many chimneys and connected buildings in the foreground and the harbor in the distance.

Source: Peiping, Jen-min Hua-pao, No 19, p 15

10. Caption: "Steel plant at Shih-liu, Hainan Island. In the background is a battery of modern furnaces. In the foreground is a group of native-type coke ovens."

Source: Peiping, Jen-min Hua-pao, No 19, 1 Oct 59, p 15

11. Caption: "New blast furnace at the Rennovated Ma-an-shan Combine."

Description: Color photo shows exterior of furnace; mountains in background.

Source: Moscow, Vokrug Sveta, No 10, Oct 59, p 17, top

12. Caption: "New residences in Ho-fei, capital of Anhwei."

Description: Color photo of buildings on both sides of a clearly outlined street.

Source: Moscow, Vokrug Sveta, No 10, Oct 59, p 17, bottom

* * *

WEEKLY REPORT ON

COMMUNIST CHINA

Number 4

11 December 1959

Prepared by

Foreign Documents Division
CENTRAL INTELLIGENCE AGENCY
2430 E. St., N. W., Washington 25, D.C.

PLEASE NOTE

This report presents unevaluated information selected from foreign-language publications as indicated. It is produced and disseminated as an aid to United States Government research.

WEEKLY REPORT ON COMMUNIST CHINA

Table of Contents

SOURCES

The information contained in this summary is taken from the following sources. Titles are given in the modified Wade-Giles transliteration, followed by the P'in-yin romanization system in parentheses which was newly adopted by the Chinese Communists.

Newspapers	Place of Publication
Chieh-fang Jih-pao (Jiefang Ribao)	Shanghai
Fukien Jih-pao (Fujian Ribao)	Foochow
Hsin Wan-pao (Xin Wanbao)	Tientsin
Jen-min Jih-pao (Renmin Ribao)	Peiping
Kiangsi Jih-pao (Jiangxi Ribao)	Nan-ch'ang
Kirin Jih-pao (Jilin Ribao)	Ch'ang-ch'un
Kuang-chou Jih-pao (Guangzhou Ribao)	Canton
Kweichow Jih-pao (Guizhou Ribao)	Kuei-yang
Nei-meng-ku Jih-pao (Neimenggu Ribao)	Hu-ho-hao-t'e [Huhehot]
Pei-ching Jih-pao (Beijing Ribao)	Peiping
Ta Kung Pao (Da Gong Bao)	Peiping

Periodicals	
Avtomobil-nyy Transport	Moscow
Ching-chi Yen-chiu (Jingji Yanjiu)	Peiping
Chung-yang Ho-tso T'ung-shun (Zhongyang Hezuo Tongxun)	Peiping
Fahrt Frei	Berlin
Shui-li yu Tien-li (Shuili yu Dianli)	Peiping
Tien-hsin Ch'i-shu T'ung-hsun (Dianxin Qishu Tongxun)	Peiping
Ts'ai-cheng (Cai Zheng)	Peiping

Monograph	
Fei-Chih Chia-kung	Peiping

I. INDUSTRY AND MATERIALS

VALUE INDEX OF WASTE PAPER PULP -- Peiping, Fei-chih Chia-kung (Monograph), published by Ch'ing-kung-yeh Ch'u-pan-she, 9 Sep 58, p 6

The following list shows a value index of various types of waste paper pulp in comparison with sulfite pulp (index figure of 100):

	Index
Unprinted Book and Stationery Papers	
Fine white book paper trimmings	100
Fine white print paper trimmings	90
White paper trimmings	70
White print paper trimmings	50
Documentary Paper	
Public documents and archive papers	70
Exercise Books	40
Letters	50
Paper Pulp Book and Stationery	25
Printing paper	
Records print paper	45
Paper pulp print papers	20
Newsprint	25-30
Cover and Title Page Papers	
Trimmings	70
Bindery scraps	50
Official cover papers	45
Wrapping Paper	
Manila paper	25
Kao-tso-chih (Gondromiee)	25
Ungraded Waste Paper	
Scraps	15
Rice straw paper board	10

II. TRADE AND FINANCE

1. NATIONAL COMMERCIAL STATISTICS FOR FIRST HALF OF 1959 -- Peiping, Chung-yang Ho-tso T'ung-hsun, No 9, 11 Sep 59, pp 1-2

Purchases of industrial goods in the first half of 1959 are 60.3 percent ahead of those in the same period of 1958; purchases of agricultural goods for the same period are ahead 25.1 percent; and domestic retail sales for these 6 months increased 23 percent. Increases in the retail sales volume of some of the major products are as follows: cotton knit goods, 60.4 percent; wool yarn, 92.6 percent; woolens, 74.8 percent; rubber shoes, 54.6 percent; gold pens, 142.4 percent; etc.

Shortages in the supply of some commodities on the market were due, not to a decrease in production, but to the fact that purchasing power increased faster than production. In the case of major food supplements, specifically vegetables, increased output in various urban areas in the first half of 1959, as a percentage over the same period of 1958, is as follows: Peiping, 29; Shanghai, 46.6; Tientsin, 4.1; Cheng-chou, 94.2; Sian, 49.7; Nan-ch'ang, 35.8; Tsinan, 12.2; T'ai-yuan, 19.8; Ch'ang-sha, 66.7; Mukden, 9.7; Nanking, 20.3; and Hangchow, 73.2. From these generally substantial increases in output, it is apparent that any market shortage of commodities was the result of a rapid rise in the standard of living.

2. RELATIVE VALUES OF COTTON AND GRAIN -- Peiping, Chung-yang Ho-tso T'ung-hsun, No 9, 11 Sep 59, pp 30-31

Cotton is secondary only to grain as a major agricultural product. Over the past 10 years, the proportionate expansion in the output of both crops has been carefully planned on an annual basis, and since 1950 their relative prices have been set by finance and economic committees.

In the early stages of the liberation, there were only 41,550,000 mou of cotton in the entire country; the output was 8,880,000 tan. At that time, the textile mills were operating only 3 or 4 days per week. When the new cotton was put on the market in 1949, rational purchase prices were set forth by the North China Cotton, Yarn, and Cloth Company and by supply and marketing cooperatives. The price of one chin of ginned cotton was no less than that of 8 chin of millet (in some areas, it was about 10 chin); prior to the liberation, the price of one chin of ginned cotton in millet-producing areas was equivalent to 6 chin of millet.

For a swifter recovery and expansion of cotton production, in 1950 the state promulgated rational prices for cotton and grain; furthermore, it was decided that in cotton-producing areas, cotton could be used as a substitute for public grain payments. Each chin of standard ginned cotton in a given area was equivalent to the following amounts of grain: in north China and Shantung, 8 chin of millet; in Honan and Shensi, 7 chin of wheat; and in the Yangtze River region, 6.5 chin of rice. (Actually, almost all of the areas exceeded these ratios.) During 1950, the cotton area increased to 56,780,000 mou, and the output increased to 13,840,000 tan.

In 1951, the state instituted advance purchase operations for raw cotton. This provided an appropriate increase in the price of raw cotton, and it was an incentive for the masses to plant it. The relative value of cotton and grain in 1951 was designated as follows (using one chin of ginned cotton): in Hopeh, P'ing-yuan, and Shantung, 8.5 chin of millet; Shansi, 9 chin of millet; Shensi and Honan, 8 chin of wheat; Hupeh, 8.5 chin of medium-grade hulled rice; and Kiangsu, Anhwei, and Chekiang, 8.5 chin of medium-grade indica rice. In 1951, there were a total of 82,660,000 mou of cotton in China; the output was 20,610,000 tan.

In 1952, the value of one chin of ginned cotton was equivalent to various grains as follows: Hopeh, P'ing-yuan, and Shantung, 8-9 chin of millet; central Shansi, 8.5-9.5 chin of millet; south Shansi, Shensi, and Honan, 7.5-8.5 chin of wheat; Hupeh, Kiangsi, and Hunan, 8-9 chin of medium-grade hulled rice; and Kiangsu, Anhwei, and Chekiang, 8-9 chin of medium-grade indica rice. These relative values differ by a matter of only 0.5 chin as compared to 1951, but in actual cases, they were usually slightly lower. At the same time, the ratio of tax grain burden for grain fields and cotton fields was appropriately balanced. All of the cotton fields whose tax grain burden ratio of output was less, had it increased to 11 percent. However, under prevailing conditions, income from cotton was still better than that of grain. In 1952, the area planted in cotton increased slightly, to a total of 83,630,000 mou. The yield per unit of area increased greatly, however, from 25.1 chin in 1951 to 31.2 chin. The total output of raw cotton jumped to 26,070,000 tan, or enough to meet the needs of the textile mills and the people.

In 1953, the state decided to stabilize the cotton area at the 1952 level and simply increased the unit yield to fulfill the cotton production quotas. It was felt that the disparity of cotton and grain prices was too great; in fact, the high cotton prices resulted in an indiscriminate expansion of cotton fields, which, in turn, resulted in grain shortages in some areas. To control the area planted in cotton, the relative value of cotton to grain was reduced. One chin of ginned cotton was now equivalent to various grains as follows: in Hopeh, Shantung, and Shansi, 6.75-8 chin of millet; Shensi, Honan, and Shansi, 6.25-7.5 chin of wheat; Hupeh,

Kiangsi, and Hunan, 6.75-8 chin of Grade 2 rice; Kiangsu, Anhwei, and Chekiang, 6.75-8 chin of medium grade indica rice; and in the northeast, 16-18 chin of kaoliang. Also in 1953, the state terminated its advance purchases of raw cotton. In this year, the area planted in cotton was reduced to 77,690,000 mou, or 6 million mou less than in 1952, and output was down to 23,470,000 tan.

In 1954, the state requested a rational increase in the area planted in cotton, an increase in unit yields, and again raised the relative value of cotton to grain. The equivalent value of one chin of ginned cotton in various grains was as follows: in Hopeh, Shantung, central Shansi, north Honan, 7.5-8.25 chin of millet; Shensi, Honan, and south Shansi, 6.75-8 chin of wheat; Hupeh, Kiangsi, and Hunan, 7.25-8.25 chin of Grade 2 rice; and Kiangsu, Chekiang, and Anhwei, 7.25-8.25 chin of medium grade indica rice. At the same time, advance purchase operations were reinstated; furthermore, cotton fields and grain fields had equal responsibility, and cotton fields could use raw cotton as a substitute in remitting public grain. In 1954, the cotton area was expanded to 81,920,000 mou, but due to floods in many areas, output reached only 21,290,000 tan.

From the above, it is apparent that the personnel purchasing raw cotton must conscientiously study the law of value to ascertain price policies so that the output of raw cotton will continue to increase without affecting grain production.

3. FOOD PRODUCTION AND PURCHASES IN INNER MONGOLIA -- Hu-ho-hao-t'e, Nei-meng-ku Jih-pao, 11 Aug 59, p 2

Inner Mongolia Autonomous Region will supply 200,000 head of cattle, sheep, and hogs for its own needs and outside needs during the national holiday season. These are being purchased and shipped to be processed and frozen and will be sent to Peiping, Tientsin, Liao-ning, Hu-ho-hao-t'e, Pao-t'ou, etc. In addition, another 2,300 metric tons of frozen meats are being prepared for export.

To fulfill this quota, various commercial departments have set up more than 4,000 substitute purchase points and purchase units, and more than 20,000 purchase personnel are engaged in purchasing, shipping, and transporting [meat] to factories for processing. In many banners and hsien, basic level commercial departments have dispatched purchase units to make on-the-spot payments for their purchases. This is convenient for the masses and speeds up the purchasing process.

The livestock industry is flourishing in Inner Mongolia Autonomous Region. Between now and the summer of 1960, the peasants and ranchers will use 1,490,000 head of sheep and goats, 159,000 head of cattle, 50,000 horses, and other animals, domestic fowl, and fresh eggs to meet the need for meat and food and as draft animals, both within and outside the region.

Recently, Hu-lun-pei-erh League has stepped up its purchases of hogs, eggs, wool, hides, and wild crops in anticipation of the national Tenth Anniversary celebration. Purchases of live hogs in June were 95.5 percent ahead of purchases in May, and in the first 20 days of July, 1,650 hogs, or 469 more than in the same period of June, were purchased. During the same 20 days of July, wool purchases totaled 143,000 chin more than in the same period of June; by 23 July, more than 1,170,000 chin of wool, or 58.8 percent of the annual plan, had been purchased. By the end of July, four livestock banners of Hu-lun-pei-erh League had purchased more than 950,000 chin of wool; this represents more than 70 percent of the annual plan.

At the same time, the collection and purchasing of wild greens, roses, and almonds were developed. Nine banners and hsien were able to send 21,000 persons to gather these crops, and up to now, more than 300,000 chin of fresh greens and more than 20,000 chin of roses have been purchased. Forces have also been organized to gather and purchase almonds. K'o-erh-ch'in Right Wing Central Banner, which produces about 60 percent of the almonds in Hu-lun-pei-erh League, has sent seven work units to the production areas to organize the harvest. Commercial departments have proposed the slogan "purchase at the place of production." Various banners and hsien are also arranging the labor strength in preparation for the collection of hazel nuts, edible fungus, and mushrooms.

4. INCREASED ALLOCATION OF 1959 ENTERPRISE WORKING CAPITAL -- Peiping, Ts'ai-cheng, No 15, 9 Aug 59, p 23

The 1959 increase in working capital is to be figured as follows: Each year, the state allocates an increase in working capital to enterprises on the basis of production development needs to ensure that the enterprises will be able to carry out regular production. The amount of this increase in working capital is based on changes in the enterprise's scope of production and on the state's directives to have the enterprise increase capital turnover. The finance departments set the amount of working capital for enterprise control departments for a given year. This is then compared to the amount of working capital for the previous year. The amount by which the 1959 amount is greater than that of 1958 can be said in theory, to be the increase of working capital which should be allocated in 1959.

However, when determining the 1959 increased amount of working capital, we cannot depend solely on past methods. The reason for this is that the big leap forward of 1958 has wrought changes in the amount of working capital required for regular production. If the various steps of the normal procedure for checking and adjusting allocations were used, this would upset enterprise-use capital. Consequently, a temporary measure has been adopted. The Ministry of Finance allocates capital to the main branch of the People's Bank of China, which, in turn, remits it to its branches and subbranches. The capital needs of enterprises are then met through bank loans.

In addition, there has been an improvement of the working capital control system. Because it corresponds to the special conditions of 1958, the formula for figuring increased allocations of working capital must also be changed at once. The 1959 method of estimate should use the 1959 amount of working capital minus the following items: (1) the enterprise's own working capital at the end of 1958, which was allocated by the state; (2) the amount of bank credit at the end of 1958; (3) the 1959 working capital transfered from capital construction; and (4) the amount of liabilities the enterprise will meet in 1959 from working capital (e.g., wages, expenses, taxes, and prepaid expenses) and the left-over amount of the enterprise's fund.

The amount left after the subtraction of these items is the increased amount of 1959 working capital to be allocated. This method of reckoning, first, calls on the enterprise to do the utmost to mobilize its own pre-1958 working capital and the loans borrowed from banks. The enterprise is also to meet its working capital liabilities and use the enterprise fund to solve a part of its own capital needs. The difference will be allocated by the state to the People's Bank of China, which, in turn, will meet the working capital needs of enterprises by means of increased credit. This is an advantageous method for both economizing on the state's capital and getting enterprises to tighten control of operations.

In estimating the increase of credit, why is the amount of 1958 bank credit subtracted from the 1959 amount of capital? The reason for this is that the largest portion of 1958 bank credit capital was allocated from the state budget. Also, the 1959 capital is to be entirely met by the use of loans. What the enterprise has and its bank loans are not again differentiated. Therefore, in working out the increased allocation , we can consider the enterprise's own capital and credit capital together.

Up to the end of 1958, we had the problem of calculating credit. Because of the big leap forward of 1958, enterprise plans were once again changed. A part of the credit which enterprises got from banks was still not easy to fix. Because conditions were not the same in all localities, each locality could use a different method of calculation based on its own specific conditions. Generally, they might consider the following formula: the amount of credit at the end of 1958 equals the 1958 year-end enterprise loans minus the amount of commodity loans, minus the amount of loans used for the four expenditures, minus loans for large repairs, minus the amount of loans issued by the bank for special purposes.

5. T'IAO-SHIH COMMUNE, SZECHWAN, TIGHTENS TAX CONTROLS -- Peiping, Ts'ai-cheng, No 15, 9 Aug 59, pp 26-27

The T'iao-shih People's Commune in Pa Hsien, Szechwan Province, is located in a mountainous area that is quite extensive. The commune comprises 9 administrative areas, 89 production brigades, more than 150,000 mou of arable land, and more then 90,000 people. Because of the entensive development of multiproductive activities, reflected in tax operations, tax units and types of levies increased. The amount of sales and the pro= portion of taxes also greatly increased. The scope of various tax commodities (or tax items) also had evident changes. At present, the tax units of the T'iao-shih People's Commune have increased from 14 before March to 116 (of which there are 11 in the commune, 16 in the administrative areas, and 89 in the production brigades). All 89 production brigades in the commune are tax units. Following communalization, there were also great changes in the sales aspects of commodities. Almost all commodities were channeled through local commerce departments, so that the chain from production to marketing was greatly shortened.

Specific methods we used in these operations were as follows:

1. Making Tax Assessments and Setting Up Systems

In checking the type of commodities, their output, and the scope of sales for the 116 tax units, we made tax assessments. The Tax assessment tables were based on tax laws and regulations, as well as on the specific conditions in the commune. The tables listed such things as the name and description of type of taxes, tax values, tax rates, and the extent of taxation. At the same time, there were clear, written explanations which the commune financial personnel could understand at a glance. In addition, we took advantage of a meeting of the four grades of cadres held in the first part of May and asked the brigade accountants to study the tax assessment tables. The tables were then printed and given to the production brigades to facilitate operations.

If the tax units are to correctly implement the taxation system, it must be coordinated with the commune financial system and with other relevant procedures. To strengthen commune enterprise finance controls, we drew up a set of "Temporary Regulations for Commune Enterprise Finance," which have already been approved by the commune. The regulations call or strengthened controls over enterprise materials and commodities and the establishment of such systems for commodities as inspection and acceptance, storage, inventory, distribution, equal-value exchange, and cash sales. To further strengthen the financial system of the commune and boost production, we also proposed that, as of June, the accounting system of enterprises under the commune, administrative areas, and production brigades be changed to a system of unified leadership, local controls, fixed capital, independent accounting, estimated costs, and remittance of net profit to higher levels. This method has been approved by the commune party committee and is now in the process of being carried out. To further facilitate matters, the enterprise finance personnel from the commune, administrative areas, and production brigades were assembled and familiarized with the new system, after which it was put into effect. The finance system of the commune is now stronger, while plan controls and financial accounting have been strengthened, which means that the controls for examination of goods and collection of duties for tax revenue are now based on a solid financial system.

2. Controlling Taxes on Purchases

A look at the commodity sales of production tax units in the commune shows that these sales are the purchases of supply and marketing cooperatives. With this special characteristic in mind, we tightened controls on commodity purchases. Whenever commodities are sold to the supply and marketing cooperatives by the production brigades, duties are levied according to tax laws and regulations. In this way, we can control the taxable commodities of production brigades. For income which the brigade derives from items it produces on its own (e.g., limestone, bricks, tiles, and white aphrodite) and various processing operations, we have established a "Tax Reporting Table." Every half month (before the 16th) and 2 days before the end of the month, the production brigade reports its tax remittances. At the end of the month, it balances accounts on the amount of tax due for the whole month.

3. Establishing Tax Records Facilitates Checking

To keep abreast of the changing conditions of tax sources, we set up "Tax Remittance Records" for each household. In addition to entering the basic conditions of each household in the record (e.g., types of articles,

place of sales, and the name of the bookkeeper), the record serves as a detailed account for monthly tax payments. This record is used by the cadres of each administrative area for levies of money and grain, which facilitates checking operations and analysis of tax operations and promptly brings problems to and fore.

4. Organizing "Red Flag" Drives, Continuing to Leap Forward

"Red flag" emulation drives are the motive force behind financial operations. To assure the financial system, have outstanding completion of finance plans, boost the development of production, lower costs, and increase accumulation, the commune decided to launch a "red flag" emulation drive among finance personnel with the accent on increasing production and practicing economy.

A series of measures produced the following results during the past several months:

a. The commune finance system was strengthened and incomes increased. Because effective control and management methods were adopted, taxes were promptly collected, with receipts even showing a monthly increase. Taking the actual tax payments of the various production brigades (excluding commune industry) in January as 100, the index for February was 113, and for March, 180. In April, agricultural production was down and most multiproductive activities of the brigades came to a halt. Income even decreased, so that the index for April was only 132 percent of January. In May, it was 243 percent of January, forthright assurance that targets would be exceeded. Readjustment of commune finances meant that accounts were cleared and accounting procedures strengthened, which put the commune's finance operations on the right track. Finance personnel also raised the level of their thinking in accounting and showed a lot of activity. For example, after the accounting system of the I-p'in Agricultural Implements Plant was tightened up, the accounting forces thought of ways to put into practice a wage system of "production quotas and bonuses for overproduction," which greatly spurred production enthusiasm. This also made the total value of production for June increase some 200 percent over the 1959 pre-May average total production value. The wage portion of the total production value dropped from some 50 percent to 31 percent. This not only increased accumulation, but also increased tax revenue, which shows that bolstering the finance system, establishing a tax-remittance system, and further tightening business accounting played an active role in boosting the development of production, increasing state revenues, and consolidating the commune.

b. There was dependence on the masses and implementation of methods for mass-handling of taxes. After production brigades were given tax instructions and educated about tax laws, the brigade accountants became thoroughly familiar with all pertinent tax-remitting regulations, and they were able to promptly complete remittances to the finance control offices and clear tax accounts. Many hsiang not only carried out a policy of "monthly taxes, monthly clearances," but also were able to make prompt deposits in the treasuries. This shows that dependence on the masses will strengthen our operations and definitely enable us to push ahead continuously. -- T'iao-shih Finance Control Office, Pa Hsien, Szechwan Province

III. MANPOWER

PEIPING BUILDS AN ARMY OF 900,000 PRODUCTION WORKERS -- Peiping, Pei-ching Jih-pao, 11 Oct 59, p 2

At present, one out of every four or five people of the urban population of Peiping is a production worker, whereas at the beginning of 1949, there was only one production worker out of 23 or more people of the urban population. By the first half of 1959, Peiping had organized an army of 900,000 production workers; causing the population structure and the spirit of the people to change. The establishment and strength of this politically aware and organized production army with a certain technical and cultural level is the foremost sign of Peiping's progress on the glorious road from being a backward consumer city to being an advanced, modernized production city. It is a strong foundation for a people's capital of a dictatorship of the proletariat, and it is a reliable political and technical strength for building and remaking Peiping.

In this great production army, experienced workers are the fundamental strength; they put forth great effort in production and lead the way in carrying out the party's policies, and many of them have been promoted to enterprise cadres. From within industry and enterprises over 1,670 people have been promoted to cadres, and among these, over 270 are heads of factories and assistant heads of factories, and over 800 are engineers, technical experts, and technicians. The many young workers are the shock force within production and construction. From the time the first youth shock brigade was set up on the site of the Soviet Exhibition Hall in 1953, all youths of the city have continuously and extensively developed all kinds of shock activities. There are 279 youth shock brigades of a long-term nature that are active on construction sites, and among these is the

Chang-pai-fa Youth Shock Brigade, which has a nationwide reputation. In the new high tide of the increased production and economy campaign, many establishments and units organized all kinds of youth shock brigades. There were 1,111 technical innovations realized by the Shuang-hua (mechanization and automation) Shock Brigade of the Peking Motor Vehicle Manufacturing Plant, which brought about mechanization in the work sections handling grinding, polishing, painting, and electroplating, and of the 360 kinds of parts they electroplate, the effectiveness of 181 kinds was raised 74 times. In this great production army, the number of female employees was visibly increased. In 1949, there were only 9,000 female workers in the city; in 1958, the number of female production workers increased to 192,000, and they are an important force in production and construction. Not only are there a great many female workers in textile plants and light industry enterprises, but also there a great many female workers, at present, in this city's chemical, radio, and machinery industries.

The production workers of Peiping have excellent revolutionary traditions; in the political battle and production campaign during the 10 years after the liberation, class awareness became higher and higher. After the liberation, the party, on the one hand, extensively and thoroughly spread party policy propagnada among the employees and masses, and, on the other hand, through operating training classes of many and various forms, implemented political and ideological training among the employees and masses. Moreover, the workers were gradually organized into unions, and, at present, the number of union members in Peiping has already reached over 847,000. In the last decade, many advanced people have emerged. In 1949, there were only 300 or 400 advanced producers in the factory and mine enterprises in Peiping, but in the first half of 1959, 117,699 "Red Flag" hands, model soldiers, and advanced producers emerged from within Peiping's factory and mine enterprises, and, at the same time, there were 11,370 advanced collectives. Altogether, there are over 101,000 party members among the production employees and over 142,000 Communist Youth League members.

The production workers are also the vanguard in the successive revolutions and political battles. At the beginning of the battle against rightists, Peiping's workers were the first to set out to develop a counterattack against the rightists. The workers of the No 1 Municipal Printing Plant detected the foulness of the publication "Kuang Ch'ang," compiled by the right elements of the University of Peking, and they refused to print it and developed a direct battle with the right elements. In 1958, Peiping's history of having iron and no steel was concluded, and trains, motor vehicles, airplanes, and tractors were manufactured, and Peiping's total production value increased greatly. In 1959, almost the amount of

the annual quota for 1958 was fulfilled in 8 months' time. In the short period of 10 months, 100,000 construction workers built the People's Congress Building and completed many other structures. At present, they are continuing to advance in leaps and bounds, the appearance of the capital has been changed, production has been developed, and the brightness of the creative laborers of the great production army has touched all areas of the city.

While the rank and file of the great production army was continuously expanding, the technical and cultural level of the rank and file was continuously rising. Through the many and various kinds of nurturing and training adopted by the state, the technical workers and personnel of each unit increased batch by batch; products that originally could not be made can now be made; originally the products that were made were very simple and inaccurate, while now comparatively complex, precise products can be made. In 1949, the Peking No 1 Machine Tool Plant had 600 technical workers and 18 technicians. At present, the number of technical workers has increased to over 2,400, and the number of technicians has increased to over 210. Originally, only water pumps, foreign stoves, etc. could be manufactured; now, not only can all various kinds and sizes of precision milling machines be produced, but, also, large-scale machine tools can be produced.

The Ch'ing-ho Woolen Mill originally could produce only woolens for coarse rugs and gunny sacks; now high-grade wool serges are produced on a large scale, and the quality has reached an advanced level. At the same time, the technical level was being raised, the employees' cultural level was rising rapidly. At the beginning of the liberation, 70-80 percent of the workers in Peiping were illiterate, but through several years of effort, the factory and mine enterprises have established spare time primary schools, middle schools, and colleges. According to October 1958 statistics, of the 370,000 industrial employees, 90 percent have a cultural level equal to that of upper primary and lower middle school or above.

Because the awareness, technology, and culture of the production army was raised, new technological equipment continuously increased, and labor productivity rose rapidly; the over-all effectiveness of personnel in industry and enterprises in 1958 was 404.5 percent as much as it was in 1949. The physical life of the employees was also appropriately improved. Besides several adjustments of wages, at present, there are over 890 units and 700,000 employees in Peiping who receive the benefit of labor insurance. In 1949, there were only a few nursery organizations, but now there are 809.

However, because the production and construction quotas of Peiping are so burdensome, experienced technical workers are unfamiliar with many of the quotas, the increase in the rank and file of the workers has developed rapidly and the proportion of new workers is comparatively large, and there are over 470,000 young workers in Peiping, at present, who have spent a comparatively short time in the actual battle and in practical production, it will be some time before their class awareness and technical level can be raised. To raise the production army of Peiping to a new level to meet the difficult quotas, the working class of Peiping are struggling for production and studying diligently under the leadership of the party, with enthusiasm rising daily.

IV. TRANSPORTATION

1. RAILWAY CONSTRUCTION IN COMMUNIST CHINA -- Berlin, Fahrt Frei, 22 Sep 59, p 3

Particular emphasis has been placed upon rail line construction in the northwestern and southwestern areas of the country, where practically none existed previously, since rail density in the northeastern and coastal areas amounted to one kilometer of rail line per 100 square kilometers. The construction of 19 different rail lines had been started and 400 kilometers of track laid by 1955. The railway network of Communist China consisted of over 31,000 kilometers of track in 1957. Approximately 3,000 kilometers of track were laid in 1958; the length of new track laid in the first half of 1958 was 4.8 times that laid during all of 1957. Chinese railroad workers have pledged to lay more than 6,000 kilometers of track in 1959.

The Chinese railway network is expected to consist of more than 80,000 kilometers of track by 1967, of which 6,000 kilometers will be electrified. Besides the 125 kilometers of industrial lines already electrified (1,200/-1,500 volts), work is in progress for electrification of the Pao-chi -- Feng-hsien line, which goes through a pass in the Ch'in-ling Shan Mountains. This line, as well as all other main lines, will use single phase, alternating current, 50-cycle equipment. The construction of this line presents great difficulties for the workers: the route leads over a mountain grade with up to a 30-percent rise, over 93 bridges, and through 61 tunnels, which account for 21 percent (91 kilometers) of the entire line.

Twenty bridges are to be built over the Yangtze and the Yellow rivers and the Chu Chiang (Pearl River). The first bridge over the Yangtze River, at Wuhan, was opened to traffic in 1957. Work on the second bridge across the Yangtze, at Chungking, is in full progress. The third and fourth bridges across the Yangtze are planned for Nanking and Wu-hu, respectively. The bridge at Nanking is to be a double-decker, 2,500 meters long, with seven spans of 240-meter width each. Construction has began on a bridge over the Yellow River at Cheng-chou and on one over the Chu Chiang at Canton.

Simultaneously with increased emphasis placed upon line construction, similar emphasis was placed upon the expansion of the locomotive and rolling stock inventory and their domestic production. During the First Five-Year Plan (1953-1957), more than 600 locomotives were built or repaired and 25,000 four-axle freight cars and 1,800 four-axle passenger cars were built. The Chinese railway network possessed over 2,800 steam locomotives, 95,000 freight cars, and around 7,000 passenger cars by the end of 1957. The number of locomotives should be doubled by the end of 1959, and the number of freight cars should be quadrupled by the same date. In the

further development of rail vehicles, primary emphasis is to be placed upon the construction of locomotives with greater power, higher speed, and greater versatility. Emphasis is to be placed upon greater safety and comfort and on less weight in the construction of passenger cars and upon greater load capacity in building freight cars.

The enormous capacity increase in freight traffic -- 305.4 percent that of 1950, the increase in net weight of each freight car of the preferred 7.2-ton load capacity, or the decrease in freight car turnaround time to 2.9 days, coupled with an increase in the average speed of a freight train to 38 kilometers per hour and in the daily distance traveled in freight traffic to 243 kilometers, cannot bring about the desired results.

To handle the constantly rising transportation requirements, freight cars, at present, can be overloaded by 20 percent of their load capacity. The further shortening of transportation time and improvement in utilization indexes of transportation capacity are planned, and the speed limit for passenger locomotives and freight locomotives is to be increased from 140 to 160 kilometers per hour and from 100 to 120 kilometers per hour, respectively. Furthermore, gas turbine locomotives at 3,000-9,000 horsepower are planned for construction in 1960. Work has already begun on fast express rail motor car trains (Schnelltriebwagenzuegen) with speeds up to 200 kilometers per hour and refrigerator and freight cars of 75- and 150-ton capacity.

2. LOCAL RAILWAYS IN ANHWEI PROVINCE -- Peiping, Jen-min Jih-pao, 19 Oct 59, p 3

To solve the problem for short-distance transport of coal and iron ore and to save labor and expense, Anhwei Province is, this year, building 17 lines of local railways, some of standard gauge and some of narrow gauge, with a total length of 128.14 kilometers. Eight of these lines are in operation, six are in process of construction, the other three are in the surveying and designing stage.

The function of these railways is to provide economical transportation, in both directions, between coal and iron mines and bamboo producing areas and the main railway, highway, and waterway transport systems. That the completed lines are profitable has already been demonstrated -- they require small investment, are quickly built, are inexpensive to operate, and are of large capability. For instance, five local railway lines connect a number of small, nearby, coal pits with the main Huai-nan colliery. One of these, built last May, is able adequately to serve three pits, transporting 1,000 metric tons of coal per day. At the city of Pang-fou, a line 1.1 kilometers long connects a wharf on the Huai Ho with the railway freight station. It is able to handle 2,000 metric tons per day of grain and pig iron; its capacity is equivalent to that of one-fourth of all the man- and animal-drawn carts in the city of Pang-fou.

A line 16.3 kilometers long has been built that carries coal and coke to the iron and steel plant at the city of Ching-hsien and coal to a wharf on the Ch'ing-i Chiang, from which point the coal is carried by water to the city of Wu-hu. When completed, a line in Hsi-hsien, in the mountainous section of southeastern Anhuei, will carry bamboo to a river wharf in Chi-ch'i hsien, from where boats take it to Wu-hu. Marble and other stone for building purposes, quarried in Fei-tung Hsien and Ch'ao Hsien, will be carried all or part of the way by local railway to Ho-fei and Pang-fou.

With regard to the quality of the local railways (the tracks and rolling stock) -- with the help of the Railway Science Institute, three types of cast iron rails have been designed and cast from local materials at the Chiu-lung-kang foundry of the Pang-fou Railway Bureau. The rails are all 4.1 meters long. Type No 1 is made of grey cast iron shaped like an inverted "T" (thus ⊥), and weighs 27 kilograms per meter; type No 2 is a high-grade rail weighing 48 kilograms per meter, made of 85 percent grey iron and 15 percent white iron, and shaped like the letter "I"; type No 3 is of locally made granular carbon iron cast like the letter "I" and also weighing 48 kilograms per meter. Tests with static loads show that the 27-kilogram-per-meter rails can bear loads of 8-9 metric tons, and in use, very few of them have broken. Type No 2 can bear 25-35 metric tons, and type No 3 can bear 35-53 metric tons. The two latter types have been used without damage by a Mikado-1 locomotive running at speeds up to 25 kilometers per hour and by a Mikado-7 locomotive running at speeds up to 35 kilometers per hour. The rails are now being produced in considerable numbers in foundries at Chiu-lung-kang, Pang-fou, and Wu-hu. Tie plates made of good quality cast iron and annealed have proved staisfactory. For rail spikes, crude steel made last year at Ta-pieh-shan is used.

The locomotives are adaptations of motor truck engines, transmissions, and axles. In place of rubber-tired wheels, wide-tread, cast iron wheels are used. Considerable experimentation has been done with the construction of 300-horsepower diesel oil engines specially designed for use in local railway locomotives.

As for rolling stock, apart from the wheels and axles, the cars are built almost entirely of wood and cast iron, and most of them are of 5-metric ton capacity, having a tare weight of 2 metric tons, although a few of 9-ton capacity and a tare weight of 4.6 metric tons have been built. So far, about 60 cars have been built.

Much assistance in the design and building of the roadbed, culverts and bridges, and cars and locomotives has been given by men of the Pang-fou Railway Bureau.

3. WORK ON WEI-NING -- JUNG-FENG RR SECTION PROGRESSING RAPIDLY -- Kuei-yang, Kweichow Jih-pao, 15 Jun 59, p 2

Work on the construction of the Wei-ning--Jung-Feng section of the Nei-chiang--K'un-ming railway is progressing very rapidly. According to incomplete statistics, by the end of May, work on the entire section was completed as follows: 7,142,259 cubic meters of roadbed; bridges and culverts totaling 3,286 meters in length; and 1,957 cubic meters in embankments. At the same time, 11 of the 16 railway stations, 34 of the 80 bridges, and 43 of the 72 tunnels were under construction. Members of the 8505 unit of the railway troops and several tens of thousands of civilian workers are participating in the work.

The Wei-ning--Jung-feng section of the Nei-chiang--K'un-ming railway will be used jointly by the Yunnan--Kweichow and Nei-chiang--K'un-ming trunk lines. The section will go through some 137 kilometers of mountainous region. It will have 72 tunnels totaling 36 kilometers and 80 bridges totaling some 7 kilometers.

4. PEIPING--CH'ENG-TE RR UNDER CONSTRUCTION -- Peiping, Jen-min Jih-pao, 3 Nov 59, p 3

Work on the Peiping--Ch'eng-te rail line will soon be completed and the line opened to traffic. At present, road construction workers are working on the construction of bridges and laying of tracks on the last 30-kilometer section between Mi-yun and Hsing-lung.

5. SUMMER TRAIN SCHEDULES ON CANTON--SAN-SHUI RAILWAY -- Canton, Kuang-chou Jih-pao, 26 Apr 59, p 2

It is announced that the Canton Railway Bureau has decided to put the summer train schedules into effect on the Canton-San-shui railway on 26 April, 1959, which is somewhat earlier than planned, and that the number of trains operated daily will be increased from nine pairs to ten pairs of trains.

The earliest scheduled morning train from Shih-wei-t'ang to San-shui will depart at 0745 hours, and the last one, at 1641 hours. The earliest train from San-shui to Shih-wei-t'ang will depart at 0705 hours, and the last one, at 1616 hours. From Shih-wei-t'ang to Fo-shan, the earliest morning train will depart at 0624 hours, and the last one, at 1920 hours; from Fo-shan to Shih-wei-t'ang, the earliest train will depart at 0600 hours, and the last one, at 1930 hours. Hereafter, there will be no added scheduled trains on Saturdays or Sundays.

6. CANTON SOUTH RAILWAY STATION SURPASSES TARGET -- Canton, Kuang-chou Jih pao, 11 Dec 58, p 2

From the first of the year until 3 December 1958, more than 860,000 metric tons of freight have been dispatched from the Canton South railway station, thus exceeding the leap forward target for the year. In the first half year, in advance of a highly productive agricultural season, this station dispatched more than 1,500 carloads of things needed by agriculture, such as seeds, agricultural chemicals, and chemical fertilizers; this was 57.5 percent of the target [for this class of goods] for the whole year.

7. CONSTRUCTION OF THE CHU CHIANG RAILWAY BRIDGE -- Canton, Kuang-chou Jih-pao 28 Dec 58, p 2

Work on the construction of the two-section railway bridge across the Chu Chiang (Pearl River) was formally begun on 19 October by the Fifth field section of the Ministry of Railways' Bridge Construction Bureau. Two bridge piers near the banks are already finished, the first one on 4 December, and the other one on 18 December. For pier No 30, of the western bridge section, 980 cubic meters of concrete had to be poured at one time; this was over 100 cubic meters more than was poured at one time for the great Wuhan Yangtze River railway bridge. Piers No 5 and No 6 of the eastern section and No 29 and No 26 of the western section are nearly finished, and several others are also under construction, in various stages of completion.

8. FREIGHT TRUCKING IN TIENTSIN MAKES A RECORD -- Tientsin, Hsin Wah pao, 21 Sep 59, p 1

In the effort to fulfill its quota of freight transport for September, motor truck workers in Tientsin have set one new record after another. The highest mark for one day's performance was made 19 September, when the aggregate volume of freight transported was 73,390 metric tons, which was 1,500 metric tons more than on any preceding day during September.

9. THROUGH PASSENGER AND BAGGAGE SERVICE ON RAILWAYS AND HIGHWAYS -- Canton, Kuang-chou Jih-pao, 26 Apr 59, p 2

Commencing on 1 May 1959, by an arrangement concluded between the transport bureau of the Kwangtung Department of Communications and the railway bureaus in Canton, Ch'angsha, Liu-chou, Nan-ch'ang, Wuhan, Shanghai, Hangchow, Cheng-chou, and Peiping, through passenger and baggage service will be possible by railway cars and motor buses for passengers beginning or ending their journeys at any of the following railway stations:

Canton, Shao-kuan, Shen-chen, Ying-te, Shih-wei-t'ang, Fo-shan, Heng-yang, Chu-chou, Ch'ang-sha, Nan-ch'ang, Ying-t'an, Peiping, Tientsin, Yung-ting-men, Pao-ting, Shih-chia-chuang, Cheng-chou, Hankow, Liu-chou, Nan-ning, Shanghai, and Hangchow, and at the motorbus stations in any of the following cities: Huei-yang, Swatow, Tung-kuan, Tan-shui, Ho-yuan, Ts'ung-hua, Mei-hsien, Hsing-ning, Chieh-yang, Liu-sha, Ch'ao-an, Ch'ing-yuan, Yang-shan, Weng-yuan, Nan-hsiung, Lien-hsien, Yung-ho, Chai-kang, Ssu-huei, Kuang-ning, and Chao-ch'ing.

For journeys between any of the railway or bus stations mentioned above, through passenger tickets, including the privilege of baggage service, may be purchased at any one of the indicated stations of origin. In addition, recognized bus stations in Kwangtung may sell through passenger and baggage tickets to any railway station within the jurisdiction of the Canton Railway Bureau, with the exception that baggage handling service, for the time being, will not be available between Shih-wei-t'ang and Fo-shan or Ssu-huei, Kuang-ning, and Chao-ch'ing.

10. PRIVATELY OWNED TRUCKS PRESSED INTO PUBLIC SERVICE -- Shanghai, Chieh-fang Jih-pao, 6 Oct 59, p 2

The need in Shanghai for more transportation during the fourth quarter is so great that steps have been taken by the municipal transport officials to organize for public transportation the freight-moving equipment owned by the various industrial enterprises for thier own use. Such privately owned motor trucks comprise about 65 percent of all trucks in the city. Their efficiency and rate of utilization of capacity are only about 20 percent of that of the trucks of the officially operated public motor transport agencies.

An analysis of freight transport in Shanghai for the first 9 months of 1959 shows that by far the greater part of it has been handled by the official transport agencies and only a small part of it by the privately owned equipment. Obviously, a large part of the latter's potential capacity has not been utilized. This is a great waste and is one of the main causes of the current tense transport situation. For example, in the P'u-t'o section of the city, there are 108 concerns that own 271 motor trucks (196 heavy trucks and 75 small trucks) and 6 trailers. These have a total tonnage capacity of 928.5 tons. They employ 381 chauffeurs, 730 freight handlers, and 25 skilled repair mechanics. The latent capacity of this equipment and of these men is immense. But this year, from January through August, of the more than 1.9 million metric tons of trucking that these concerns required, they depended on outside transport agencies for 1.3 million metric tons, or 67.18 percent of it, and with their own equipment and personnel, they transported only 640,000 metric tons, or 32.82 percent of it. In September, these concerns themselves transported 26.9 percent of a total of 344,000 metric tons of freight and hired outside trucking for

73.1 percent of it. A comparison of the amount they transported with their tonnage capacity shows that their efficiency and rate of utilization were far below that of the agencies who make motor transport their sole occupation. Hence, it is evident that to ease the transport situation, the privately owned trucks ought to be organized and used part time for public transportation under unified control.

Accordingly, on 19 September, the People's Council of Shanghai decided to put such an arrangement into immediate effect. Most rapid progress was made by the Shanghai Steel Plant No 3 of the smelting industry bureau. There were 54 trucks made available for operation under prescribed regulations and unified dispatching. Some of these trucks worked on night shifts, as well as on day shifts. Output soon jumped by over 20 percent, compared with that in August. Enterprises under the machine industries and chemical industries bureaus put similar arrangements into operation.

In six geographical sections of the city, staff offices were set up to provide unified direction and dispatching of the transportation originating, respectively, in those sections. It is confidently expected that these arrangements will satisfactorily solve the transport problem in Shanghai during the closing months of the year.

11. TEN YEARS OF MOTOR VEHICLE TRANSPORT -- Moscow, Automobil'nyy Transport, No 10, Oct 59, pp 1-4

In 1952, the number of motor transport enterprises increased to 1,854 -- tripling the number during the Kuomintang rule. In that year, the entire nation joined in the campaign "for traffic safety and 2,000 ton-kilometers per month." By 1954, accident-free runs had increased 45 percent over 1952; tire serviceability, 43 percent; and kilometrage between intermediate repair jobs, 60 percent.

In 1956, a new competition was initiated -- "for accident-free traffic, economy, and 100,000 kilometers of operation without major repairs." By the end of 1956, 20 percent of the motor vehicles in the country had covered more than 100,000 kilometers without major repairs.

During the First Five-Year Plan, a number of motor highways having defense and economic significance were restored or built in the coastal regions. For example, the road in Hainan Island crossed the whole island through the Wu-chi-shan mountains. As soon as the oil-bearing area in the K'e-la-ma-i region in Sinkiang was discovered, the Urumchi--K'e-la-ma-i highway was built. To aid our minority peoples, we built the famous Sikang--Tibet and Tsinghai--Tibet highways. Following this, a highway was built through the K'un-lun-shan mountain range in Sinkiang. The high mountain routes between Lhasa and Zih-ka-tse and, later, from Zih-ka-tse to Gyang-tse

and Chumbi were built. At present, Lhasa is connected, by the longest motor vehicle highway in the country (1,963 kilometers), with Hsia-tung [a point on the Lan-chou--Sinkiang railway, at or near An-hsi].

The productivity of freight truck parks in the first year after the transformation of private enterprises into private-state enterprises increased 69.4 percent, and the output of passenger bus parks increased 44 percent.

By the end of 1957, the volume of freight transport had increased 2.8 times over that in 1952 -- 24 percent more than was planned in the First Five-Year Plan. Freight turnover increased 4.1 times over 1952, or 20 percent more than planned. Passenger transport increased 2.9 times over 1952, or 52 percent more than planned.

The productivity of individual motor trucks increased 1.4 times over 1952, thus decreasing transport costs. In 1957, transport costs were 35 percent less than in 1952. For example, formerly the transport of one ton of freight by hand power from Shang-hsien, Shensi Province, to Hsin-yang (in Honan) cost 80 yuan; now, with the construction of highways and use of motor trucks, the cost for the same haul is 16.80 yuan. The prices of foodstuffs and salt in one of the autonomous regions in Szechwan Province, due to the building of highways, has been reduced by 60 percent. Another effect of highway construction has been to increase the export of local products 20 times.

In June 1958, only 4,000 motor trucks were operating with trailers. By the end of the year, 34,000 were using trailers. At this time, about 50 percent of the motor trucks in the country were operating on a two-shift-per-day basis. Other important changes in administrative matters were also effected. With the view to curtailing the time used in loading and unloading, a new method was adopted. When a truck hauling trailers reaches its destination, it drops the trailers and picks up others that are already loaded and ready to go. This raised the rate of utilization of trucks and trailers 2 or 3 times.

In 1958, motor transport fulfilled the state plan for transport and, on the whole, assured the delivery of raw materials for the smelting of steel: freight transport increased 110.6 percent over 1957; freight turnover increased 76.6 percent; passenger transport increased 31.9 percent; and productivity of motor trucks increased 48.7 percent.

By the end of May 1959, the average productivity of motor trucks reached 4,092 ton-kilometers per month per ton of truck capacity -- 8 percent more than in April. In many cases, it was considerably higher. Thus, the average productivity per truck of two companies of motor trucks in Ch'eng-tu, Szechwan, attained 9,187 ton-kilometers per month per truck-ton. Sixty-two of these trucks exceeded 10,000 ton-kilometers per month per truck-ton. The monthly saving of fuel by these trucks was over

16,000 liters. One of the motorized transport companies in An-shan, Liaoning, which consists of 50 trucks, exceeded the 10,000 ton-kilometers per month target and reduced the cost of transporting one ton of freight by 82.3 percent, compared with the preceding year. The average monthly productivity of motor trucks in the 3d motor transport company in Han-tan, Hopeh, attained 10,769 ton-kilometers per month per truck-ton. After the introduction of trucks hauling tandem trailers in one of the Peiping motor transport enterprises, productivity increased 183 percent, and haulage costs decreased about 47 percent.

Comparison between the present regime and the Kuomintang regime with respect to motor transportation:

1. When the Kuomintang government was at its height in 1936, China had only 105,788 kilometers of motor highways. Today, the People's Republic of China has 400,000 kilometers of roads.

2. Under the Kuomintang, China was completely dependent upon the imperialist countries for motor vehicles and received a few inferior trucks, some fuel spare parts, and tires. Now, China has her own motor transport industry.

3. During the Kuomintang regime, motor truck productivity did not exceed 662 ton-kilometers per month. Now, according to the data for May 1959, productivity per truck averaged 4,092 ton-kilometers per month per truck-ton.

4. Under the Kuomintang, the average run of a truck without the need for major repairs did not exceed 8,666 kilometers. Today, according to 1958 statistics, China's motor trucks average 94,600 kilometers between major repair jobs.

The material and moral support of the Soviet Union and other fraternal countries has contributed to the remarkable successes attained in the motor transport industry in Communist China. -- Lien Po-sheng, chief of General Highway Administration, Ministry of Communications

V. POSTS AND TELECOMMUNICATIONS

1. TELECOMMUNICATIONS ACHIEVEMENTS IN INNER MONGOLIA -- Peiping, Tien-hsin Ch'i-shu T'ung-hsun, 22 Sep 59, pp 7-9, p 34

Before the liberation, distributed in the vast areas of Inner Mongolia, there were only 46 telegraph service points, 46 long-distance telephone service points, 10 hsien telephone exchanges, and 10 cities with municipal telephone facilities. In the entire region during this period, there was only one set of three-channel frequency carrier equipment; the automatic telephone system was equipped with a capacity of only 1,200 circuits; the manually operated telegraph machines, with a total of 18 circuits, were considered as modern equipment.

After the liberation, under the leadership of the party, Inner Mongolia made great strides in the development of its telecommunications undertakings. Especially in 1958, during the great leap forward campaign, the progress made in communications work was very outstanding. The amount of long-distance lines installed during this period was 2.8 times that of 1957. The amount of hsien telephone lines installed was equivalent to 2.53 times the total amount of lines established during all the years before 1958. Telephones were made available in 86 percent of the su-mu [hsiang] during this one year; the capacity of municipal telephones added during this period was equivalent to 2.58 times that of 1957. The amount of radio communications equipment was increased 4.2 times over that in 1957.

After 10 years of construction work, direct telegraph and telephone circuits have now been extended from the capital of the autonomous region to, not only the various meng and shih, but also many of the ch'i and hsiens? Moreover, direct lines have been extended from the region to Peiping, Tientsin, Yin-ch'uan, Mukden, and Ta-t'ung. With the exception of two ch'i where radio communications are being used, all (ch'i or hsien) are now connected by wired communications lines. As of the end of June 1959, the number of long-distance telegraph and telephone circuits was equivalent to five times that of the period of 10 years ago. The number of telegraph and telephone service points was equivalent to 14.7 times that of the beginning of last decade. With the exception of one ch'i (hsien), municipal telephones have been established in all of them, and the capacity of the municipal telephones was increased to almost four times over that of 10 years ago. The number of hsien telephone service points in the broad rural areas and in the grazing areas is equivalent to 54.6 times that of a decade ago.

Beginning in 1954, automatic telephones and municipal telephone line routes were extensively installed in Pao-t'ou, the newly developed heavy industry city. Along the principal telegraph line route, the teletypewriter equipment was adopted. Direct carrier frequency telegraph and telephone circuits were extended from Pao-t'ou to Hu-ho-hao-t'e and to Peiping. At present, there are sufficient communications facilities in this industrial city to meet the needs of its development.

A telecommunications network now covered an extensive area in the grazing areas, as well as deserts, throughout the region. Long-distance communications lines passed through Hsi-lin-kuo-lo, I-k'o-chao, and Hu-lun-pei-erh; they have also been extended into remote areas such as Hsi-lin-hao-t'e and the east and west parts of Wu-chu-mu-hsin ch'i. The construction of the east-west trunk line of the region, with a total length reaching some 2,000 pole-kilometers, was started in 1955 and completed in 1958, after 4 years of construction. The completion of this line opened the direct communications circuit linking the capital of the region with Chao-wu-ta, Che-li-mu, and Hu-lun-pei-erh. The east-west communications, henceforth, will not require relays through Peiping and Mukden.

The total length of the long-distance communications line route, in line-kilometers, in the entire region was 3.43 times that of 10 years ago.

A decade ago, there were only two radio stations and five transmitters in the entire region. At present, there are more than 200 communications points where there are radio stations, and the number of transmitters has now reached 310 sets.

As of June 1959, the total length of the telephone pole line in the rural areas of the region extended some 26,000 kilometers, in contrast to 1,000 kilometers 10 years ago. Wire and wireless telephones were made available in 95.7 percent of the 700 agricultural and pastoral communes in the entire region; telephone services were extended into 39.5 percent of the production brigades and 1,336 production teams.

After 10 years of telecommunications construction, the technique of communications had been improved. For instance, carrier frequency equipment is now being used for long-distance communications between the capital of the region and various meng and shih. Teletypewriter machines are being progressively adopted by the various principal telegraph line routes in the region; automatic telephone services are being developed. Moreover, conference telephone services are now being fully utilized.

During the past 10 years, through technical revolution and technical innovations, many new techniques and pieces of equipment were developed to increase labor productivity. At the same time, various plants were established, such as the telecommunications machinery manufacturing plant, battery plant, and the mica plant. Products such as three-channel carrier frequency equipment, magneto telephone exchanges, and conference telephone equipment were produced by these plants.

Following the rapid development of telecommunications facilities in Inner Mongolia, technical personnel in this filed were in demand. The Inner Mongolia Posts and Telecommunications School, during the past years, trained many students to serve this purpose, especially many minority nationality cadres who were placed in various telecommunications units throughout the region.

The volume of telecommunications operations during the past years has shown progressive increase. According to statistics of the first half of 1959, it is estimated that the annual volume of telegraph operation will be 16 times that before the liberation, and the annual volume of long-distance telephone operations will be 3.4 times that before the liberation.

At present, the increase-production and practice-economy campaign and the "one dragon" movement are being carried out throughout the telecommunications enterprise; it is expected a greater leap forward will be realized in its work.

2. POSTS AND TELECOMMUNICATIONS CAPITAL CONSTRUCTION IN VARIOUS AREAS -- Peiping, Jen-min Yu-tien, 7 Oct 59, p 1

Sinkiang -- The project for the installation of automatic telephones in Turfan was among the ten construction projects completed on 29 September 1959. This marked the first automatic telephone installation in the communications history in Sinkiang. The construction of a modern postal building was completed in Urumchi on the eve of 1 October. The floor space of this building is three times greater than that of the old building. Mechanized equipment for postal handling has been installed in this building.

Shensi -- The Shensi Provincial Telegraph and Telephone Building is now being built at the rear of the Sian Posts and Telecommunications Bureau. When completed, there will be a floor space of some 20,000 square meters. The middle section of the building will constitute a seven-story tower with a height of 52 meters. It is expected that construction work will be completed by 1 October 1960 and that modern communications equipment will be installed in this building. Until then, along the communications line between Sian and Peiping, 120 persons can make telephone calls simultaneously without any interferences. Direct telegraph and telephone service lines will be extended to various areas throughout the province and to other cities outside of the province. There will be a telephone conference room in this building. In the future, through the facilities in this building, the Peiping television program can be seen in this area.

Shantung -- A modern posts and telecommunications building to house the automatic telephone exchange equipment is now being built in the suburb of Tsinan. The first stage of the construction project will be completed by the end of 1959. Until then, 35,000 circuits will be added to the automatic telephone system in Tsinan.

VI. ELECTRIC POWER

1. KIANGSI'S LARGEST STEAM TURBINE GENERATOR STARTS TEST RUN -- Nan-ch'ang, Kiangsi Jih-pao, 23 Sep 59, p 1

The installation of Kiangsi's largest steam turbine generator, with a capacity of 12,000 kilowatts, in the Ch'i-li-chieh Thermal Electric Power Plant was completed on 15 September 1959. The test run of the generator was made on 19 September and found to be satisfactory. A great amount of electric power will soon be transmitted from this plant to the various industrial plants in Nan-ch'ang.

Before the liberation, there was only one electric power plant, the Hsia-cheng-chieh Electric Power Plant, with a total capacity of 3,200 kilowatts, in the entire Nan-ch'ang area. Under the leadership of the party, the electric power industry in Nan-ch'ang made tremendous development in its expansion work during the past years. The generating capacity has developed from 3,200 kilowatts to 34,700 kilowatts. This development, however, was still unable to keep pace with the rapid development of industry in Nan-ch'ang. It was in this situation that the Kiangsi capital construction committee, in compliance with the directive of the provincial party committee, made plans for the expansion of the Ch'i-li-chieh Electric Power Plant.

2. SHANG-YU-CHIANG HYDROELECTRIC STATION INSTALLS FINAL GENERATOR UNIT -- Nan-ch'ang, Kiangsi Jih-pao, 23 Sep 59, p 1

The installation of the last of the four generator units with a capacity of 15,000 kilowatts in the Shang-yu-chiang Hydroelectric Station was completed on 10 September 1959, ahead of schedule. This marked the completion of the construction of Kiangsi's largest hydroelectric station.

The installation of three generator units during the first stage of the construction project was started in June 1957 and completed at the end of November 1957. During the past 2 years, the electric power produced by the Shang-yu-chiang Hydroelectric Station played an important role in the development of mines, plants, industries, and agriculture in southern Kiangsi areas.

3. DATA ON SHANG-YU-CHIANG HYDROELECTRIC STATION -- Nan-ch'ang, Kiangsi Jih-pao, 27 Sep 59, p 2

The rentention dam of the Shang-yu-chiang Hydroelectric Station is 153 meters in length and 205 meters in height. The construction cost of this entire project, through technical innovations and an economy drive, amounted to only 63 million yuan; the station has a generating capacity of 60,000 kilowatts. The construction cost of a hydroelectric station is about the same as a thermal electric station: 1,000 yuan per kilowatt. But the cost of hydroelectric output is much less than that of thermal electric output. At present, the Shang-yu station is supplying electricity at an average of only 0.03 yuan per kilowatt-hour, and the production cost is only 0.015 yuan. If all of the generator units go into production, the actual cost per kilowatt-hour of electricity will be only 0.004-0.005 yuan. In the past, the minimum cost of a kilowatt-hour of electricity in thermal electric plants in Kan-chou, Ta-yu, and Shang-yu was more than 0.10 yuan; the rate of electricity for illumination in Kan-chou was 0.35 yuan per kilowatt-hour.

A 110-kilovolt transmission line was extended from the station into Kan-chou, and another line with the same capacity was extended into the world-famous Hsi-hua-shan tungsten mine.

4. ELECTRIC PLANTS ECONOMIZE IN USE OF COAL -- Peiping, Shui-li Yu Tien-li, 5 Sep 59, pp 26-27

Ch'eng-tu Heat and Electric Power Plant-- From May through July 1959, the consumption of coal per kilowatt-hour of electricity was reduced from 0.526 kilogram in April 1959 to 0.421 kilogram, thus saving for the state a total of 1,320 metric tons of coal. It is expected that a further reduction of 9.1 percent will be made on the consumption of coal, so that during the last half of 1959, a saving of 5,000 metric tons of raw coal for the state may be realized.

Hunan Electric Industry Bureau's Thermal Electric Power Plant -- During the first half of 1959, the Thermal Electric Power Plant of the Hunan Electric Industry Bureau showed a great improvement in economizing the use of coal over that in the corresponding period in 1958. A total of 7,000 metric tons of coal was saved; low grade coal and anthracite coal constituted 90 percent of the fuel coal used (of which 32 percent was anthracite coal).

Inner Mongolia Electric Power Industry Bureau -- On 5 August 1959, a telephone conference was called by the Inner Mongolia Electric Power Industry Bureau in Hu-ho-hao-t'e to make plans for economizing in the

use of coal during the last half of 1959; it was demanded that electric plants in the entire region during the last half of the year reduce their average fuel coal consumption 8-12 percent under that in the first half of the year in order to realize the saving of 20,000-25,000 metric tons of coal. The chief engineer in the Pao-t'ou No 2 Heat and Electric Power Plant proposed that fuel cost consumption in his plant be reduced from 0.405 kilogram per kilowatt-hour in the first half of the year to 0.372 kilogram per kilowatt-hour in order to save 5,000-6,000 metric tons of raw coal during the last half of the year; it will strive to reach the national advanced level of 0.350 kilogram per kilowatt-hour during the last quarter of the year.

Shih-ching-shan Electric Power Plant-- The No 5 engine of the Shih-ching-shan Electric Power Plant underwent a major repair recently; through technical innovations, a choker attachment was added to the first stage cylinder of the steam turbine unit to prevent steam loss. With this attachment added, although the electricity output remained the same, the hourly steam consumption rate was lowered about 0.06 kilogram kilowatt-hour, and the efficiency of the steam turbine was raised 0.35 percent; a total of some 688 metric tons of coal was saved annually.

Ch'i-shu-yen Electric Power Plant -- From January through June 1959, the Ch'i-shu-yen Electric Power Plant of Kiangsu, through technical innovations, realized a saving of 885 metric tons of coal as compared with that in the same period in 1958. At present, the average fuel coal consumption rate has dropped to 0.599 kilogram per kilowatt-hour of electricity produced. The Kiangsu Electric Power Industry Bureau demanded that this plant make a further reduction of its fuel coal consumption rate of 3.5 percent.

Wei-shui Electric Power Plant -- During the first half of 1959, the average fuel coal consumption rate in the Wei-shui Electric Power Plant was 0.647 kilogram per kilowatt-hour of electricity, or a reduction of 0.145 kilogram as compared with that in the corresponding period in 1958; a total of some 6,100 metric tons was saved by this plant during this period.

Pen-kang Electric Power Plant -- The Pen-kang Electric Power Plant No 2 has been using low grade coal for its fuel since 1951. During the first half of 1959, a total of some 102,120 metric tons of various kinds of low grade coal had been consumed; this is accounted for by 91.8 percent of the total amount of fuel coal used in this plant during this period. A saving of 9,211 metric tons of good coal was realized for the state.

VII. PLANS AND PLAN FULFILLMENT

1. STATISTICS ON CHINA'S ECONOMIC ACHIEVEMENTS IN LAST TEN YEARS -- Peiping, Ching-chi Yen-chiu, No 10, 17 Oct 59, pp 1-10

(The following data are extracted from the lead article in this tenth anniversary issue. This article, entitled: "The Great Achievements of Our Country's Socialist Construction in the Last Ten Years," was written by Cheng Ching-ch'ing.)

The great achievements in socialist construction in China in the last 10 years have wrought manifest changes in the socio-economic countenance of our country.

A comparison of 1959 plan figures with 1949 figures in the field of industry shows the following: the gross production value of China's industry will increase more than tenfold, to 147 billion yuan; steel production will increase 75 times (or 12 times over the highest preliberation year), to 12 million metric tons; coal production will increase more than 9 times (or 4.4 times over the highest preliberation year), to 335 million metric tons; the amount of electric power generated will increase more than 8 times (or 5.5 times over the highest preliberation year), to 39 billion kilowatt-hours; and cotton yarn production will increase 3.5 times (or 2.3 times over the highest preliberation year), to 8.2 million bales.

The proportion of the gross value of industrial and agricultural production accounted for by the gross value of industrial production has already risen from 30.1 percent in 1949 to 63.6 percent in 1958.

The value of production of the means of production reached 67 billion yuan in 1958, an increase of nearly 20 times over 1949, which represents an average annual increase of 40 percent. The proportion of the gross value of industrial production accounted for by this production rose from 26.6 percent in 1949 to 57.3 percent in 1958.

The value of production of consumer goods amounted to 50 billion yuan in 1958, an increase of 4.3 times over 1949 or an average annual growth of 20.2 percent.

Many new industrial products which formerly were not manufactured at all are now sufficiently manufactured in China. Before the liberation, we could not manufacture metallurgical equipment, airplanes, motor vehicles, or 500-kilowatt small generators. Now, we are already turning out large-scale blast furnace installations with a capacity of over 1,500 cubic meters, as well as jet planes, all kinds of motor vehicles, tractors, 5,000-metric-ton cargo steamers, 72,500-kilowatt hydroelectric generating equipment, and 50,000-kilowatt thermal electric generating

equipment. In addition, we can produce approximately 500 kinds of steel and 6,000 kinds of steel materials; many types of new-model heavy-scale machine tools; 2,500-metric-ton hydraulic forging presses; coal-mining and coke-refining equipment; complete sets of textile, paper-making, sugar-refining, and other equipment; chemical fibers; all kinds of bactericides; and activated dyestuffs. China can now also sufficiently design for itself such complex projects as large-scale iron and steel plants, coal mines, and electric power stations.

In the space of 9 years (1949-1958), newly added industrial fixed assets in China totaled more than 34 billion yuan in value, and the corresponding figure by the end of 1959 will be 45 billion yuan. In the 10 years through 1959, the production of machine tools will have increased from 1,582 to 60,000 per year.

During the 9-year period 1950-1958, the average yearly rate of growth of China's industrial production was 28 percent. The average rates of increase per year in steel production and coal production during the same period were 54.7 percent and 26.5 percent, respectively. It has taken China only 6 years to raise steel production from 1,350,000 metric tons to 8 million metric tons per year and to raise coal production from 65 million to 270 million metric tons per year. China ranked 26th in the world in 1949 in steel production, 18th in 1952, 9th in 1957, and 7th in 1958; in coal production, it ranked 9th in 1949, 6th in 1952, 5th in 1957, and 3rd in 1958.

In Old China, over 90 percent of the steel industry was concentrated in the Northeast; but now, iron and steel industrial bases of differing sizes are being built in every province, special municipality, and autonomous region of the country except Tibet. The proportion of the gross value of industrial production for the entire nation accounted for by inland China was less than one fourth in 1949, but now it has already surpassed one third.

As for agriculture, if we compare the plan figures for 1959 with 1949 figures, we find that the gross value of agricultural production will have increased approximately 150 percent to 73.8 billion yuan, for an average annual increase of 9.8 percent. Grain production will have increased 1.5 times also (or, compared to the highest preliberation year, will have nearly doubled), to 550 billion chin. Cotton production will probably have increased by more than 400 percent (or more than 150 percent over the highest preliberation year), to 46.2 million tan. A comparison of 1958 with 1949 figures for other major agricultural crops shows the following production increases: soybeans, 110 percent; peanuts, 120 percent; rapeseed, 50 percent; sugar beets, 1,420 percent; sugar cane, 410 percent; cured tobacco, 780 percent; and Indian jute and ambari hemp 740 percent. In grain production, China jumped to first

place among the world's nations since 1952 (although it is still comparatively low in per-capita production), and it took over second place in cotton production, behind the US, last year. In the 9 years from 1949 to 1958, China's grain production increased 130 percent, whereas that of the US rose only 25 percent and that of the UK fell 6.5 percent; China's cotton production rose 370 percent in this period, while in the US it dropped 28 percent. Capitalist "population theorists" formerly contended that the rate of growth of agriculture could only be about the same as or even lower than, the rate of growth of the population. They decided that China will have no way to support this overlarge population. Now, this kind of fallacious reasoning has been smashed by firm, generalized facts.

Despite the urgent needs from time immemorial for flood and drought control, by the time of the liberation, China had an irrigated area which measured only 240 million mou (16 million hectares.) In the last 10 years, we have constructed several dozen large-scale reservoirs and several thousand medium- and small-scale reservoirs. together with a large amount of other farmland water conservation work, and we have raised our nation's irrigated area more than 300 percent since the first days after the liberation, expanding it to more than one billion mou. There have been many other areas of improvement in agriculture.

As for improved strains, for example, of the area sown to paddy and wheat in 1952, only 5.4 percent and 5.1 percent, respectively, were sown with excellent seed; but by 1958, the areas had been increased to 81.9 percent and 86.1 percent, respectively. Excellent seed was used on 50.2 percent of the land devoted to cotton production in 1952 and 97 percent in 1958. This raised production per unit area. From 1949 to 1958, the paddy yield rose from an average of 252 chin to an average of 463 chin per mou. That of wheat was increased from 86 chin to 145 chin, and that of cotton (ginned cotton), from 22 chin to 49 chin.

During the last 10 years, the area devoted to afforestation in China has reached more than 500 million mou, of which more than 100 million mou are protective forests and nearly 200 million mou are to be used for timber. There has also been a great development of fruit tree planting.

From 1949 to 1958, the number of large domestic animals in China has risen from 60 million to 85 million; the number of hogs, from just over 57 million to 160 million; and the number of sheep, from 42 million to 108 million.

In the 9 years from 1950 to 1958, agricultural loans issued by the state totaled nearly 12.6 billion yuan. By the end of 1957, the state had set up a total of 390 agricultural machine and tractor stations, with 12,176 standard tractors altogether; there were more than 13,600 agricultural technology promotion stations and over 800 livestock propagation stations, as well as over 2,900 animal husbandry and veterinarian work stations and more than 150 new-model agricultural implement stations.

In 1958, mechanically-cultivated land accounted for only 4 percent of the arable land area in China, and land irrigated by power accounted for only 10 percent of the area of land which can be irrigated.

Turning to transportation and communication, we find that the total distance of through train rail lines in China, which was still less than 22,000 kilometers in 1949, had already increased to over 31,000 kilometers in 1958, an increase of 42 percent; during this period, highways increased from 80,000 kilometers to 400,000 kilometers, a fourfold increase, and the distance of inland water transport routes was doubled, from 73,000 kilometers to 150,000 kilometers.

China's civil air lines grew about 190 percent, from a total length of only a little over 11,000 kilometers in 1950 to 33,000 kilometers in 1958. A comparison of 1958 with 1949 figures shows that railroad freight cars increased 110 percent; railway passenger cars, 120 percent; freight trucks, 120 percent; and the amount of shipping cargo, more than 400 percent. As regards the amount of freight transportation [in ton-kilometers], that on the railroads has increased more than 9 times in the last 9 years; that carried by motor trucks, more than 26 times; and that carried by steam barges and steamboats, more than 9 times, while that transported by such nonmechanized transport as wooden junks and animal-drown carts also increased. The major construction projects connected with the field of transportation during the last 9 years include the Ch'eng-Yu Railroad (Ch'eng-tu to Chungking); the Pao-Ch'eng Railroad (Pao-chi to Ch'eng-tu); the Ying-Hsia Railroad (Ying-t'an to Amoy); the T'ien-Lan Railroad (T'ien-shui to Lan-chou); the Pao-Lan Railroad (Pao-t'ou to Lan-chou); the Yangtze River Bridge at Wuhan; the Ch'ing-Tsang, K'ang-Tsang, and Hsin-Tsang (Tsinghai-Tibet, Sikang-Tibet, and Sinkiang-Tibet) highways; etc.

Still under construction at present are the Lan-Hsin Railroad (Lan-chou to Sinkiang), the Ch'uan-Ch'ien Railroad (Szechwan to Kwei-chow, i.e., Chiang-k'ou to Kuei-yang), the Nei-K'un Railroad (Nei-chiang to K'un-ming), the Hsiang-Ch'ien Railroad (Hsiang-t'an to Tu-yun), and several bridges over the Yangtze and the Yellow Rivers. By 1958, motor vehicles could reach 97 percent of the nation's hsien seats by simple highways. The number of postal and telecommunications bureaus and offices increased from over 20,000 in 1949 to over 60,000 in 1958, and 98 percent of the people's communes in China had already been equipped with telephones.

As for commerce, the amount of retail sales of commodities in China had, by 1958, increased to 54.8 billion yuan, 3.2 times as great as in 1950. A comparison of figures for principal consumer goods with those of 1950 shows an increase of 62 percent for grain, 97.2 percent for edible vegetable oils, 94.1 percent for table salt, 300 percent for sugar, 240 percent for aquatic products, 120 percent for cotton cloth, 330 percent for rubber-soled footwear, and 270 percent for machine-made paper.

The total amount of purchases of industrial products by state-operated commerce and supply and marketing cooperatives in 1958 was 32.6 billion yuan, and the total amount of purchases of agriculture and subsidiary products amounted to 18.8 billion yuan, with increases over the corresponding figures for 1952 of 2.8 and 1.9 times respectively. Commercial departments supplied the rural areas with 6.7 billion yuan worth of the means of production in 1958, which was 4.7 times as much as in 1952.

The steady increase in the supply of consumer goods over the last 10 years has resulted in a stabilization of prices in China. If we assign the base figure of 100 to March 1950, when prices were beginning to be stabilized, then the wholesale price index for the whole nation in 1958 was 92.7, and the retail price index for eight large cities was 101.4.

China's foreign trade also has had a tremendous development. The total amount of import and export trade for the entire nation in 1958 was 3.1 times as great as that in 1950; a breakdown of this figure shows that import trade was 2.9 times as great, while export trade was 3.3 times as great. Imports and exports are in virtual balance. While the bulk of China's exports still consists of agricultural products, the proportion accounted for by industrial products had risen to 27.5 percent in 1958.

Concomitantly with the development of economic and cultural construction, the material and cultural standards of living of the people have also been raised. In 1949, there were a total of 8 million employees [workers and staff] in all of the country's economic, cultural, educational, and health departments and all of the state agencies. By August 1959, this figure had reached 40 million, an increase of four times over the 10-year span. Unemployment was eliminated early in this period. The average wages of China's employees more than doubled from 1949 to 1958, while the individual income of the peasants (not including accumulation by the people's communes) nearly doubled.

The total national figure for employees receiving labor insurance rose from 600,000 in 1949 to 13.7 million in 1958; employees receiving medical care at public expense increased from 4 million in 1952 to more than 6.8 million in 1958. In the 7 years from 1952 to 1958 the labor insurance funds, medical treatment expenditures, cultural and educational expenditures, incentive bonus funds, and welfare funds used by the state to increase employees' income and improve employees' welfare came to a total of 14.1 billion yuan. After the peasants of the nation joined the people's communes, the great majority of the nonable-bodied population was receiving expense-free food and provisions; the former difficult life of anxious eating and anxious drinking will quickly be converted into a historical memory.

To overtake England by 1967 in the production of certain major products, the average annual rates of growth which China will have to sustain are as follows: steel, 11.4 percent; electric power, 24.2 percent; cement, 6.2 percent; sulfuric acid, 16.8 percent; nitrogenous fertilizers, 7.6 percent; and paper, 12.2 percent. These rates are all lower than the average rates maintained during 1958 and 1959 and, with the exception of electric power, are also lower than the average annual rates of growth during the First Five-Year Plan.

2. INCREASED INDUSTRIAL OUTPUT IN KIRIN -- Ch'ang-ch'un, Kirin Jih-pao 9 Aug 59, p 1

From January to July, Kirin fulfilled 56.8 percent of the annual plan of gross value of industrial production, an increase of 44.5 percent over the amount fulfilled during the same period in 1958; raw coal output during the same period increased 160 percent; wood materials output increased 156 percent; and, particularly during July, the hot, rainy season, the amount of iron and steel refined increased greatly. Coke consumption in this process has steadily declined, while coal output rose steadily. At the same time, the quality of light industry has improved, and the variety of handicraft goods has increased.

3. PRODUCTION FIGURES OF 1958 AND 1959 FOR KIANGSI -- Nan-ch'ang, Kiangsi Jih-pao, 25 Sep 59, p 1

According to the final figures of the Kiangsi Statistical Burreau, grain output in 1958 amounted to 18.8 billion chin or 34.28 percent more than in 1957; raw cotton output reached 650,000 tan, or 25.96 percent more than in the preceding year; output of pig iron (one type of iron) amounted to 118,000 metric tons, or 12.2 times the amount produced in 1957; and coal output reached 6,820,000 metric tons, or 157.5 percent more than in the preceding year.

The leap forward in production has carried over to 1959. According to statistical bureau data covering the first 8 months of 1959, the gross value of industrial production in Kiangsi stands at 1,441,000,000 yuan, or 44 percent above the amount for the same period of 1958. The output of pig iron (one type of iron) reached 110,350 metric tons, or 420 percent more than in the corresponding period of 1958; total output of coal was 4,580,000 metric tons, or 74.9 percent more than in the same 8 months of 1958; total electrical output was 280,390,000 kilowatt-hours, an increase of 66.8 percent; cotton yarn output was 78,900 chien, an increase of 27 percent; cotton cloth output was 61.9 million meters, an increase of 16.4 percent; and the output of other heavy and light industry products was considerably higher than in 1958.

Completed investments in capital construction total 248,510,000 yuan, an increase of 29 percent over that of the corresponding period in 1958. The volume of railroad, highway, and waterway transport totals 14,170,000 metric tons, an increase of 67.2 percent. Retail sales of social commodities during these 8 months amounted to 982 million yuan, or 27 percent more than in the same period of 1958.

The adjusted 1959 targets for Kiangsi are as follows; grain output, 21 billion chin, or 12.44 percent more than the verified output of 18.8 billion chin in 1958; raw cotton output 720,000 tan, or 10.77 percent more than the verified output of 650,000 tan in 1958; pig iron (one type of iron) output, 200,000 metric tons, or 70 percent more than the 118,000 metric tons produced in 1958; and coal output, 8.2 million metric tons, or 20 percent more than the 6,820,000 metric tons produced in 1958.

4. ECONOMIC ADVANCEMENT IN NORTH FUKIEN -- Foochow, Fukien Jih-pao, 21 Aug 59, p 3

One fourth of the cultivated area of Fukien, or more than 5 million mou, is in the northern sector. After the liberation, great strides were made in water conservation work, but even greater achievements in increased production came after communalization. In 1958, grain output amounted to about 1,000 chin per capita of peasant population. Grain purchases in that year totaled 1.5 times more than in 1952. From 1952 to 1958, north Fukien supplied more than 1,730,000,000 chin of surplus grain to the state, Foochow, and coastal areas.

Approximately 60 percent of Fukien's forest land is located in the north. In 1952, only 380,000 cubic meters of wood materials were produced; by 1958, it had increased to 1,850,000 cubic meters; in 1959, the output is expected to be considerably higher. If the 9 million cubic meters or more of wood materials produced since 1952 were used to make railroad ties, it would be enough for 40,000 kilometers of railroad.

The swift development of industrial production in north Fukien has been almost beyond comprehension; new towns and factories and mines have sprung up like shoots after a spring rain; the number of employees has increased from 5,000 or more in 1952 to more than 50,000 at present; and the value of industrial production has jumped from 33 million yuan in 1949 to more than 204 million yuan in 1958. Before the liberation, there was no machinery and equipment industry in the area, and the metals industry located at Nan-p'ing was negligible. After 1954, however, two machinery and equipment plants were constructed at P'u-ch'eng and Nan-p'ing. By 1958, all hsiens had machinery and equipment plants and agricultural implements plants which produced more than 800 machine tools and could manufacture generators, electric motors, and water pumps. Prior to the liberation, only ten hsiens had electric power plants; but now, every hsien has a power plant, and in villages bordering the mountains, 130 hydroelectric stations have been set up. The entire area now has an output capacity of 33,500 kilowatts.

Each hsien (and municipality) now has an iron plant; the total annual output is about 10,000 metric tons. In addition to this, the Nan-p'ing Paper Mill produces 100 metric tons of newsprint paper daily, the Nan-p'ing Cement Plant produces 70,000-80,000 metric tons of cement annually, and the carbon black products produced by the Nan-p'ing Chemical Plant meet national specifications. All of these factories have been established since the liberation, and they have laid the preliminary foundation for the industrialization of north Fukien.

Communication was very difficult before the liberation. There was no vehicular traffic in such hsiens as Nan-p'ing, Chienou, Chien-yang, P'u-ch'eng, and Ku-t'ien; there was less than 500 kilometers of roads passable to vehicles; and in many cases, it took more than 2 weeks to travel from nearby hsien to Nan-p'ing and back. In addition to putting through the Ying-t'an -- Amoy and Nan-p'ing -- Foochow railways, trunk highways were built, and now more than 2,000 kilometers of roads are open to vehicular traffic. Nan-p'ing can now be reached by vehicle from any hsien in the area within one day.

During the period under consideration, there have been noticeable changes in the people's standard of living. The income of both the urban and rural people increased; consequently, purchasing power during this period increased more than 500 percent. Total retail sales in 1958 amounted to 201.6 million yuan, in contrast to only 37.1 million before the liberation.

The number of middle schools in the area has doubled since 1949; now, every hsien has them. The increase in the number of primary schools was even larger. Other higher schools, such as a forestry college and special normal colleges, were also set up. At present, there are approximately 280,000 students in all of the schools; this is about six times the number of students prior to the liberation.

The mountainous area has already been disease-ridden, but since the liberation, many hospitals, health centers, and quarantine stations have been established; subsequently, sickness and death rates have dropped substantially.

North Fukien has undergone tremendous changes over the last 10 years, and under the guidance of the party general line, it will continue to leap forward and attain more magnanimous changes.

5. PROGRESS IN PLAN FULFILLMENT IN CANTON -- Canton, Kuang-chou Jih-pao, 9 Dec 58, p 2

According to statistical data of the Canton Municipal Statistical Bureau, the economy of Canton continued to leap forward rapidly and attained certain achievements. However, the situation of plan fulfillment by industrial enterprises was not very good, and the rate of capital construction was still fairly slow. This should be brought to the attention of departments concerned, and measures for completely fulfilling plans should be promptly adopted.

In November 1958, the total value of industrial production in Canton (including the handicraft industry) increased 2.4 percent over October 1958 and 125 percent over November 1957. From January through November 1958, the annual leap forward plan was fulfilled 93.6 percent. Within this, the total value of industrial enterprises' production increased one percent over October 1958 and 97 percent over November 1957; and fron January through November 1958, the annual leap forward plan was fulfilled 91.6 percent. The Machinery and Electrical Bureau and the Chemical Bureau fulfilled the annual plan for the total value of production one month ahead of schedule; and the handicraft industry also fulfilled the annual plan for the total value of production one month ahead of schedule.

Steel [in November 1958] increased 238 percent compared to October 1958. This figure may be further broken down as follows: foreign steel increased 96.1 percent; native steel, 718.8 percent; and rolled steel, 47.2 percent. The production volume of pig iron also increased 41.2 percent. The production of major construction materials and refractory materials related to the iron and steel [industry] also continued to develop rapidly, the output of cement increased 16.7 percent over November 1957, the output of refractory bricks increased over four times over the same period in 1957, and coke increased almost two times over that of October 1958.

Production of manganese iron [probably steel] and silicon iron [probably steel] commenced in December, and 10.4 and over 9 metric tons respectively, were produced. After basically fulfilling the iron and steel equipment quota, machinery manufacturing departments began to implement the production of machinery and equipment for rolled steel, coal-mining, cement, refractory materials, and other industries and the initial results were great. Up to the end of November, approximately 2,600 native machine tools had been manufactured throughout Canton, along with over 2,000 items of other native equipment and tools. Comparing the total value of production of all industrial departments with the same period in 1957, the chemical industry increased 234.3 percent, the textile industry increased 34.2 percent, and light industry increased 88.4 percent, and there were also increases of varying degrees as compared with October 1958.

In November 1958, industrial production in Canton Continued to develop rapidly and attained great achievement; however, with regard to plan fulfillment, it was not very good. Local industrial enterprises fulfilled only 93.59 percent of the monthly plan, and plan fulfillment of all departments, enterprises, and major products was also out of balance. In all areas, with the exception of the central and suburban areas which overfulfilled the monthly plan, plans were not fulfilled; in all industrial bureaus, with the exception of light industry and the textile industry which fulfilled the monthly plan, plans were not fulfilled. Out of 701 industrial enterprises, there were 284 which fulfilled the monthly plan and 417, or 59 percent, that did not fulfill the monthly plan; and out of 126 kinds of major products, there were 91 kinds, or 72 percent, that did not fulfill the plan.

The amount of capital construction investment fulfilled in November 1958 was 30.4 percent greater than in October 1958; within this, the amount of industrial investment increased 54.2 percent over October 1958, and maintenance projects developed greatly. However, the rate of advancement of capital construction is far behind the plan. The amount of investment fulfilled in November 1958 still did not reach the level during September 1958, and the total amount for January through November 1958 only fulfilled 43.18 percent of the annual leap forward plan.

In November 1958, communications and transportation operated by the entire party and all the people attained new achievements. In all areas during November 1958, the number of times that individual personnel aided in the transport of iron and steel reached 94,000 [that is to say 94,000 man/times], or an average of 3,100 times per day. An average of 45 motor vehicles belonging to agencies and enterprises were organized each day to aid in transport, and at the same time, the number of times each vehicle made a trip was increased. Maintaining a continuous train with more trips per vehicle was strongly promoted, causing the transport volume for November 1958 to continue to leap forward. The import and export of commodities of Huang-p'u Harbor, the Kuang-chou North Railroad Station, and six other railroad stations increased 6.4 percent over October 1958; Huang-p'u Harbor exceeded fulfillment of the annual plan by 22 percent one month ahead of schedule; the volume of freight transported on highways within the city increased 16.8 percent over October 1958, fulfilling the monthly plan 105.5 percent; and the amount transported by wooden junks increased 32.7 percent over October 1958, fulfilling the monthly plan 95 percent.

The total output of the late crop of paddy by suburban areas reached over 3,790,000 shih tan, or an average of 1,100 shih chin per mou, which was more than three times the yield per mou of 1957's late paddy crop.

Commercial departments carried out large purchases and sales and attained certain achievements. There was much progress by central government purchasing and supply stations toward Canton's industrial processing and purchasing work; in November 1958, the total value of processing and purchases reached 61,460,000 yuan, which was an increase of 31.7 percent over October 1958. This figure may be further broken down as follows; the means of production increased 67.9 percent, and the means of subsistence increased 11.2 percent. The total value of commodities supplied to Canton increased 9.5 percent over October 1958, and this figure may be further broken down as follows; the means of production dropped 12.5 percent, and the means of subsistence went up 48.1 percent. Up to November 1958, all central government stations fulfilled purchase and sales plans passed down by the state ahead of schedule and almost fulfilled the leap forward plan (purchases were fulfilled 81 percent, and sales, 85.5 percent). In November 1958, Canton's consumer goods and markets were basically stable, and total retail sales of social commodities dropped one percent below October 1958 and increased 37.5 percent over the same period in 1957. Retail sales prices dropped slightly.

* * *

WEEKLY REPORT ON

COMMUNIST CHINA

Number 5

18 December 1959

Prepared by

Foreign Documents Division
CENTRAL INTELLIGENCE AGENCY
2430 E. St., N. W., Washington 25, D.C.

PLEASE NOTE

This report presents unevaluated information selected from foreign-language publications as indicated. It is produced and disseminated as an aid to United States Government Research.

WEEKLY REPORT ON COMMUNIST CHINA

Table of Contents

SOURCES

The information contained in this summary is taken from the following sources. Titles are given in the modified Wade-Giles transliteration followed by the P'in-yin romanization system in parentheses which was newly adopted by the Chinese Communists.

Newspapers	Place of Publication
Anhwei Jih-pao (Anhui Ribao)	Ho-fei
Bao Tan Viet Hoa	Hanoi
Chungking Jih-pao (Chongqing Ribao)	Chungking
Fukien Jih-pao (Fujian Ribao)	Foochow
Hsin-hua Jih-pao (Xinhua Ribao)	Nanking
Hsin Hunan Pao (Xin Hunan Bao)	Ch'ang-sha
Hsin Wan-pao (Xin Wanbao)	Tientsin
Hupeh Jih-pao (Hubei Ribao)	Hankow
Kiangsi Jih-pao (Jianxi Ribao)	Nan-ch'ang
Kirin Jih-pao (Jilin Ribao)	Ch'ang-ch'un
Kuang-chou Jih-pao (Guangzhou Ribao)	Canton
Kung-jen Jih-pao (Gongren Ribao)	Peiping
Kwangsi Jih-pao	Nan-ning
Kweichow Jih-pao (Guizhou Ribao)	Kuei-yang
Liaoning Jih-pao (Liaoning Ribao)	Mukden
Nei-meng-ku Jih-pao (Neimenggu Ribao)	Hu-ho-hao-t'e
Ta Kung Pao (Da Gong Bao)	Peiping
Yunnan Jih-pao (Yunnan Ribao)	K'un-ming

Periodicals	
Ajia Keizai Jumpo, thrice monthly	Tokyo
Chi-hsieh Kung-yeh Chou-pao (Jixie Gongye Zhoubao), Weekly	Peiping
Ching-chi Yen-chiu (Jingji Yanjiu), monthly	Peiping
Chung-kuo Ch'u-mu-hsueh Tsa-chih (Zhongguo Xumuxue Zazhi), monthly	Peiping
Chung-kuo Fang-chih (Zhongguo Fangzhi), semi monthly	Peiping
Chung-kuo Lin-yeh (Zhongguo Linye), semimonthly	Peiping
Chung-yang Ho-tso T'ung-hsun (Zhongyang Hezuo Tongxun)	Peiping
Hua-hsueh Kung-yeh (Huaxue Gongye), semi monthly	Peiping
Nung-yeh Chi-hsieh (Nongye Jixie), semi monthly	Peiping
Li-lun Hsueh-hsi (Lilun Xuexi)	Mukden
Shih-p'in Kung-yeh (Shipin Gongye), semi monthly	Peiping
Ts'ai-cheng (Cai Zheng)	Peiping

Monographs	
Chung-hua Jen-min Kung-ho-kuo T'iao-yueh-chi (Zhonghua Renmin Gongheguo Tiaoyueji)	Peiping

I. INDUSTRY AND MATERIALS

1. TOOL AND MACHINE TOOL PRODUCTION -- Peiping, Chi-hsieh Kung-yeh Chou-pao, 1 Oct 59, p 9

During the last decade, the machine tool and the tool industries have grown at a rate of 40 percent per year. China's output of metal-cutting machine tools reached 50,000 sets in 1958 (not including simple machine tools), more than 31 times the 1949 output, and almost 11 times the peak output year (1941) of old China. According to the 1959 plan, the original 60,000-65,000-set target for the end of the Second Five-Year Plan will be reached 3 years ahead of schedule.

After the First Five-Year Plan period, 28 large-scale plants formed the core of the tool and machine tool industry in China. By the end of 1957, China had 60 plants and 280,000 workers devoted to tool and machine tool production, and China's own tool and machine tool industry assumed the responsibility for /the production of/ 80 percent of the machine tool equipment /sic/ required for socialist construction.

In 1958, machine tool output (excluding simple machine tools) was 79 percent higher than in 1957. The output of forging equipment, casting machinery, and measuring, cutting, and grinding tools in 1958 was 50-100 percent over that of 1957.

2. SUPPLY OF FERTILIZER AND FARM CHEMICALS RISES -- Peiping, Ching-chi Yen-chiu, No 3, 17 Mar 59, p 32

The supply of chemical fertilizer by the state to the farmers has risen steadily over the past few years. Using the index figure 100 for the amount supplied in 1952, the indexes for some succeeding years are as follows: 1954, 271.2; 1956, 545.8; and 1958, 915.3.

Using the index 100 for the amount of agricultural chemicals supplied by the state to the farmers in 1952, the indexes for subsequent years are: 1954, 273.3; 1956, 1,300; and 1958, 3,066.

3. CHEMICAL CONSTRUCTION IN NING-HSIA -- Peiping, Hua-hsueh Kung-yeh, No 17, 6 Sep 59, p 43

The Ning-hsia Hui Autonomous Region's first 400-ton sulfuric acid units have begun production. The sulfuric acid shops of Yin-ch'uan Phosphate Fertilizer Plant and the Yin-ch'uan Bone Meal Plant were finished and put into production during the last 10 days of July, 1959. They utilize the catalyst process to produce the acid. By 15 August 1959, 10 tons of 98 percent sulfuric acid had been produced. Except for the pumps and electric motors, all equipment was self-produced.

After the sulfuric acid was produced, trial production was carried out for calcium superphosphate fertilizer. This was completed by 4 August 1959 and production started. The calcium superphosphate contained 10 percent effective phosphorus.

4. GLASS FIBER EXPERIMENTAL PLANT IN AMOY -- Foochow, Fukien Jih-pao, 4 Aug 59, p 2

For the purpose of training personnel and providing technical experience to the glass fiber shop of the large-scale, integrated glass plant now under construction, a glass fiber experimental plant was set up in Amoy. This experimental plant formerly was the glass fiber shop of the former Amoy Glass Plant. Early last year, this shop was renovated and converted into an experimental plant to provide facilities for the training of personnel and the acquiring of technical experience in the production of high-grade glass fiber.

Recently, this experimental plant has successfully produced a small quantity of double-strand glass fiber yarn, glass belt, and has succeeded in its first attempt at weaving glass fiber fabrics.

The plant is now training the first group of technicians who will eventually go to work in the glass fiber shop of the integrated glass plant still under construction. At present, the trainees are carrying out advance technical studies.

5. LIAONING TEXTILE PRODUCTION -- Peiping, Chung-kuo Fang-chih, No 8, 11 Mar 59, p 17

According to a report in the "Liao-ning Textile Bulletin," the Liaoning textile industry produced 14,554 chien of cotton yarn, 6,740,000 meters of dyed cloth, 49,000 meters of wool material, 39,979 dozen pairs of hosiery, 12,040,000 meters of cotton cloth, 26 metric tons of woolen thread, 53,000 dozen suits of knitted underwear, and 28,511 dozen towels during the period from 1 to 12 February 1959.

6. 1958 TEXTILE PRODUCTION IN SHENSI PROVINCE -- Peiping, Chung-kuo Fang-chih No. 8, 11 Mar 59, p 12

During 1958, cotton yarn production in Shensi increased 56.7 percent over 1957. Cotton cloth production increased 46.91 percent over 1957. The variety of products increased from 57 varieties in 1957 to 504 varieties in 1958.

7. MISCELLANEOUS STATISTICS FOR LIAONING -- Mukden, Li-lun Hsueh-hsi, No 10, 3 Oct 59, p 70

In the first half of 1959, the area under afforestation and the amount of felled timber was 290 percent more than in the same period of 1958; income from subsidiary industry showed an increase of 90 percent for the same period; output value of the fishing industry increased 34.4 percent; and the output value of industries operated by communes increased 395 percent. Commune public accumulation in 1958 was 34 percent greater than the total accumulation in 1956 and 1957, the time of high-level cooperatives. At present, Liaoning has a total of 1,830 tractors and 460 trucks.

8. AN-SHAN IRON AND STEEL OUTPUT FIGURES -- Mukden, Li-lun Hsueh-hsi, No 10, 3 Oct 59, p 30

After An-shan's record output of steel and steel materials in July and August 1959, the fulfillment of the annual steel output plan was set ahead 10 days, and the date for completing the annual steel materials output plan was moved ahead 17 days. At the beginning of August, the employees of 13 rolled-steel plants proposed to increase their third quarter output of steel materials by 100,000 metric tons in honor of the national holiday; this was achieved by the end of August. As a result the proposed output was reset at a leap forward target of 150,000 metric tons. From 1 to 10 September 1959, the average daily output of steel was 16,042 metric tons, or 10.07 percent more than in August; the average daily output of iron reached 14,793 metric tons or 3.79 percent more than in August.

With but 3 months remaining until the end of the year, 38.03 percent of the steel target and 40.41 percent of the iron target are yet to be fulfilled.

9. ILLUSTRATIONS

a. Caption: "Outside View of the Kwangtung Cannery."

Description: Photo shows a long three-part building with a tall central portion flanked by two lower parallel buildings on either side and high smokestack in rear.

Source: Peiping, Shih-p'in Kung-yeh, No 19, 5 Oct 59, p 18-a (top)

b. Caption: "Hai-la-erh Milk Products Factory in Inner Mongolia -- one of China's Largest."

Description: Photo shows 2-story building resembling a school building with a one-story wing at one end, and a high water tower with a masonry pedestal near the other end.

Source: Peiping, Shih-p'in Kung-yeh, No 19, 5 Oct 59, (bottom) p 18a

c. Caption: "Pao-t'ou Sugar Factory Constructed With the Aid of the German Democratic Republic."

Description: Photo shows 3-story square building and water tower in background and an overhead crane track and part of a crane housing in the foreground.

Source: Peiping, Shih-p'in Kung-yeh, No 19, 5 Oct 59, pp 18b (top)

d. Caption: Outside View of the Wuhan Meat Processing Plant, China's largest."

Description: Photo shows a number of buildings, one seven stories high with a 10-story high masonry water tower.

Source: Peiping, Shih-p'in Kung-yeh, No 19, 5 Oct 59, p 18b

e. Caption: "Section of Tu-shan-tzu [Sinkiang] Oil Refinery."

Description: Photo shows road in center with buildings and smokestacks on both sides, hills, and what appear to be oil tanks in the background.

Source: Peiping, Kung-jen Jih-pao, 7 Sep 59, p 3

II. TRADE AND FINANCE

1. MISCELLANEOUS INFORMATION ON LIAONING COMMERCE -- Mukden, Li-lun Hsueh-hsi, No 10, 3 Oct 59, pp 87-89

(The following is from an article entitled "Outstanding Achievements Over the Past 10 Years in Liaoning Commerce" by Liaoning Statistical Bureau.)

By 1958 the proportion of market retail sales accounted for by socialist commerce had risen to 99.2 percent, as compared to 38.6 percent in 1949.

Accompanying the victories in socialist transformation of commerce and the gradual trend toward central, socialist markets was a tremendous increase in urban-rural and domestic-foreign commodity circulation. Net purchases in Liaoning markets in 1952 totaled 2,020,000,000 yuan; in 1958 the figure stood at 4,850,000,000 yuan, or an increase of 140 percent over the 7-year period.

Commercial departments have expanded the purchase and sales of industrial products, extended the retail markets of these products, and have supplied the resources and materials necessary for industrial production and construction. The total value of products purchased from Liaoning industrial enterprises from 1952 to 1958 increased 270 percent. The total value of industrial and agricultural resources and materials supplied to industrial departments during the same 7-year period increased 190 percent. The increase in material was especially instrumental in developing light industry in Liaoning.

The total value of agricultural and subsidiary products purchased between 1950 and 1958 rose 120 percent. This includes the following specific increases: grain, 61.2 percent; raw cotton, 38.2 percent; bast fibers, 69.4 percent; cured tobacco, 580 percent; fattened hogs, 58.2 percent; and medicines and drugs, 420 percent. The amount of agricultural producer goods supplied to rural areas more than tripled between 1952 and 1958. This includes the following increases: new models of farm implements, 660 percent; chemical fertilizer, 180 percent; agricultural insecticides, 350 percent; and a large number of powered ditch digging machines were also supplied. There were also a rapid increase in the volume of consumer goods supplied to rural areas; in the 7-year period between 1952 and 1958 the increase was 140 percent.

In 1958, the total value of commodities supplied by Liaoning commercial departments to fraternal provinces accounted for 9.8 percent of the total net sales of commodities in Liaoning. The total value of commodities supplied for export accounted for 12 percent of total net sales of commodities in Liaoning, and 10 percent of the total value of China's foreign trade.

Expanded industrial and agricultural production and the stabilization of market prices over the past decade has resulted in a much higher purchasing power for the people. By 1958 the people's purchasing power had risen 470 percent as compared to 1949. Employment reached 3 million during this period, and employee wages rose 31.1 percent between 1952 and 1958. With the socialist reformation of agriculture, communalization, and state-determined purchase prices for agricultural and subsidiary products, the purchasing power of the peasants in 1958 was 44 percent above that of 1952.

With the increase in purchasing power, the supply and retail sales of food, clothing, and expendables was increased, and basically satisfied the daily increasing needs for livelihood. Increases in the supply of various commodities in 1958 as compared to 1952, in percent, are as follows: foodstuffs, 65; clothing, 68; general merchandise, 110; sugar, 54.5; wines and liquors, 63.3; cigarettes, 58.6; underwear, 1,150; rubber shoes, 110; and leather shoes 230. Just as there was an increase in the supply of average consumer goods, there was also an increase in the supply of high-grade consumer goods. From 1952 to 1958, average purchases of some high grade commodities in urban areas were as follows: 3.5 meters of woolen cloth per employee, one wrist watch per two employees, one bicycle per 4 employees, and one radio receiver per a large number of employee households.

The rapid increase in the supply of commodities and the change in consumption habits reflects the tremendous change in the standard of living of urban and rural people in Liaoning over the past decade.

2. INNER MONGOLIA'S COMMERCE IN RETROSPECT -- Peiping, Chung-yang Ho-tso T'ung-hsun, No 10, 11 Oct 59, pp 12-13

To develop the commerce of the newly created Inner Mongolia Autonomous Region, it was necessary to set up a socialist commercial network, rationally to expand the collective role of privately controlled commerce in accordance with the policy of "usefulness, limitations, and reconstruction," and to extend commodity circulation. Consequently, as early as spring of 1946, cadres were specially appointed to concentrate capital to establish the Inner Mongolia Trade Company at Chang-chia-k'ou, with branch offices and floating trade units in Ch'a-ha-erh League and Hsi-lin-hao-le League to establish the East Mongolia Trade Company in the eastern sector of the region, and to expand commerce in pastoral areas in accordance with equivalent value exchange and pricing policies advantageous to reinstating production and improving the standard of living.

After the people's government was established in this autonomous region, these two companies were reorganized into the Inner Mongolia Trade Control Bureau which is responsible for the management of the entire regions' commerce, foreign trade, foodstuffs, industry, and forestry operations. As the economy recovered and expanded, individual departments and bureaus for commerce, foreign trade, foodstuffs, industry, and forestry were set up. A state-controlled commercial network was basically formulated before 1949; in subsequent years it was expanded so that in 1952, wholesale sales of state-controlled commerce accounted for upward of 70 percent of total wholesale sales, and its retail sales accounted for 26.95 percent of total retail sales.

With the success of agrarian land reform, the abolition of feudal restrictions, and the rapid expansion of agricultural and livestock production, the livelihood of the farmers and ranchers showed a marked improvement; hence they pressed for the establishment of their own commercial organization. Therefore, the party decided to help the farmers and ranchers in organizing supply and marketing cooperatives which, together with state-controlled commerce, would be jointly responsible for the important duties in commodity circulation. By 1952, supply and marketing cooperatives had been organized throughout the region; their retail sales accounted for 30.93 percent of total retail sales of social commodities. By 1955, their retail sales accounted for 44.55 percent of total retail sales.

Prior to the liberation, the pastoral areas had almost no economic core; commodity circulation was primarly dependent upon peddlers. After the liberation, we utilized and expanded those peddlers' avenues of goods circulation which were positively useful to state plans for the people's livelihood, and restricted those which, through open pricing and administrative control, proved to be of minimal use to state plans for the people's livelihood. In 1950, the government made all peddlers register, designated business areas for them, and published livestock control procedures to stop their mass purchases of livestock. In 1952, the government implemented central purchasing of hides which expanded the economy of the livestock industry, protected the interests of the ranchers, and promoted race solidarity. In several years state-controlled and cooperative commerce expanded and solidified, and the peddler gradually lost his positive usefulness. Beginning in 1953, businesses in that area were gradually transformed into state capitalistic commerce; and trading activities of business units dealing in handicraft industry were gradually eliminated, granting cooperatives sole control of handicrafts. The ranchers of a given area decided if control of the livestock industry was to be retained or transferred; if it was retained by the livestock area, sole control by commerce was necessarily stopped, and if it was transferred outside the area, state-controlled and cooperative commerce would centrally purchase their livestock. By the end of 1954 these transformations had been completed, and commodity circulation in the livestock area was entirely in the hands of state-controlled and cooperative commerce.

With the establishment of state-controlled and cooperative commerce, commercial departments emphasized production areas and expanded production; they purchased all carry-over livestock, hides, and grain at relatively high prices, but they supplied the peasants and ranchers such daily necessities as grain, cotton cloth, cigarettes, tea and sugar at the cheapest prices. The variety and amount of these products supplied also increased; in 1949 the amount supplied was 3 times more than in 1947, and in 1952 it was 8.33 times more than in 1949. This changed the situation whereby some agricultural and livestock products could not be sold and some daily necessities could not be purchased; furthermore, it diminished the sharp disparity between agricultural and livestock products. For example, the exchange ratio of one healthy cow for wu-fu /literally "five blessings"/ cloth was as follows: in 1946, 0.47 bolts; in 1949, 1.93 bolts, and in 1952, 4.85 bolts. The exchange ratio of one sheep for brick tea was as follows: in 1946, 2 squares; in 1949, 3.1 squares; and in 1952, 7.8 squares. The exchange ratio of one metric ton of kaoliang for Wu-fu cloth was as follows: in 1946, 0.28 bolts; in 1949, 1.53 bolts; and in 1952, 2.21 bolts. Because the purchase price of agricultural and livestock products rose and the volume of purchases increased (4.59 times more in 1952 as compared to 1949), the people's purchasing power rose 1.77 times higher in 1949 than in 1946; and in 1952 it was 3.47 times higher than in 1949.

In 1953, the state implemented a central purchase policy on 42 varieties of industrial and technical crops, and on export goods. While acquiring planned purchases and central purchases, state-controlled commerce and cooperative commerce also expanded purchases of native and subsidiary products. In 1957, at least 1,000 types of native and subsidiary products were purchased or 5 times the number in 1952; in 1958 the number increased to 1,500. At the same time, for a closer alliance between purchase and production, procedures for the advance purchase of grain, cattle sheep, and wool, in accord with planned production and supply, were initiated, and association and agreement systems were universally enforced, so that in 1957 the total value of purchases was more than treble that in 1952.

Diversified operations were rapidly expanded in 1958. During that year alone, the area of fish-rearing ponds was increased 11 times. In addition, communes were assisted in setting up breeding farms for cattle, horses, sheep and goats, pigs, and fowl, and the raising of pigs and rabbits by individual households increased greatly. By the end of June 1959, livestock breeding farms operated by commercial departments alone raised 280,000 head of cattle, horses, and sheep. Furthermore, communes were given positive assistance, or commercial departments themselves operated enterprises which manufactured agricultural and livestock producer goods and other which processed native and subsidiary products and scrap goods. In 1958, enterprises operated by commercial departments alone produced more than 1500 varieties of goods with a total production value amounting to 69,440,000 yuan.

The variety of consumer goods available in Inner Mongolia in 1957 was 4 times that of 1952; many high grade items have become necessities for the peasants and ranchers. In 1957, the total value of goods available was 1.69 times more than in 1952.

Commercial departments also supplied industrial raw materials, production tools, and agricultural and pastoral producer goods. Raw materials supplied to local industry in 1958 amounted to 31.78 percent more than in 1957. Much of this, consisting of coking coal scrap iron and steel, copper etc., and tools for blast furnaces and mines was supplied during the big iron and steel campaign.

These achievements in commercial operations over the past 10 years have received the universal praise of the masses, and they uphold the validity of the Party's policy toward minorities.

3. COMMERCIAL STRIDES IN CH'ENG-TE -- Peiping, Chung-yang Ho-tso T'ung-hsun, No 10, 11 Oct 59, pp 14-16

In the preliminary stages of the liberation, state-controlled and cooperative commerce had only 115 basic level purchase and market points in the active region. Most of them were established through the economic aid of the state or the voluntary concentration of capital by the masses. At that time, 3,720 persons were in commercial operations and more than 1,800 types of commodities, including native cloth, oils, salt, and matches, were handled. Only several tens of types of small native and subsidiary products were purchased.

At present, the entire region's commercial network includes 1,753 purchase and market service points, 15,900 personnel in commercial operations, and more than 18,000 types of commodities being purchased and supplied. Total purchases and sales in 1958 were 15 times more than in 1950, and the amount of capital accumulated by commerce for socialist construction in 1958 had increased to about 11 times more than in 1951.

That industrial and agricultural development has provided impetus to a steady expansion in commodity circulation is reflected in the supply of producer goods; in 1958 the amount of producer goods supplied was 30 times more than in 1950. This rapid expansion in production raised the people's standard of living. By 1958, the people's purchasing power had risen to a point 16 times higher than in 1950. The total amount of consumer goods supplied in 1958 was 13 times more than that of 1950. Increases in specific commodities were as follows: cotton cloth, 4.8 times; rubber shoes, 31 times; towels, 13 times; and socks, 29 times.

Rational prices, in the purchase of agricultural, subsidiary, and native products, and in supplying industrial products of daily use, have guaranteed the needs of the masses and have substantially diminished the price ratio between industrial and agricultural products. In 1950, each 100 shih chin of eggs could be exchanged for 82.1 ch'ih of white broadcloth; by 1959 they could be exchanged for 202.1 ch'ih. In 1950, each 100 chin of fine wool could be exchanged for 798.7 ch'ih of white broadcloth; by 1959 it could be exchanged for 1,278.7 ch'ih. To maintain stability in prices, purchase prices have constantly been adjusted since 1950. For example, the purchase price of 100 chin of eggs was changed from 24.55 yuan in 1950 to 57.8 yuan in 1959, or an increase of 135.4 percent. The purchase price of 100 shih-chin of live pigs was adjusted from 26.66 yuan in 1950 to 35 yuan in 1959, or an increase of 31.5 percent. Naturally, this raised the production positiveness of the peasants.

Between 1953 and 1955, about 46 percent of total commodity circulation was conducted within state-planned supply and marketing agreements. Approximately 53.4 percent of total peasant households were organized into supply and marketing cooperatives. About 87.04 percent of the small business concerns and vendors had been organized into the cooperatives of shops or smaller cooperatives.

In 1949, the gross value of subsidiary industrial production was 12 million yuan, but by 1958, diversified operations had increased in value nearly 10 times, or to over 100 million yuan. From 1958 to mid-1959, the total value of purchase and sale of commodities of diversified operations was more than 61.5 million yuan, which in turn was exchangeable for 360,000 metric tons of grain. From 1957 to mid-1959, commercial departments supplied producer goods for subsidiary industry valued at somewhat more than 13 million yuan.

Along with the development of diversified operations, and particularly in 1957, the commercial network organized more than 3,200 commercial employees to exploit the hilly regions for wild fibers, wild oil crops, medicinal herbs, etc. The value of these commodities amounted to more than 600 million yuan per year. In 1957-1959, the commercial departments also helped the communes and production teams raise 180 million fruit trees, more than 400 mou of medicinal plants, more than 1.2 million pigs, and more than one million rabbits.

Commercial achievements in Ch'eng-te in the past 10 years have been outstanding, but the employees still are not satisified. They will strive to do more than simply complete the glorious tasks handed down by the Party.

4. METHOD FOR COLLECTING PASTORAL TAX IN INNER MONGOLIAN AUTONOMOUS REGION--Hu-ho-hao-t'e, Nei-meng-ku Jih-pao, 22 Aug 59, p 2

Section I. General Rules

Article No 1. This method was formulated in accordance with the policy of developing the pastoral industry, increasing and protecting animals, and implementing a rational assessment. It embraces all the existing conditions after the communalization of the autonomous region, and is based on the principle of a simplified tax system.

Article No 2. The pastoral tax implements a tax system with different proportions by area and treats the ch'i (hsien) as a unit.

Article No 3. Generally, in pastoral areas and half-agricultural--half-pastoral areas, a pastoral tax is levied on the animal raising units and individuals listed in accordance with the regulations of this method: (1) communal basic accounting and distribution units, (2) public-private jointly-operated pastoral farms, (3) each individual pastoral household, and (4) other animal raising units and individuals.

Article No 4. The pastoral tax is collected once each year, The pastoral industry inspection figure is used as a base, and based on the actual animals on hand, after deducting the animals exempt from tax, the remainder is converted into terms of sheep and the tax is computed according to the rate.

Article No 5. The kinds of animals listed below are subject to the pastoral tax: (1) large animals including horses, cattle, and camels, and (2) small animals including sheep and goats.

Article No 6. The kinds of animals listed below are exempt from the pastoral tax:

a. One- to three-year-old horses and camels; one- to two-year-old cattle, and lambs and kids born in the current year (the age is calculated according to what is customary in the particular area)

b. The animals of commune members, pastoral households participating in public-private joint-operated pastoral farms, and individual pastoral households that are set aside by regulations as a means of subsistence

c. Stud animals

d. Animals of state-operated pastoral farms and local state-operated pastoral farms

e. Animals of animal breeding farms

f. Animals furnished for experimental use in domestic animal disease prevention stations

g. Animals raised by schools which are used as provisions for the students and to help with expenses and expenditures

h. Horses furnished solely for transportation use by agencies and organizations

i. Horses of military horse farms

j. Concentrated herds of animals to be purchased by state commerce

Section II. Tax Rate

Article No 7. Using the ch'i (hsien) as a unit, an appraisal is made treating the actual 1958 assessment as a tax rate for 1959 (when calculating the assessment, the figures for the livestock and for the taxes of farms which instituted joint operation after taxes were collected in 1958 should be deducted, and the results of the appraisal are reported to the people's committee of the autonomous region for approval. If, when implementing a single tax rate within the scope of the ch'i, a large discrepency with the 1958 assessment is discovered between communes, several different tax rates can be stipulated by the ch'i people's committee according to the actual situation. In individual pastoral households the tax is computed according to the tax rate for the area.

Article No 8. The tax rate for public-private joint-operated pastoral farms is set at 2 percent.

Article No 9. Generally, in the autonomous region, animals that are in herds or penned in another area are taxed, after the animals that are exempt from tax are deducted, according to the rate of the area where they are.

Section III. Computation, Collection, and Exemption

Article No 10. All kinds of animals liable to tax are converted into terms of sheep for computation, the conversion ratio is applied in accordance with the 1958 regulation.

Article No 11. Inspection for and collection of the pastoral tax is carried out in the third quarter.

Article No 12. The pastoral tax stipulates that money or an equal amount in animals can be collected. The unit of value of exchange for sheep exchanged for money and the conversion rate of all kinds of animals substituted for sheep should be fixed in accordance with the animal prices of commercial departments in the particular area and reported to the autonomous region for approval. Basis of exchange of animals: cattle must be over 5 years old, horses must be between 5 and 12 years old, sheep and goats must be over 2 years old, the physical condition of the animals must be up to the standards of the particular area, and they must be in good health. To pay taxes with animals, in general male animals are used; however, because of special circumstances, the taxpayer may wish to use female animals to pay taxes, in that event, allowances should be made for accepting them.

Article No 13. Animals collected for the pastoral tax are turned over to commercial departments for acceptance and their method for setting a value is decided and put into operation by the people's committee of the particular area.

Article No 14. If the animals of a taxpayer are killed or damaged by cold, snow, disease or any other natural disaster (it is not considered a disaster if they are killed by wolves or in other ways because of poor management), exemptions will be given according to the regulations listed below:

a. If under 10 percent are killed, the tax will be computed according to the actual animals liable to tax and no exemption will be given

b. If over 10 percent but under 20 percent are killed, the tax will be computed according to the actual animals liable to tax and 10 percent of the total tax will be deducted

c. If over 20 percent but under 30 percent are killed, the tax will be computed according to the actual animals liable to tax and 30 percent of the total tax will be deducted

d. If over 30 percent but under 40 percent are killed, the tax will be computed according to the actual animals liable to tax and 40 percent of the total tax will be deducted

e. If over 40 percent but under 50 percent are killed, the tax will be computed according to the actual animals liable to tax and 70 percent of the total tax will be deducted

f. If over 50 percent are killed there will be no tax.

Article No 15. Taxpayers that have exemptions or are not taxed because of disaster, should make a factual report of the circumstances due to the disaster to the commune management committee, who, after undergoing an investigation of the facts, will in turn report to the ch'i people's committee for a decision, and the ch'i will compile a summary and report to the autonomous region for approval.

Article No 16. When collecting the pastoral tax, the ch'i people's committee and the commune management committee should assimilate units concerned and organize a pastoral tax collecting committee to carry out the work of collection and deliberation under the leadership of the party and government of the particular area.

Article No 17. When a taxpayer feels the assessment is unjust or that there is an error in the computation, he must report it to the commune management committee and request a reassessment. If it cannot be resolved after the reassessment, he can report it to the ch'i people's comittee and request a re-examination and a decision. However, during the period of the request for a re-examination and a decision, the taxpayer still must remit the amount of tax originally fixed and wait until after the decision is made for a settlement.

Section IV Supplementary Rules

Article No 18. This method will be in effect commencing on the day it is publically announced. The former "Inner Mongolian Autonomous Region Pastoral Tax Collection Method" will be cancelled at the same time.

5. QUESTIONS AND ANSWERS CONCERNING THE PASTORAL TAX POLICY--Hu-ho-hao-t'e, Nei-meng-ku Jih-pao, 22 Aug 59, p 2

Question: Why was there a revision of the method of collecting the pastoral tax in 1959?

Answer: In the last few years the party and government carried out a light tax policy with a rational assessment in pastoral areas. In regard to the tax system, while cooperativization of the pastoral industry was developing and state-operated and public-private joint-operated pastoral farms were being set up, there was a change from an individual, graduated tax on the amount in excess of the tax exemption to a system of taxation in two forms, both graduated and proportional on the excess amount. This was to adapt to the real conditions of the time. At the same time, it played a positive role toward encouraging the development of pastoral industrial production and improving the livelihood of people engaged in the pastoral industry. In 1959, after the communalization of pastoral area, because over 95 percent of the pastoral households entered communes, approximately 90 percent or more

of the animals came under the collective management of the commune, which brought about a new change in the pastoral economy. In this manner, by originally taking all the pastoral tax collecting methods formulated by the economy of the pastoral industry into consideration, several already were inappropriate. Consequently in 1959, in accordance with the new conditions and based on the spirit of continuing to carry out the policy of a light tax and definite burdens, it was necessary to simplify the collection procedure on the principle of being advantageous to the development of pastoral industry production and to make necessary revisions in the method of collecting pastoral taxes.

Question: What major contents have been revised?

Answer: The major revisions below were made in the 1959 pastoral tax collection method:

a. After communalization there was a change in the organizational form. In 1959, the tax paying unit became the communal basic accounting and distribution unit. In this manner, not only was attention given to the original foundation for assessment, but also it complied with the actual situation.

b. A tax system, with different proportions by area (treating the ch'i as a unit) is uniformly carried out. The realization of communalization and the change from an individual economy of pastoral areas and half-agricultural--half-pastoral areas to a collective economy brought about great changes. The graduated tax system originally implemented lost its use; consequently, it was decided that the system of a graduated tax on excess amounts should be changed to a tax system with different proportions by area with the ch'i as a unit. The change in the tax system not only met the new conditions after communalization and further aroused the productive enthusiasm of people engaged in the pastoral industry, but it also simplified the tax system.

c. The ch'i is treated as a unit in fixing the tax rate. Based on the principle of definite responsibilities, consideration was given to the unbalanced characteristics of pastoral area animal stations and to the different conditions of the original basis for assessment in order to meet the new situation. After the tax rate was changed, it did not bring about a comparatively great change in the burden. Therefore, the 1959 tax rate is stipulated as follows: because the meng, based on the various economic conditions of all affiliated ch'i, treats the ch'i as a unit in principle, the actual assessment in 1958 (the actual assessment after deducting the portion of the assessment for animals belonging to joint-operated pastoral farms) is treated as the tax rate for 1959. However, if within the scope of one ch'i, a great change is discovered in the assessment

from that of 1958 between communes (when implementing one tax rate), various tax rates can be set through a differentiation of the conditions by the ch'i. However, the average tax rate for the entire ch'i should not be lower than the actual payments in 1958.

d. The tax-exempt amount by individuals is eliminated and changed to animals set aside as tax-free. Through the years, in regard to the collection of the pastoral tax, it has been stipulated that each person deduct an exemption of 15 sheep. After communalization, the majority of the animals came under collective management. At the same time, based on the regulations of the Inner Mongolian Party Committee, a certain amount of animals were set aside for commune members in pastoral area and half-agricultural -- half-pastoral areas as a means of subsistence. It was decided in 1959 that the tax exempt amount by individuals be eliminated and that the animals set aside be tax-free.

e. In regard to the tax rate for each individual pastoral household, the fact that the majority of pastoral households in the region have already entered into communes was taken into consideration. With regard to the few individual pastoral households that did not enter communes, separate tax rates were not again stipulated. The tax is computed according to the tax rate for the area.

Question: How are deductions and exemptions made for animals?

Answer: In order to take into consideration the various conditions affecting the number of animals to be set aside, each area should make exemptions according to the actual proportion for that particular area according to regulations. With regard to individual pastoral households, exemptions should be made according to the proportion or average amount deducted for animals set aside by all the tax paying units in the area.

Question: How is the pastoral tax for communal basic accounting and distribution units computed?

Answer: Basic accounting and distribution units should, after adding animals turned over to the commune and animals already collectively owned and deducting those exempt from tax, convert them into terms of sheep and compute the tax according to the stipulated tax rate.

Question: How is the pastoral tax collected from individual pastoral households?

Answer: Treating the household as a unit, after deducting the animals exempt from tax from all the animals owned (including the animals deducted according to the proportion of animals set aside and deducted by all the tax paying units in the area), the rest of the animals are converted into terms of sheep, and the tax is computed according to the

tax rate for the area. However, in regard to individual pastoral households that are in distressed circumstances, appropriate consideration can be given according to the actual situation.

Question: How is the pastoral tax computed on the animals of public-private joint-operated pastoral farms?

Answer: After deducting the animals exempt from tax from all the animals owned by the public-private joint-operated farm, convert them into terms of sheep and compute the tax according to a tax rate of 2 percent. In regard to pastoral households participating in joint-operated pastoral farms, make pastoral tax exemptions according to the regulations for animals set aside for the particular area.

Question: Are animals of agricultural areas which are kept in pastoral area subject to the pastoral tax?

Answer: Generally, the pastoral tax on animals kept in pastoral areas is computed according to the tax rate for the particular area after deducting the animals exempt from tax.

Question: How is the tax collected in 1959 on pastoral communes that originally paid a pastoral tax, and on agricultural communes that originally paid an agricultural tax, which were combined into one basic accounting and distribution unit after communalization?

Answer: Differentiate between collecting the pastoral tax and the agricultural tax according to the original tax collecting jurisdiction.

Question: In collecting the pastoral tax in 1959, will animals or money be collected?

Answer: The 1959 pastoral tax still stipulates that either money or animals can be collected. If it is desirable to remit money, remit money; if it is desirable to remit animals, remit animals, or if it is desirable to remit part money and part animals, this is also acceptable.

Question: If the animals are killed by some kind of disaster, will there be tax deductions or exemptions? When computing, how are they to be made?

Answer: Generally, if over 10 percent are killed or lost due to cold, snow, disease, or other natural disasters, make exemptions according to the regulations of Article No 14 of the method. However, if the animals are killed by wolves or killed in any other way due to poor management, it is not considered a disaster. The disaster must occur during the period beginning after the pastoral inspection for the previous year and ending at the time of the pastoral inspection for the current year.

6. SAVINGS OPERATIONS IN LIAONING -- Mukden, Liaoning Jih-pao, 9 Jun 59, p 1

Following initiation of drives to increase production and practice economy, the party's call to practice thrift and frugality in building and supporting the state has taken firm root in the minds of the people. The attitude of people throughout Liaoning Province to be frugal and participate in savings is becoming stronger and stronger. According to statistics of the Liaoning People's Bank at the end of May, the amount of urban and rural savings throughout the province reached 246,380,000 yuan, an increase of 52,750,000 yuan over the same period of 1958, and 21,840,000 yuan over the end of the first quarter in 1959.

Before spring this year, each locality and department in the province initiated drives to increase production and practice economy, during which the leadership of all units stressed the education of staff members and workers with regard to frugality and thrift. All wards in Mukden have designated a party ward secretary or member of the standing party committee for full-time savings work. Party and government leadership cadres of all organs, factories, and mines have also made savings operations the order of the day, while the party organizations of all large factories and enterprises have designated full-time savings personnel, even to the point of having party committee members in workshops for these operations. The party committee of the Huang-ku District regularly checked the condition of savings in the whole district and helped the bank to summarize the experiences in savings operations for factories and mines. It also convened meetings for exchanging experiences. The Commerce Cadres School of Liaoning Province compiled savings regulations for all levels, from party branches and scientific offices to small teams, and called for periodic examinations. The Tung-fang-hung People's Commune included instructions about frugality and savings when educating its members in communism. Similar practices were followed by the city of Ch'i-ta. Following participation in savings work by staff members and employees of the Dairen Harbor Control Bureau, the number of households with savings increased from some 4,000 in 1958 to more than 15,000 [sic].

Throughout the province, savings are on the increase and many people have developed the good habit of saving something every month. For example, staff members and employees of 80 percent of the units in Chin-chou drafted savings plans; 13 streets in the city had more than 24,000 households participating in savings. Almost all staff members and employees in the Pen-chi coal mine had savings. More than 95 percent of the residents on P'ing-shan Street in Pen-chi also had savings. By putting aside a little each month, savings rose to more than 14,000 yuan. In Mukden, the residents of Ch'ao-yang Street organized a "Small Team for 5 Cents of Savings." Recently this small team has proposed a "Movement to Economize 5 Cents Every Day" for all the residents of the city. In addition to other forms of savings, they

called on residents to have each household save 5, 10, or 20 cents a day in line with the spirit of supporting the state and in terms of its own specific conditions. These savings would go to the bank to support state construction. As soon as this proposal was issued, it met with enthusiastic reception from the residents of the whole city, with residents in many blocks organizing their own small savings teams. Since the big leap forward in production of 1958, many housewives have joined production, and the incomes of commune members increased in rural areas following communalization. Savings deposits also increased. More than 70 percent of the members of the Ch'ai-ho-pao People's Commune in K'ai-yuan Hsien have savings.

With the continuous increase in the people's savings throughout the province, bank departments in various localities used all means available to improve operations and facilitate savings for the masses. In addition to more than 730 savings offices in the province, more than 4,000 savings sub-offices, more than 3,000 savings service stations, and 18,279 associated savings personnel have been set up in organs, factories, mines, enterprises, public organizations, and people's communes. Throughout the province, a huge savings service network has taken shape. Offices and sub-offices provide telephone services and mobile services on streets, in factories, mines, and organs so that people do not have to go out to make or withdraw deposits. According to incomplete statistics of the Liaoning People's Bank, 41 units and 53 savings personnel have received commendations or prizes from cities or hsiens for their work.

7. PAST FINANCE WORK IN PAO-T'OU -- Peiping, Ts'ai Cheng, No 18, Sep 59, pp 38-9

For the city of Pao-t'ou, the average annual rate of increase in financial receipts between 1950 and 1958 was 36.7 percent. The 1958 receipts increased 11.2 times over those of 1950, of which 1958 enterprise receipts increased 83.64 times over those of 1950. The average annual rate of increase in financial expenditures between 1950 and 1958 was 83.4 percent. The 1958 expenditures increased 127 times over those of 1950, of which the economic construction expenditures for 1958 were 676.5 times greater than those of 1950. The people's living standard also gradually increased on the basis of production development and the increase in financial receipts and expenditures. The 1958 average per capita purchasing power of urban and rural residents increased 71.84 percent over 1950. Financial allocations for direct use in social, cultural, educational, and welfare activities reached 26,210,000 yuan.

The rate of increase in receipts and expenditures mentioned above was unusually rapid. The main reason for this was that, together with the rapid development in the construction of the Pao-t'ou industrial base, staff members and workers throughout the city, through a high

degree of socialist labor enthusiasm, fulfilled and exceeded all targets of construction for production, which enabled the national economy to reach unprecedented heights. At the same time, in line with meeting the needs for developing construction for production, financial cadres throughout the city actively organized receipts, managed expenditures effectively, and gradually moved from the area of supplying finances to the area of financing construction for production.

In practical operations during the past 10 years, we realized the following things:

1. Finance departments must pay attention to the business accounting of enterprises and cooperate with the enterprises to improve financial controls. According to incomplete statistics, comparable product costs of 12 local industrial plants and mines in Pao-t'ou have gradually decreased from 1953 to 1958, an increased accumulation of 4,470,000 yuan for the state. During the first half of 1959, there was an economy of 3,360,000 yuan for the state because the turnover time for working capital in local industry was 23 days faster than during the same period in 1958. The 1958 financial receipts, in which the basic depreciation fund was offset against the enterprise profits, increased 14,210,000 yuan over 1952.

2. Finance departments must actively support production and increase financial sources from production. Financial cadres are not only to ensure the needs for developing production by means of supplying capital, but they are to boost the development of production by actual operations. Expediting production is not only carrying out production controls for the enterprises, but helping enterprises to continuously raise the levels of operational controls, seeking production breakthroughs, developing latent production capacities, and assisting with the solution of such problems in the production process as capital, raw materials, and transportation. All this to push the development of construction for production. In this respect then, there must be mutual coordination, close cooperation, establishment of over-all outlooks, and the bringing into full play of the communist spirit. Statistics show that from 1958 to the end of June, 1959, financial cadres helped enterprises solve some 7,135 problems, large and small, in production, supply, and marketing, thus increasing social wealth more than 29 million yuan and tax revenues 1,010,000 yuan.

3. Effectively supplying capital and checking its proper use are the important methods of the policy to frugally and thriftily build the state. Simultaneously with adopting effective measures to handle receipts, we must have good control of expenditures. At the same time that we increase accumulations, we must by no means be lax in the distribution of capital or in the control of its uses. In this respect, we should do everything possible to adopt measures in line with the general

policy of ensuring key points which will bring the effectiveness of capital into full play. According to incomplete statistics of the construction bank, from 1953 to 1957 there was an economy of 57,850,000 yuan for the state by means of helping construction units increase capital controls. The economizing of this capital was realized under the prerequisite of guaranteeing the quality of construction projects and assuring production, and by means of such methods as checking investment allocations, the budgets of construction projects, and the year-end final accounts. On the basis of ensuring needs of key point and item arrangements, we are in the process of actively assisting all capital construction units to make more proper use of capital, to strive to reduce all unnecessary expenditures, and practice strict economy to carry out the policy of frugality in building the state.

4. Finance work must have continuous improvements in all regulations and operations methods in order to meet the needs for developing construction for production. -- Chang Chih-yu, Chief, Pao-t'ou Finance Bureau, Inner Mongolian Autonomous Region

8. LIAONING PROVINCE ESTABLISHES ECONOMIC RESEARCH INSTITUTE -- Mukden, Liaoning Jih-pao, 7 Jun 59, p 1

To meet the needs for the development of economic construction in Liaoning Province, summarize the wealth of experiences accumulated in socialist construction, and widely organize theoretical research workers to carry out the study of economic theory, an economic research institute has formally been established for the province with offices at Liaoning University.

A meeting to establish such an institute was held 2-3 June in the recreational rooms of the Liaoning Provincial People's Congress. This meeting was attended by workers in economic theory, teaching, and research from the universities, specialized schools, party schools, and cadre schools in the province; economic workers and economic theorists from the factories, mines, enterprises, departments of state organs concerned, and party committees on the hsien, city, and provincial level; and teachers of economic theory attached to military units stationed in the Mukden area. Altbgether, there were more than 560 people attending this meeting.

At the meeting, Comrade Chang Ch'ing-t'ai, representative from the committee to establish the economic research institute first made a report on preparations and construction that had been approved. He pointed out that the economic research institute was established under the leadership of the propaganda department of the Provincial Party Committee and with the energetic support of the various departments concerned. As of the present, the economic research institute, in addition

to transferring and preparing to transfer full-time research personnel, has organized more than 200 part-time researchers already engaged in practical or research work. Five specialized research offices have been set up; for political economy, industrial economics, agricultural economics, trade and finance economics, and planned economy. Each of these offices has specialized research units, and there are more then 100 research specialties. During the establishment of the institute, some cadres were engaged in setting up and organizing various organs, while others were preparing to participate in the theoretical economics discussion meeting held at Shanghai. Problems concerning the development of commodity production by people's communes, the function of laws of value under a socialist system, and data on the principle of distribution according to labor and on piece-rate wages were written up and papers were presented at the Shanghai discussion meeting.

The deputy chief of the propaganda Department, Liaoning Party Committee, then spoke to the comrades at the meeting on the significance of the research institute and on the problem of implementing policies of economic service for the working classes through the institute.

The three economic researchers who had attended the Shanghai meeting, Sung Tse-hsing, Li Fang-chun, and Feng Yu-chung, each reported on the problems of commodity production under the socialist system, laws of value, and piece-rate wages which had been discussed at the Shanghai conference.

The meeting then approved 15 comrades, including Ch'en Fang and Chang Ch'ing-t'ai, as members of the institute's technical committee, with Ch'en Fang as committee chairman and Chang Ch'ing-t'ai as vice chairman.

Finally, Ch'en Fang, chairman of the technical committee, spoke on methods and problems in research work. Later, telegrams were received from the Department of Philosophy and Social Sciences and the Institute of Economics of the Academia Sinica.

III. AGRICULTURE

1. AGRICULTURAL STATISTICS

The following tables present statistics on agricultural area, yields, and production of various crops and on animal husbandry. Letters following tabular entries refer to items in the source list at the end of each table. [Figures given under the column headings "Planned Production" and "Actual Production" for livestock, tractor stations, state farms, and population refer to the net number of the particular item in a planned or actual category unless otherwise stated.]

CHINA

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Wheat, miscellaneous grains, and early rice	1958				136.5 billion chin (68,250,000 MT)[a]
	1959				139 billion chin (69,500,000 MT)[a]
Fish	1957				3,120,000 MT[b]
	1958				6,020,000 MT[b]
Large animals	1949				60,022,000[c]
	1958				85,064,000[c]
Yellow cattle	1949				33,752,000[c]
	1958				51,279,000[c]

CHINA

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Sheep	1949				26,000,000 (66% of highest prewar number)[d]
	1957				52,400,000[d]
Forestry					
Afforestation	1950	1,890,000 mou[e]			
	1958	260,000,000 mou[e]			
	1949-1958	Total: 490,000,000 mou (188,000,000 mou being timber producing trees)[e]			
Timber production	1950-1958				179,000,000 cu m[e]
	1958				35,000,000 cu m (Surpassing 1962 goal of 31-34 million cu m)[e]
Lumber production	1959				27,180,000 cu m for 1st 8 mo of 1959 completing 71.5% of 1959 goal[e]

CHINA

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Agricultural mechanization					
Tractor cultivation and cost	1957	27,540,000 mou (1.7% of total cultivation area; each standard tractor cultivating 3,451 mou; using 0.89 kg of fuel per mou; each mou costing 1.28 yuan to cultivate)[f]			
	1958	40,000,000 mou (2.5% of total cultivated area; each standard tractor cultivating 5,906 mou; using 0.78 kg of fuel per mou; each mou costing one yuan to cultivate)[f]			

CHINA

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Tractor stations	1953-1957				390 stations with 12,000 standard 15-hp tractors cultivating over 27,000,000 mou[f]
Tractors (standard)	1953				113[f]
	1954				778[f]
	1955				2,377[f]
	1956				9,884[f]
	1957				12,176[f]
	1958				25,197[f]
	1958				45,000 [including those in State Farms?][f]
	1959			55,000[f]	

CHINA

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Increase in animal-drawn agricultural implements	1950				6,908[f]
	1951				72,864[f]
	1952				349,305[f]
	1953				628,572[f]
	1954				991,071[f]
	1955				1,972,992[f]
	1956				4,606,080[f]
	1957				5,114,309[f]
Main improved and new agricultural implements whose use was promoted	1958 to Aug 1959				
Plows					23,100,000[f]
Planters					7,000,000[f]

CHINA

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Reapers					30,800,000[f]
Threshers (small hand operated)					3,700,000[f]
Tools for collecting and making fertilizer					6,200,000[f]
Tools for irrigation and drainage					10,100,000[f]
Tools for water conservancy work					40,800,000[f]
Tools for processing subsidiary farm products					14,200,000[f]
Tools for transporting material (wheel barrows)					74,800,000[f]

CHINA

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Roller axle bearings					134,000,000[f]
Harvester combines	1958				3,452[f]
	1959			4,500[f]	
Threshers	1958				5,516[f]
	1959			7,500[f]	
Tractor-drawn machines	1958				80,000[f]
	1959			100,000[f]	
Heavy-duty trucks	1958				12,700[f]
	1959			13,000[f]	
Drainage irrigation power tools	1958				1,600,000 hp[f]
	1959			2,800,000 hp[f]	

CHINA

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Planting and protecting machinery (i.e. insecticide spraying machines)	1958				1,100[f]
Total power machinery	1959			5,200,000 hp[f]	
Mechanization	1959				Two men operating one medium-size tractor pulling 5-bottom gang plow can plow 80 mou in one day equaling work of 20 men and 40 draft animals[f]

Sources:

a. Tokyo, Ajia Keizai Jumpo, No 408, 20 Sep 59, p 4
b. Nanking, Hsin-hua Jih-pao, 30 Jun 59, p 3
c. Peiping, Chung-kuo Ch'u-mu-hsueh Tsa-chih, No 10, 10 Oct 59, p 289
d. Peiping, Chung-kuo Fang-chih, No 3, 21 Jan 59, p 31
e. Peiping, Chung-kuo Lin-yeh, No 19, 6 Oct 59, pp 2-6
f. Peiping, Nang-yeh Chi-hsieh, No 18, 30 Sep 59, pp 1, to, 16, back cover

Item	Year	Area	Annual	
			Unit Yield	[illegible]

ANHWEI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Early rice	1959	8,810,000 mou (2,680,000 mou over 1958)[a]			
Wheat	1959	Harvested over 15,000,000 mou by 8 Jun 59[b]			
Sugar beets	1958	20,000 mou[c]			
	1959	200,000 mou[c]			
Cotton	1959	5,100,000 mou (1,400,000 mou over 1958)[d]			
Draft animals	1959				700,000[e]
Area					
Summer planted	1959	Over 15,000,000 mou sown, with 40,000,000 mou yet to be sown[d]			
Irrigated	1959	13,000,000 mou increase during antidrought work[f]			

ANHWEI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Reclaimed area	1959	4,000,000 mou (over 1,120,000 planted to melons and 500,000 mou to grain and industrial crops)[g]			
Fruit orchards	1959	Increased by 453,100 mou and for miscellaneous groups of fruit trees by 124,400 mou[h]			
Agricultural mechanization	1959				(To make spare parts for) provinces more than 1,000 tractors[i]
Population	1959				34,000,000[j]

Source: Ho-fei, Anhwei Jih-pao

a. 12 Jul 59, p 1
b. 9 Jun 59, p 1
c. 10 Jul 59, p 1
d. 6 Jun 59, p 1
e. 25 Jul 59, p 1
f. 6 Aug 59, p 1
g. 1 Jun 59, p 1
h. 4 Aug 59, p 3
i. 22 Jun 59, p 2
j. 15 Jun 59, p 1

FUKIEN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Grain	Pre-WW II highest year				6.68 billion chin[a]
	1949		204 chin/mou[a]		5.56 billion chin[a]
	1952				7.3 billion chin[a]
	1958		408 chin/mou[a]		10.8 billion chin[a]
Autumn	1959	17,000,000 mou[a]			
Rice					
Single crop late	1959	4,100,000 mou transplanted as of 12 Jun 59, or 80% of plan[b]			
	1959	4,800,000 mou as of 20 Jun 59, or some 2,100,000 less than 1957[c]			

FUKIEN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Single crop mid-season and late	1959	7,040,000 mou planted as of 1 Jul 59, or 10.2% over plan[d]			
Late sweet potatoes	1959	Plan: 3,880,000 mou[d]			
Soybeans	1959	500,000 mou[e]			
Spring peanuts	1959	1,180,000 mou[f]			
Spring sesame	1959	35,000 mou[g]			
Tea oil groves	1959	6,400,000 mou[g]			
Spring tea	1958				81,000 tan[h]
	1959				90,000 tan[h]
Sugar purchase	1959				88,000 MT edible sugar purchased with 35,000 MT exported from Fukien[d]

FUKIEN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Aquatic products					
Fish culture area	1959	3,700,000 mou[i]			
Kelp	1959				230,000 tan from end of April to first of June[j]
Flooded land already cultivated	1959	680,000 mou since 10 Jun 59[k]			
Resin	1959			18,454 MT[m]	
Population					14,500,000[n]

Sources: Foochow, Fukien Jih-pao, unless otherwise stated.

a. Hanoi, Bao Tan Viet Hoa, 21 Oct 59, p 2
b. 16 Jun 59, p 1
c. 20 Jun 59, p 1
d. 4 Jul 59, pp 1-2
e. 10 Jul 59, p 1
f. 21 Jun 59, p 1
g. 5 Jul 59, p 2
h. 25 Jun 59, p 2
i. 7 Jul 59, p 1
j. 2 Jun 59, p 1
k. 3 Jul 59, p 1
m. 9 Jun 59, p 2
n. 22 Jun 59, p 1

HONAN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Rapeseed	1959	450,000 mou[a]			
Silk cocoons					
Mulberry	1949				11,248 tan[b]
	1957				68,370 tan[b]
	1958				Est: 146,453 tan[b]
	1959			170,000 tan[b]	
Tussah	1959			241,000 tan[b]	
Ricnus	1959			53,465 tan[b]	
Total	1962			12,620,076 tan[b]	
Tussah	1962			884,850 tan[b]	
Ricnus	1962			2,831,280 tan[b]	

Sources: a. Ho-fei, Anhwei Jih-pao, 3 Jun 59, p 4

b. Peiping, Chung-kuo Fang-chih, No 4, 1 Feb 59, p 32

HOPEH

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Silk cocoons	1949				15,014 tan
	1950				15,470 tan
	1951				15,940 tan
	1952				16,424 tan
	1953				23,883 tan
	1954				28,803 tan
	1955				37,609 tan
	1956				44,453 tan
	1957				48,000 tan
	1958				56,000 tan
	1962			150,000 tan	
	1967			300,000 tan	

Source: Peiping, Chung-kuo Fang-chih, No 4, 1 Feb 59, p 33

HUNAN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Grain	1959	80,000,000 mou[a]			
High yield	1959	20,000,000 mou[b]	1,000 chin/mou[b]		
	1959	26,000,000 mou[b]	600-700 chin/mou or 700-800 chin/mou[b]		
Rice					
Early	1959	16,000,000 mou[c]			
	1959	16,800,000 mou[d]			
	1959	17,400,000 mou[b]	Divided to produce 800, 600,400 chin/mou[b]		
Mid-season (including single crop late)	1959	20,000,000 mou (2,500,000 mou more than early rice)[c]			
Mid-season	1959	21,000,000 mou[b]	Divided to produce 1,000,800,600 chin/mou[b]		

HUNAN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Single crop	1959	22,000,000 mou[f]			
Double crop late	1959	Plan: 14,000,000 mou[g]	200 chin/ mou[g]	2.8 billion chin[g]	
Summer sweet potatoes	1959	5,000,000 mou[h]			
Summer sweet potatoes and miscellaneous grains	1959	10,000,000 mou[f]			
Summer miscellaneous crops	1959	4,780,000 mou[i]			
Peanuts	1959	Plan: 840,000 mou[j]			
Sesame	1959	Plan: 280,000 mou[j]			
Tea oil	-	7,000,000 mou reclaimed and put to tea oil shrubs[k]			
	1958				1,430,000 tan[k]
	1959			2,200,000 tan[k]	

HUNAN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
	1959			2,600,000 tan "struggle for"[k]	
Tung oil	1959			1,000,000 tan[c]	
Industrial crops (cotton, fibers, sugar cane)	1959	6,940,000 mou (38% over 1958)[m]			
	1959	3,000,000 mou[n]			
Cotton	1958	1,060,000 mou[o]			
	1959	1,800,000 mou[n]			
	1959	1,740,000 mou[m]			
Ramie	1959	230,000 mou (original plan)[n]			
	1959	Newly expanded area 240,000 mou[n]			
	1959	200,000 mou old area[p]		100,000[p]	
Jute	1959			900,000 tan[p]	
Hogs	1959			15,000,000 net by end of 1959[q]	

HUNAN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Fish raising area	1959	3,000,000 mou[r]			
Area					
Grain cultivated	1959	Original plan: 42,000,000 mou[s]			
	1959	Expanded to: 44,000,000 mou[s]			
	1959	Newly expanded to: 46,000,000 mou[s]			
Total planted	1959	80,000,000 mou[s]			
Afforestation	1958-1959	46,000,000 mou[t]			
Population	1959				36,000,000[u]
Rural	1959				32,000,000[u]
Households	1958				8,000,000[u]

Source: Ch'ang-sha, Hsin Hunan Pao

a. 21 Jul 59, p 1
b. 3 Jun 59, p 1
c. 9 Jul 59, pp 1-2
d. 23 Jul 59, p 1
e. 17 Jun 59, p 1
f. 26 Jul 59, p 1
g. 13 Jul 59, p 1
h. 28 Jul 59, p 2
i. 23 Jun 59, p 1
j. 15 Jun 59, p 2
k. 10 Jun 59, p 1
m. 31 Jul 59, p 2
n. 2 Jun 59, p 2
o. 28 Jun 59, p 2
p. 20 Jun 59, p 2
q. 2 Aug 59, p 2
r. 5 Aug 59, p 2
s. 19 Jun 59, p 1
t. 6 Jun 59, p 2
u. 3 Jul 59, p 1

HUPEH

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Rice					
Early	1958	4,000,000 mou[a]			
	1959	6,000,000 mou[a]			
Mid-season	1959	13,000,000 mou[a]			
Spring tea purchases	1959				33,000 tan (17% over 1958)[b]
Drought area	1959	24,910,000 mou[c]			
State farms	1959				49[b]
Hogs	1959				Increased from 69,000 at beginning of 1959 to 112,302 by end of June[b]
	1959			300,000[b]	
Poultry	1959				Increased from 42,431 at beginning of 1959 to 598,221 by end of June[b]
	1959			3,000,000[b]	

HUPEH

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Cattle	1959				Increased by 5,101 from beginning of year to 22,887 by end of June[b]
Milk cows	1959				Increased from 897 at beginning of year to 1,000 by end of June[b]

Source: Hankow, Hupeh Jih-pao

a. 10 Jul 59, p 1
b. 13 Jul 59, p 1
c. 6 Aug 59, p 1

KIANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Early rice harvested as of 1 Aug 59	1959				
Nan-ch'ang Shih		1,084,489 mou (86.2% of of planted area)[a]			
Ching-te-chen Shih		109,631 mou (57.7% of planted area)[a]			
Kan-nan Administrative District		3,192,194 mou (78.8% of planted area)[a]			
I-ch'un Special District		4,930,000 mou (98.3% of planted area)[a]			
Shang-jao Special District		3,249,176 mou (75.3% of planted area)[a]			
Chi-an Special District		4,167,128 mou (92.6% of planted area)[a]			
Chiu-chiang Special District		1,218,115 mou (70.4% of planted area)[a]			
Fu-chou Special District		2,058,429 mou (83.5% of total area)[a]			
Total		[20,009,162 mou (85.2% of planted area)][a]			

KIANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Rapeseed	1959	3,000,000 mou[b]			
Spring tea	1959				10% over 1958[c]

Sources:

a. Nan-ch'ang, Kiangsi Jih-pao, 3 Aug 59, p 2
b. K'un-ming, Yunnan Jih-pao, 4 Jun 59, p 4
c. Hankow, Hupeh Jih-pao, 13 Jun 59, p 4

KIANGSU

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Summer planted crops	1959	51,000,000 mou[a]			
Sweet potatoes, corn, small green beans, soybeans, and sesame	1959	19,000,000 mou[a]			
Early autumn crops	1959	16,000,000 mou[b]			
Early autumn rice	1959	11,000,000 mou[c]			
Intermediate autumn crops	1959	50,000,000 mou[c]			
Autumn ripening crops	1959	Increase of 8,200,000 mou over 1958[d]			
Late autumn sown area	1959	Plan: 9,620,000 mou (60% of spring planted area)[e]			
Carrots	1959	3,660,000 mou[e]			

KIANGSU

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Buckwheat, beans, and potatoes	1959	1,680,000 mou[e]			
Vegetables	1959	860,000 mou[e]			
Green manure crop	1959	3,420,000 mou[e]			
Cotton	1959	7,000,000 mou[f]			
Spring silk cocoons	1959				170,000 tan (28% over 1958)[g]
Fish	1959				180,000 MT for 1st half 1959[e]

Source: Nanking, Hsin-hua Jih-pao

a. 11 Jul 59, p 1
b. 3 Aug 59, p 1
c. 6 Aug 59, p 1
d. 29 Jul 59, p 1
e. 18 Jul 59, pp 1-2
f. 7 Jul 59, p 1
g. 22 Jul 59, p 1

KIRIN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Grain	1959				Est: 10% over 1958[a]
Wheat	1959	183,000 ha (111,000 ha over 1958)[b]			
Lumber production	Jan-Aug 59				2,620,000 cu m (51.2% over corresponding period in 1958)[c]

Source: Ch'ang-ch'un, Kirin Jih-pao

a. 30 Aug 59, p 1

b. 3 Sep 59, p 1

c. 5 Sep 59, p 1

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Grain	1956				10.7 billion chin[a]
	1957				10.8 billion chin[b]
	1958			12.4 billion chin (15% over 1957)[c]	
	1959	30,000,000 mou (23,000,000 mou being early rice, mid-season rice, and corn)[d]			
Winter wheat, barley, rape seed, and green manure crops	1958	3,000,000 mou planted as of 26 Nov 58			
Early rice	1956	4,600,000 mou (43% over 1955)[a]			

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
	1958	10,976,742 mou planted as of 22 Apr 58, or 68.3% of plan[f]			
	1958	13,000,000 mou but only 40% harvested as of 20 Jul 58[g]			
	1958	9,218,666 mou or 70.9% of total harvested as of 30 Jul 58[h]	507 chin/mou (double 1957 yield)[i]		
	1959	Plan: 11,500,000 mou			

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Early rice transplanting (as of 19 Apr 59)	1959				
Nan-ning Special District		3,004,417 mou (100.1% of plan completed)[j]			
Pai-se Special District		246,400 mou (70% of plan completed)[j]			
Liu-chou Special District		2,237,812 mou (89.5% of plan completed)[j]			
Kuei-lin Special District		877,144 mou (81% of plan completed)[j]			
Wu-chou Special District		1,658,159 mou (97.4% of plan completed)[j]			
Yu-lin Special District		3,523,175 mou (98.6% of plan completed)[j]			
Total		[11,547,107 mou]			
Early rice harvested	1959	9,550,000 mou as of 4 Aug 59, or 83% of total[k]			

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Mid-season rice	1957		236.7 chin/mou[m]		
	1958	4,550,000 mou harvested[m]	635 chin/mou[m]		2.89 billion chin[m]
	1958	6,200,000 mou or 44% of late rice acreage[n]			
	1958	6,000,000 mou[o]			Est: 4.2 billion chin[o]
	1959	7,052,404 mou planted as of 23 Jun 59, or 95.7% of plan[p]			
Late rice	1957		234.1 chin/mou[m]		
	1958	2,870,000 mou harvested[m]	492 chin/mou[m]		1.41 billion chin[m]
	1958	Plan: 15,000,000 mou[q]			
	1958	Plan: 14,000,000 mou, but only 14.4% planted as of 20 Jul 58[s]			

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
	1958	11,190,000 mou planted as of 9 Aug 58, or 89% of plan[r]			
	1959	10,399,000 mou planted as of 10 Aug 59, or 89% of plan[s]			
Total mid-season and late rice	1958	18,000,000 mou[m]			
Summer harvested crops	1957				3,795,457,800 chin[t]
	1957		209 chin/mou[u]		
	1958	18,824,286 mou[t]			6,549,306,200 chin[t]
	1958		433 chin/mou[u]		8,650,000,000 chin (110% over 1957)[u] (107% over 1957)[i]

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Early rice	1957		242 chin/mou[u]		2,952,000,000 chin[u]
	1958	12,991,680 mou[t]			Est: 5,222,521,200 chin[t]
	1958		507 chin/mou[u]		6,322,000,000 chin (114% over 1957)[u]
Early and mid-season corn	1957		143 chin/mou[u]		
	1958	5,832,606 mou[t]			Est: 1,326,785,000 chin[t]
	1958		283 chin/mou[u]		1,743,000,000 chin (97% over 1957)[u]

KWANGAI

Item	Year	Area	Unit Yield	Planned Product

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Summer-Autumn crops planted as of 1 Jul 59	1959	Original plan increased by 4,300,000 mou[V]			
Mid-season rice	1959	Original plan: 6,670,000 mou[V]			
	1959	Expanded to 7,520,000 mou[V]			
Late rice	1959	Original plan: 11,120,000 mou[V]			
	1959	Expanded to: 11,820,000 mou[V]			
Late corn	1959	Original plan: 1,702,000 mou[V]			
	1959	Expanded to: 2,287,000 mou			
Sweet potatoes	1959	Original plan: 5,080,000 mou[V]			
	1959	Expanded to: 5,899,000 mou[V]			
Miscellaneous grains and beans	1959	Original plan: 1,693,000 mou[V]			
	1959	Expanded to: 3,039,300 mou[V]			

KWANGBI

Item Year Area

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Other spring crops	1958	4,216,843 mou as of 22 Apr 58, or 89.1% of plan[f]			
Corn	1959	Plan: 5,080,000 mou[d]			
Early and mid-season corn	1958	6,596,572 mou planted as of 24 Apr 58, or 96.9% of plan[f]			
	1959	Plan: 6,000,000 mou[w]			
Early and mid-season corn harvested	1958	4,388,774 mou as of 30 Jul 58, or 65.5% of total area[h]			
	1959	4,420,000 mou as of 4 Aug 59, or 76% of total area[k]			
Late corn	1959	1,869,000 mou planted as of 10 Aug 59, or 78% of plan[s]			
Tubers	1958	11,000,000 mou planted as of 23 May 58[x]			

KWANGSI

Item	Year	Area	Unit Yield

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Tubers (Sweet potatoes, Cassava, taros, Irish potatoes)	1958	1,479,415 mou as of 22 Apr 58, or 52.2% of plan[f]			
Sweet potatoes	1957	6,500,000 mou[z]			5.2 billion chin[y]
	1958	8,000,000 mou[z]	3,000 chin/ mou[z]	24 billion chin (equivalent to 6 billion chin of grain)[z]	
	1958	Plan: 11,200,000 mou[aa]			
	1958	7,213,505 mou planted as of 21 Aug 58[bb]			
	1958				Est: 32-40 billion chin (equivalent to 8-10 billion chin of rice)[cc]
	1959	2,745,000 mou planted as of 10 Aug 59, or 43.2% of plan[s]			

KWANGSI

Item	Year	Area	Unit Yield

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Soybeans	1958	619,918 mou planted as of 22 Apr 58, or 31.4% of plan[cc]			
Peanuts	1958			270,000,000 chin (7.28% over 1957)[c]	
	1958	2,081,701 mou planted as of 22 Apr 58, or 85.8% of plan[f]			
	1959	Plan: 3,000,000 mou (700,000 mou over 1958)[dd]	350 chin/mou (double 1958 yield)[dd]		
	1962	Plan: 2,500,000 mou[ee]	180 chin/mou[ee]		
Sesame	1959	200,000 mou planted as of 16 Jun 59, or one fourth of plan[ff]			
Tea oil	1958	Total: 8,730,000 mou of which 3,000,000 mou mature growth[gg]			

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
	1958	3,000,000 mou mature growth (can produce 70% more oil in 1959 than 1958)[gg]	In a few years can produce 100 c/m from 3,000,000 mou of mature growth[gg]	400,000 tan of oil[gg] 3,000,000 tan of oil[gg]	
	1959	New: 5,770,000 mou[gg]			
Total	1959	14,500,000 mou[gg]			
Sugar cane	1957		One MT/mou[hh]		550,000 MT[hh]
	1958			3.07 billion chin (84.4% over 1957)[ii]	
	1958	779,787 mou planted as of 22 Apr 58, or 98% of plan[f]			
	1958	750,000 mou (36% over 1957)[hh]	Est: 3.5-4 MT/mou[hh]		Est: 3,000,000 MT (445% over 1957)[hh]

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
	1959	Plan: 82,000 mou of autumn planted sugar cane[jj]			
	1962	Plan: 2,000,000 mou[b]	8,000 chin/mou[b]		
Cotton	1959	71,000 mou planted as of 19 May 59[kk]			
Green manure crops	1958	Plan: 13-15 million mou[mm]			
Aquatic products	1952	299,400 mou[nn]			9,800 MT[nn]
	1957	443,900 mou[nn]			23,800 MT[nn]
	1958	Plan: 830,000 mou[nn]		135,500 MT[nn]	
Cattle (yellow and water buffalo)	1957				4,200,000[b]
	1962			6,760,000[b]	
Draft	1958				30,000 increase over 1957 as of end of Jul 58[oo]
	1958			Total: 4,630,000[oo]	

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Goats	1958				598,000 as of the end of Jul 58 (double 1957 number)[oo]
	1958			Total: 1,000,000[oo]	
Hogs	1957				5,560,000[i]
	1958			9,140,000[i]	
	1958				7,170,000 (29.02% over 1957)[c]
	1958				8,000,000 (over 2 hogs per household)[pp]
	1958				8,350,000 as of end of Jul 59 (49.2% over 1957; averaging 2.13 per household)[oo]
	1958			16,000,000[oo]	
	1958			20,000,000 ("struggle for")[oo]	

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
	1958				9,140,000 as of early Sep 58 (averaging 2.96 hogs per household)[qq]
	1959				Raised 1,135,000 hogs by end of Jun 59 or 27.7% of total net No of hogs[rr]
	1962			20,000,000[b]	
Irrigated area	1959 current	12,000,000 mou[ss]			
Afforestation	1949-1957	13,850,000 mou[tt]			
	1953-1957 (1st 5-yr Plan)	Plan: 6,340,000 mou[c] Actual: 13,010,000 mou[c]			
	1958	16,852,875 mou as of 28 Mar 58, or 309.2% of plan[uu]			

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
	1958	19,560,000 mou[vv]			
	1958	19,440,000 mou[tt]			
	Winter 1958-spring 1959	Plan: 70,000,000 mou[ww]			
	1959	Plan: 60,000,000 mou[tt]			
	1958-1962	86,000,000 mou[ee]			
Tea oil	1958-1962	12,000,000 mou[ee]			
Tung oil	1958-1962	4,000,000 mou[ee]			
Bamboo	1958-1962	3,000,000 mou[ee]			
Fruit	1958-1962	5,000,000 mou[ee]			
Tax and purchase grain	1958				811,880,000 chin as of 30 Sep 58 (85.46% of plan)[xx]
Exported	1958				122,100,000 chin as of 30 Sep 58 (49% of plan)[xx]

Item	Year	Area	KWANGSI Unit Yield

KWANGSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Tax and purchase of summer grain plan	1959				
Kuei-lin Special District				150,000,000 chin[aa]	
Liu-chou Special District				300,000,000 chin[aa]	
Yu-lin Special District				350,000,000 chin[aa]	
Nan-ning Special District				300,000,000 chin[aa]	
Wu-chou Special District				150,000,000 chin[aa]	
Pai-se Special District				50,000,000 chin[aa]	
Total				[1,300,000,000 chin]	

KWANGSI

Source: Nan-ning, Kwangsi Hsien-tao

KWANGSI

Source: Nan-ning, Kwangsi Jih-pao

a. 7 Jul 58, p 1
b. 14 Mar 58, p 3
c. 15 Mar 58, pp 4, 8
d. 3 Apr 59, p 1
e. 1 Dec 58, p 2
f. 24 Apr 58, p 2
g. 23 Jul 58, p 1
h. 4 Aug 58, p 2
i. 1 Oct 58, p 2
j. 25 Apr 59, p 1
k. 6 Aug 59, p 1
m. 13 Nov 58, p 1
n. 10 Aug 58, p 1
o. 27 Oct 58, p 2
p. 24 Jun 59, p 1
q. 19 May 58, p 1
r. 11 Aug 58, p 1
s. 11 Aug 59, p 1
t. 6 Jul 58, p 1
u. 31 Aug 58, p 1
v. 3 Jul 59, p 1
w. 20 May 59, p 2
x. 23 May 58, p 1
y. 27 Apr 58, p 1
z. 11 May 58, p 1
aa. 9 Aug 58, p 2
bb. 26 Aug 58, p 2
cc. 24 Aug 58, p 2
dd. 5 Apr 59, p 2
ee. 14 Mar 59, p 3
ff. 22 Jun 59, p 1
gg. 9 Apr 59, p 2
hh. 9 Oct 58, p 2
ii. 15 Mar 59, p 4
jj. 16 Aug 59, p 2
kk. 26 May 59, p 2
mm. 7 Apr 58, p 1
nn. 3 Apr 58, p 2
oo. 13 Sep 58, p 2
pp. 13 Jun 59, p 1
qq. 25 Oct 58, p 2
rr. 11 Jul 59, p 2
ss. 22 Jun 59, p 1
tt. 13 Dec 58, p 1
uu. 30 Mar 58, p 2
vv. 2 Oct 58, p 2
ww. 9 Nov 58, p 2
xx. 8 Oct 58, p 2

Item	Year	Area	KWANGTUNG
			Unit Yield

KWANGTUNG

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Sugar cane	1959	1,500,000 mou[a]			
Lumber production	1959			4% over 1959 plan[b]	

Sources:

a. Hanoi, Bao Tan Viet Hoa, 21 Oct 59, p 2

b. Peiping, Chung-kuo Lin-yeh, No 19, 6 Oct 59, p 7

KWEIGHOW

Item	Year	Area	Unit Yield	Planned Prof

KWEICHOW

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Rice	1959	11,739,000 mou transplanted as of 30 Jun 59, increase of 260,000 mou over 1958[a]			
Corn	1959	7,589,000 mou[b]			
Sweet potatoes planted as of 10 Jun 59	1959				
Ch'ien-nan Autonomous Chou		27,155 mou (or 7.7% of plan)[c]			
Kuei-yang Shih		5,931 mou[c]			
Ch'ien-tung-nan Autonomous Chou		41,136 mou[c]			
Tsung-i Special District		199,169 mou[c]			
T'ung-jen Special District		160,612 mou[c]			
Pi-chieh Special District		14,284 mou (or 2% of plan)[c]			
An-shun Special District		18,141 mou[c]			
Total		[466,428 mou]			

KWEICHOW

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Autumn sweet potatoes	1959	Plan: 5,000,000 mou[d]			
Late autumn crops					
Sweet potatoes	1958	2,000,000 mou[e]			
Irish potatoes and buckwheat	1958	1,500,000 mou[e]			
Turnips and cabbage	1958	500,000 mou[e]			
Total	1958	4,000,000 mou[e]			
Spring silk cocoons (mulberry, tussah, and rinus)	1959				210,810 tan (96.7% over total 1958 output)[f]

KWEICHOW

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Tobacco planted as of 10 Jun 59					
Kuei-yang Shih		18,235 mou (26% of plan)[e]			
Ch'ien-nan Autonomous Chou		112,792 mou (66.3% of plan)[e]			
Ch'ien-tung-nan Autonomous Chou		33,877 mou (26.2% of plan)[e]			
Tsung-i Special District		131,991 mou (52.8% of plan)[e]			
T'ung-jen Special District		--			
Pi-chieh Special District		56,535 mou (25.7% of plan)[e]			
An-shun Special District		32,998 mou (20.6% of plan)[e]			
Total	1959	[386,428 mou]			

Source: Kuei-yang, Kweichow Jih-pao

a. 6 Jul 59, p 1
b. 5 Jul 59, p 1
c. 14 Jun 59, p 2
d. 18 Jun 59, p 2
e. 21 Jul 59, p 1
f. 24 Jul 59, p 1

YUNNAN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Corn	1959	11,041,800 mou planted as of 26 Jun 59, or 110.4% of plan[a]			
Irrigated area	1949	4,430,000 mou[b]			
	1959	19,476,300 mou as of May 59[b]			

Source: K'un-ming, Yunnan Jih-pao

a. 28 Jun 59, p 2

b. 13 Jun 59, p 2

2. INNER MONGOLIA'S PLAN FOR AUTUMN PLOUGH

2. INNER MONGOLIA'S PLAN FOR AUTUMN PLOWING -- Hu-ho-hao-te, Nei-meng-ku Jih-pao, 9 Oct 58, p 2

The following table gives Inner Mongolia's plan for autumn plowing and deep plowing for 1958.

	Total Autumn Plowing Plan (mou)	Deep Plowing Plan (mou)
Hu-lun-pei-erh Meng	4,050,000	1,215,000
Che-li-mu Meng	5,466,000	2,733,000
Chao-wu-ta Meng	12,150,000	4,860,000
Ch'a-ha-erh Meng	1,700,000	850,000
Wu-lan-ch'a-pu Meng	16,500,000	8,250,000
I-k'o-chao Meng	4,500,000	2,250,000
Pa-yen-nao-erh Meng	5,000,000	5,000,000
Hsi-lin-kuo-lo Meng	200,000	100,000
Hu-ho-hao-te Shih	940,000	470,000
Pao-t'ou Shih	1,800,000	900,000
Total	[52,306,000]	[26,628,000]

3. SUMMER CROP PLANTING PROGRESS CHART IN KIANGSI -- Nan-ch'ang, Kiangsi, Mi

3. SUMMER CROP PLANTING PROGRESS CHART IN KIANGSI -- Nan-ch'ang, Kiangsi Jih-pao, 8 Aug 59, p 2

The following table gives the area sown to various crops in Kiangsi Province as of 6 August 1959.

	Total Sown Area (mou)	% of Plan	Second Late Rice Crop	
			Mou	% of Plan
Chi-an Special District	3,761,981	77.5	2,476,648	70.6
Kan-nan Administrative District	3,260,283	74.9	2,509,720	83.4
I-ch'un Special District	3,989,526	73.6	2,503,804	77
Shang-jao Special District	3,363,995	70.3	1,907,803	74.7
Nan-ch'ang Shih	797,626	59.3	573,325	63.7
Chiu-chiang Special District	958,695	53.2	704,240	58.6
Fu-chou Special District	1,422,970	50.9	1,266,024	84.1
Cheng-te-chen Shih	63,125	25.8	38,704	38.7
Total	[17,618,201]		[11,980,268]	

	Late Sweet Potatoes (mou)	Late Miscellaneous Grain (mou)	Late Soy-beans (mou)
Chi-an Special District	478,448	70,004	706,634
Kan-nan Administrative District	451,454	2,755	294,162
I-ch'un Special District	235,891	36,239	975,917
Shang-jao Special District	388,757	614,407	218,196
Nan-ch'ang Shih	50,703	12,971	61,707
Chiu-chiang Special District	40,625	134,709	15,684
Fu-chou Special District	48,798	1,261	76,697
Cheng-te-chen Shih	6,426	1,899	7,294
Total	[1,701,102]	[874,245]	[2,356,291]

4. PLAN FOR TAX AND PURCHASE OF GRAIN IN KWANGSI -- Nan-ning, Kwangsi Jih-pao, 24 Dec 58, p 2

The following table gives the 1958 planned tax and purchase of grain, including sweet potatoes, in Kwangsi Province.

	Total Grain (chin)	Including Autumn Grain (chin)
Kuei-lin Special District	605,000,000	493,180,000
Liu-chou Special District	860,000,000	737,980,000
Yu-lin Special District	670,000,000	520,400,000
Nan-ning Special District	715,000,000	562,930,000
Wu-chou Special District	375,000,000	253,990,000
Pai-se Special District	375,000,000	333,640,000
Total	[3,600,000,000]	[2,902,120,000]

5. PROGRESS REPORT OF AGRICULTURAL WORK IN KWANGSI -- Nin-nian --

5. PROGRESS REPORT OF AGRICULTURAL WORK IN KWANGSI -- Nin-ning, Kwangsi Jih-pao, 16 Apr 59, p 2

The following table gives the progress of the spring agricultural work in Kwangsi Province as of 14 April 1959.

Special District	Rice				
	Total Planted (mou)	% of Plan	Paddy Rice Transplanted (mou)	Sown Directly in Paddy Fields (mou)	Planted on Dry Land (mou)
Nan-ning	2,366,417	78.8	1,206,826	518,061	641,530
Pai-se	135,137	38.3	49,073	73,412	12,652
Liu-chou	921,292	36.8	725,555	139,941	55,796
Kuei-lin	191,347	15.9	190,000	213	1,134
Wu-chou	1,286,149	74.9	1,271,961	5,680	8,508
Yu-lin	3,338,964	88.3	3,314,744	14,586	9,634
Total	[8,239,306]		[6,758,159]	[751,893]	[729,254]

Special District	Sugar Cane: Total Planted (mou)	Sugar Cane: % of Plan	Peanuts: Total Planted (mou)	Peanuts: % of Plan
Nan-ning	134,361	61.3	724,022	72.4
Pai-se	36,689	101.3	5,903	5.9
Liu-chou	164,019	131.2	715,390	71.5
Kuei-lin	50,455	123.6	82,102	41.0
Wu-chou	43,797	78.3	191,261	95.6
Yu-lin	165,562	80.4	481,370	96.2
Total	[594,883]		[2,200,048]	

6. PROGRESS CHART FOR MID-SEASON RICE IN KWANGSI -- Nan-ning, Kwangsi Jih-pao, 17 May 59, p 1

The following table gives the progress made in planting mid-season rice as of 16 May 1959 in Kwangsi Province.

	Sown Rice		Planned Transplanting of Rice (mou)
	Mou	% of Plan	
Nan-ning Special District	1,804,367	115.5	1,570,000
Pai-se Special District	1,395,000	84.5	1,300,000
Liu-chou Special District	1,510,500	94.4	1,600,000
Kuei-lin Special District	2,033,250	112.9	1,800,000
Wu-chou Special District	253,200	87.3	290,000
Yu-lin Special District	101,960	91.0	80,000
Total	[7,098,277]		[6,640,000]

7. SUMMER PLANTING PROGRESS CHART IN KWANGSI -- Nan-ning, Kwangsi Jih-pao, 11 Aug 59, p 1

The following table gives the progress made in summer planting as of 10 August 1959 in Kwangsi Province.

	Late Rice		Late Corn		Sweet Potatoes	
	Mou	% Completed	Mou	% Completed	Mou	% Completed
Nan-ning Special District	2,408,000	90.7	617,000	72.2	642,000	39.6
Pai-se Special District	267,000	75.6	341,000	114.0	597,000	59.7
Liu-chou Special District	1,606,000	80.2	675,000	67.5	544,000	38.8
Kuei-lin Special District	653,000	81.6	164,000	109.2	446,000	50.4
Wu-chou Special District	1,678,000	91.2	39,000	80.5	232,000	40.0
Yu-lin Special District	3,787,000	93.9	33,000	70.9	284,000	33.6
Total	[10,399,000]		[1,869,000]		[2,745,000]	

IV. TRANSPORTATION

1. FLOODS INTERRUPT TRANSPORT IN KWANGTUNG -- Canton, Kuang-chou Jih-pao, 27 Jun 59, p 1

Floods occurring in Kwangtung Province between 25 May and 16 June destroyed 133 main highway bridges and washed out 1,026 meters of roadbed, involving some 100,000 cubic meters of earth and rocks, and inundating the roadbed in 63 places, totaling 177 kilometers. Destruction was most serious in Tung-kuan, Hui-yang, and Po-lo hsiens, but Fo-shan and Shan-t'ou (Swatow) and three other special districts also suffered greatly. Traffic was interrupted for varying periods on the Canton-- Shan-t'ou, Canton-- Shao-kuan, and Canton-- Chan-chiang (Fort Bayard), and other main highways.

Urgent repairs made during the past 10 days have made these roads passable for 70 percent of the damaged sections. Through traffic between Canton and Shan-t'ou is now possible by making a detour through Tan-shui. Repairs to the damage part of the Canton--Shao-kuan highway lying between Ts'ung-hua and Ch'ing-yuan has made through traffic possible. Through traffic between Canton and Chan-chiang is now possible by using a motor vehicle ferryboat at one place where the bridge is still out of commission.

Within the past 3 days, river traffic has been resumed on 36 important water routes: between Canton and Hui-yang, Hsiao-yuan, Yung-chi, Hsi-chiao, and Shih-ch'i. To hasten the dispersion of congestion of passenger and freight traffic occasioned by the floods, extra boats, and extra buses and trucks have been scheduled, and in some cases the fares have been reduced. Bus service on the Canton--Hai-feng highway, which was interrupted for a long time, was resumed on 25 June. Beginning on 26 June, passenger traffic between Canton and Hsing-ning, Mei-hsien, and Lao-lung, became possible by rail from Canton to Ta-k'eng-k'ou and thence by transferring to motor buses.

Urgent repairs of the damage on the railway line between Canton and Shen-chen are still being made, and through traffic is expected to be restored by the end of June. The damaged section of the railway lying between Hsin-t'ang and Ch'ang-p'ing was 51 kilometers long. Repairs to 22 kilometers of this section, between Hsin-t'ang and Shih-t'an are finished. The inundation of the Canton--San-shui railway between Chien-pien and Hsi-nan, which caused suspension of through traffic on 23 June, has now subsided and through traffic has been resumed. Regular operation in Kwangtung of the Peiping-Canton railway, of the Chan-chiang--Li-t'ang railway and of airflights to and from Canton, was not interrupted by these floods.

2. TRAFFIC TO BE RESUMED ON CANTON--KOWLOON RAILWAY -- Canton, Kuang-chou Jih-pao, 29 Jun 59, p 2

Through passenger and freight traffic on the Canton--Kowloon railway, which at the middle of this month was interrupted between Canton and Shen-chen, will be resumed on 30 June. During the first half of the month, this area was affected by extraordinarily destructive flood conditions along the Tung Chiang (East River) and the Tseng-ch'eng Chiang, and in spite of precautions, on 14 June a section of roadbed 48 kilometers long between Hsin-t'ang and Ch'ang-p'ing, suffered inundation and washouts. Especially serious was the damage at kilometer point 61, at the south end of the railway station at Shih-t'an, where the break was 54 meters long and 5.8 meters deep, and at kilometer point 69, near Shih-lung, where 70 meters of the roadbed was carried away. Beginning on 20 June, over 1,000 cadres, engineers, and laborers made the urgent repairs which were completed on 28 June to permit service to be resumed on 30 June.

3. COMMUNICATION LINES IN NORTHERN FUKIEN PROVINCE -- Foochow, Fukien Jih-pao, 21 Aug 59, p 3

In 1958, in the mountainous section of northern Fukien Province, motor highways were built between Sha-hsien and Yu-ch'i, and between P'u-ch'eng and Cheng-ho; these were the last hsiens in the province to become accessible to motor vehicles. At present there are in this region 20 highways with an aggregate length of 1,866 kilometers. There are also 45 simple highways totaling 452 kilometers in length that extend to various mining projects, and an uncounted number of cart roads that connect the smaller cities, towns, and villages. At the present time, in this network of highways, roads, and waterways in northern Fukien, there are operating daily approximately 366 motor vehicles and over 1,500 boats that carry over 10,000 passengers and more than 4,200 metric tons of freight.

4. EFFORTS TO INCREASE SHORT-HAUL TRANSPORT CAPACITY -- Peiping, Ta Kung Pao, 21 Sep 59, p 2

The pressing need for greater short-haul transport capacity to handle increased agricultural and industrial production has forced the leaders in many provinces, including Shensi, Shansi, and Szechwan, to take steps to increase the availability of transport facilities. Efforts are being directed along several lines, including (a) official encouragement and assistance in increasing the number of carts, draft animals,

motor vehicles, and boats; (b) offering wages to transport workers 10-20 percent higher than the usual wages of agricultural workers; (c) urging farmers, with their carts and animals, to take part in public transport whenever farm work permits; (d) promoting in the people's communes the formation of full-time transport units; (e) urging merchants to a greater extent to themselves attend to their transport needs; (f) urging commercial agencies and industrial enterprises who have means of transport whose capacity is not being fully utilized to make it available for public transportation; and (g) establishing regulations governing standards of transport performance, equitable charges and wages, and the protection, privileges, and rights of transport workers.

In certain districts in Shansi Province, the above-mentioned movement has resulted in 33 percent increase in the means of transport, and 53 percent increase in the transport turnover. In T'ung-nan Hsien, in Shensi Province, 65 full-time transport companies have been formed consisting of 2,131 men, 226 wooden boats and 383 carts. Formerly, because expensive transport facilities, the people of Fu-hsing Hsiang, in T'ang-pa Hsien, were able to market only about 10,000 tubs, buckets, carrying poles and shovel handles per quarter; now, with the formation of many local transport units, they are able to make and sell over 50,000 pieces per quarter.

5. CHUNGKING TRUCK DRIVERS SURPASS TRANSPORT TARGET -- Chungking Jih-pao, 3 Jun 59, p 2

Truck driver T'ien K'ang-ch'i and several associates employed by the Chungking municipal motor transport company, during 25 days in May surpasses the monthly target of 10,000 ton-kilometers per truck ton. At that time T'ien was driving, between Ta-hsien and Chungking, an old Ford truck with a trailer carrying 5 tons, having a combined load of $8\frac{1}{2}$ tons. His loads consisted of freight for the iron and steel industry.

6. CH'IEN-NAN AUTONOMOUS CHOU PUSHES TRANSPORTATION MOVEMENT -- Kuei-yang, Kweichow Jih-pao, 29 Jun 59, p 1

Ch'ien-nan Autonomous Chou is pushing the transport of the accumulated agricultural by-products and industrial raw materials. Up to 20 June, 2,800 ox carts and horse carts were put into operations moving a total of 70,981 metric tons of goods including 8,106 metric tons of foodstuff, 4,971 metric tons of pig iron, 1,419 metric tons of lumber, some 20,000 metric tons of native products and 19,438 metric tons of construction materials. In comparision with the same period in May, the amount transported was increased by 58 percent.

7. TIENTSIN INLAND WATERWAY TRANSPORT WORKERS EXCEED GOALS -- Tientsin, Hsin Wan-pao, 7 Oct 59, p 2

On 4 and 5 October, the workers of the Tientsin inland waterway transportation system exceeded the goals for loading and unloading and transporting.

The October 1959 inland waterway transport goal was very great; it called for almost increased doubling that of the same period in 1958. On 4 October, some 4,400 metric tons of goods were loaded and transported in the Tientsin areas. This is more than 40 percent greater than the highest figure for transport in September. During the night of 4 October, 32 tugs were unloaded. During the 2 days 100 percent of the workers reported to work.

8. CHUNGKING INCREASES BOAT TONNAGE CAPACITY -- Chungking Jih-pao, 10 Jun 59, p 1

In the effort to handle the growing amount of local water borne traffic, the Chungking municipal water borne transport company, following the example of boatmen in Lo-shan Hsien, Szechwan, have introduced the device of supporting long drum-shaped [bamboo] baskets on both sides of small river boats. A boat with this arrangement is called a fish-belly boat. It has been shown that such a boat can increase its cargo-carrying capacity by as much as 50 percent. This practice is now being widely extended.

Following the suggestion of local boatmen, boards have been added to the gunwales of boats to increase their permissible drafts, thereby increasing their capacity as much as 66.67 percent. The company has 651 wooden boats with an aggregate tonnage of 27,850 metric tons. If the capacity of all or most of these boats were raised by either of these methods, the company believes it could raise the aggregate capacity of its fleet by at least 35 percent. This gain in capacity can be secured without increasing the number of boats or of the number of boatmen to handle them; and the cost involved is much less in materials and labor than the building of additional boats.

9. CARLOADINGS UP AT AN-TUNG -- Mukden, Liaoning Jih-pao, 7 Jun 59, p 2

At the An-tung railway station, 100.2 percent of the planned number of carloadings for the first 6 months of 1959 was accomplished on 28 May, which was 33 days ahead of time. During May, the record for dispatching goods as occasion permitted, by utilizing space or weight capacity of cars or trains that otherwise would be unused, was also very good, amounting to 8,498 tons.

10. DAIREN PLANT BUILDS 78 LOCOMOTIVES IN FIVE MONTHS -- Mukden, Liaoning Jih-pao, 5 Jun 59, p 1

From the beginning of 1959 to the end of May, the Dairen Locomotive and Rollingstock Works produced 78 locomotives. This is nine locomotives more than were built in the same period of 1958. The cost of the locomotives built this year from January to April was 10 percent less per locomotive than last year. All of the locomotives built this year met the government standards as to quality and performance. The savings due to economy are equivalent to the cost of eight locomotives.

V. POSTS AND TELECOMMUNICATIONS

AGREEMENT TO ORGANIZE FOR COOPERATION AMONG SOCIALIST COUNTRIES -- Peiping, Chung-hua Jen-min Kung-ho-kuo T'iao-yueh-chi (Treaties of the People's Republic of China, 1957), Vol VI, Aug 58, pp 271-275

To further develop and consolidate cooperation of posts and telecommunications activities among socialist countries so as to promote the growth of posts and telecommunications in these countries, the heads of the posts and telecommunications ministries representing the People's Republic of Albania, the People's Republic of Bulgaria, the People's Republic of Hungary, the Democratic Republic of Vietnam, the German Democratic Republic, the People's Republic of China, the Democratic People's Republic of Korea, the People's Republic of Mongolia, the People's Republic of Poland, the People's Republic of Rumania, the Union of the Soviet Socialist Republics, and the Republic of Czechoslovakia considered the establishment of the "Organization for Cooperation Among the Socialist Countries in the Fields of Posts and Telecommunications" as being appropriate.

Article 1. Tasks of the Organization

The tasks of the organization for cooperation in posts and telecommunications are as follows:

1. To improve and develop telegraph and telephone circuits and related operations among socialist countries.

2. To advance the organization of existing telecommunications and postal networks between socialist countries.

3. To confer on problems concerning designs and construction of radio microwave circuits, cables, and overhead lines, and to study the technical requirements, specifications, and standards of communications equipment and cables.

4. To study and adopt technical measures so as to ensure the development of wired broadcast and mutually to exchange television and radio broadcasting programs.

5. To expand postal exchange operations, and to prepare to adopt proposals for advanced methods in the organization and mechanization of postal work.

6. To confer on problems concerning postal and telecommunications rates set between various socialist countries.

7. To collaborate on the activities of scientific and technical cooperation and scientific research, including scientific research institutes and designing units.

8. To coordinate the distribution and usage of radio frequencies.

9. To cooperate in operational activities in the ionosphere and to organize mutual exchange of materials concerning ionosphere and radio-wave transmission.

10. To render service in improving and developing posts and telecommunications facilities as requested by individual member of said organization.

11. To coordinate the activities of the international posts and telecommunications organization.

Article 2. Qualifications for Membership

All principal agencies of posts and telecommunications in socialist countries having declared their willingness to participate in the work of this organization and having signed or concured in this agreement are considered full members of said organization.

Article 3. Conference of Ministers

1. The conference of ministers of the principal agencies of posts and telecommunications in various concerned socialist countries shall direct the activities of this organization.

2. The conference of all ministers shall convene once a year if necessary to examine agenda and to approve resolutions. The location and date of each conference will be decided upon at the previous meeting of the ministers. Consideration should be given to the work schedule of international organizations when determining the date for each conference.

3. When necessary, a special session of the ministers' conference can be called with the agreement of two thirds of the members in the organization.

4. The all-minister conference shall be held in the countries where principal posts and telecommunications agencies have full membership in said organization. Special meetings will be held in the member country that requests such a meeting.

5. When special problems of a regional nature are to be discussed, regional conferences can be called on the recommendation of the ministers' conference or upon the request of certain principal agencies of posts and telecommunications comprising this organization. The location and date of the regional conferences will be chosen by the principal agencies of posts and telecommunications of the member country that is responsible for calling the next session of the ministers conference.

6. The resolutions of said conference must be approved by the entire members in the conference before they can be passed. Proposals concerning technical and operational undertakings made in the conference must be approved by the majority of the members.

7. The ministers of the principal agencies of posts and telecommunications in their respective countries shall execute all resolutions passed in the conference within the power given to them by law. However, the decisions dealing with problems, that are not under their authority shall be approved by their respective governments.

8. The conference shall abide by the approved rules for parliamentary procedures.

Article 4. Activities During Period Conference Not in Session

1. During the period when the conference of the ministries of principal agencies of posts and telecommunications is not in session, activities of said organization shall become the responsibility of the principal posts and telecommunications agency to which has been assigned the responsibility for calling of the next session of the conference.

2. Any principal agency of posts and telecommunications in this organization may make suggestions of its own, or with the authority delegated by the conference to prepare individual item for the agenda.

3. By following the decision made by the ministers conference, the preparatory work of individual technical problems may be entrusted to the provisional work committee established especially for that purpose.

4. To assist in the preparatory work of the next session of the ministers conference, or special conference, the principal agencies of posts and telecommunications with the assignment of convening the aforementioned conferences may call a liaison committee meeting if necessary. The members in this committee constitute representatives of the various principal posts and telecommunications agencies in this organization who are willing to participate. The chairman of this committee shall be the minister of the principal agency of posts and telecommunications who is responsible for calling the next session of the ministers conference.

Article 5. Expenses

1. The expenses for convening a conference shall be borne by the principal posts and telecommunications agency in the host country.

2. Expenditure for scientific and technical cooperation, for co-ordinating of scientific research institute activities, and ionospheric activities, and for other assistance rendered will be resolved by the principal agencies concerned.

3. The expenses required by the participants in the ministers conference, provisional work committee meeting, and liaison committee meeting, and expenses for sending experts, shall be borne by the principal posts and telecommunications agencies sending these representatives.

Article 6. Languages To Be Used

1. Chinese, German, Russian, and French shall be adopted for use by the organization.

2. Documents pertaining to activities of the conference shall be written in German and Russian. Required signatures of participating member countries in the conference on the final documents shall be written in Chinese, German, Russian.

3. The languages used for oral interpreting are Chinese, German, Russian, and French. All representatives, however, have the right to use other languages. Under this situation, the representatives concerned must adopt measures to ensure that their speeches and remarks be translated into one of the aforementioned languages.

Article 7. Cooperation With Other International Organizations

The organization shall make contact and cooperate with other international organizations of same nature in all other socialist countries.

Article 8. Process of Accepting New Members

The matter of acceptance of new membership shall be considered in the ministers' conference.

Article 9. Withdrawal of Membership

Any member of the organization may withdraw its membership by written notice informing all other members that it will discontinue participating in the activities in the organization. The written notice will become effective in 3 months after its issuance.

Article 10. Final Decisions

The revisions and amendments of this agreement shall be made in the ministers' conference.

This agreement shall become effective after having been approved by the aforementioned governments. The effective period shall not be limited.

Each member of this organization must present the results of approval of this agreement to the principal agency of posts of telecommunications that is responsible for the convening of the next session of the ministers conference and through this agency all other members shall be informed of the results.

This agreement shall be temporarily in the custody of the Document Section of the Ministry of Communications in the Soviet Union. Duplicate copies of the original signed agreement shall be distributed to all members in a short time by the Soviet Union.

This agreement is in the Chinese, German, and Russian languages. If there is any discrepancy in the agreement, the Russian copy shall be used as the standard copy.

This is agreed to by:

Tanin Takova, Minister of Communications, People's Republic of Albania

M. Ayanov, Vice-Minister of Transportation, Posts and Telecommunications, People's Republic of Bulgaria

Istan Kossa, Minister of Communications, Posts and Telecommunications, People's Republic of Hungary

Le Dung, Vice-Minister of Transportation, Posts and Telecommunications, Democratic Republic of Vietnam

F. Burmeister, Minister of Posts and Telecommunications, German Democratic Republic

Ko Chun-t'ack, Minister of Communications, Democratic People's Republic of Korea

L. Demdinjab, Minister of Posts and Telecommunications, People's Republic of Mongolia

Zenon Szpigler, Vice-Minister of Posts and Telecommunications, People's Republic of Poland

D. Similescu, Vice-Minister of Transportation, Posts and Telecommunications, People's Republic of Rumania

N. G. Psurtsen, Minister of Posts and Telecommunications, Union of Soviet Socialist Republics

Alois Neumann, Minister of Posts and Telecommunications, Republic of Czechoslovakia

Signed in Moscow
16 December 1957

Note: The agreement was approved by the government of the People's Republic of China on 1 April 1958.

VI. ELECTRIC POWER

1. KIANGSU'S FIRST SEMIENCLOSED ELECTRIC POWER PLANT BEGINS OPERATION -- Nanking, Hsin-hua Jih-pao, 30 Aug 59, p 1

The expansion project involving the addition of the new 6,000 kilowatt generator unit in the Ching-chiang Electric Power Plant in Huai-yang Special District was formally put into production on 27 August 1959 at 2100 hours. The newly added capacity, which tripled the original capacity, will play an important role in the development of agricultural and industrial productions in the Ching-chiang areas hereafter.

Responsible for the designing and construction of this project were the Design Institute of the Kiangsu Provincial Electric Power Bureau and Capital Construction Corporation. This was the first medium size thermal electric power plant ever designed and constructed by the Kiangsu Province. The plant was constructed by following the plan of a semienclosed electric power plant, a new international technique. Construction costs and time required were reduced over 30 percent, compared with indoor projects.

2. MA-CHIEH-TZU ELECTRIC POWER PLANT ECONOMIZE IN USE OF COAL -- K'unming, Yunnan Jih-pao, 31 Aug 59, p 2

In August 1959, the Ma-chieh-tzu Electric Power Plant exceeded its monthly output plan by 2.8 percent. Through improvement in operations, during August, 239 metric tons of standard coal were saved for the state; at the same time, a saving of 9,377 kilowatt-hours of electricity for plant consumption was realized.

Beginning 29 August 1959, the plant's electric power pump was changed to steam power pump thus saving about 220 kilowatt-hours of electric power per day.

3. AN-CH'ING POWER PLANT SUPPORTS CEMENT INDUSTRY -- Ho-fei, Anhwei Jih-pao, 1 Jul 59, p 1

On 19 June, the installation of a 10 kilometer, 10,000 volt, high-tension power transmission line was completed from Chi-hsien-kuan to the Yueh-shan cement plant. This project was completed 11 days ahead of schedule, and connected the An-ch'ing Power Plant with the cement industry in Yueh-shan, a suburban area.

* * *

WEEKLY REPORT ON

COMMUNIST CHINA

Number 6

28 December 1959

Prepared by

Foreign Documents Division
CENTRAL INTELLIGENCE AGENCY
2430 E. St., N. W., Washington 25, D.C.

PLEASE NOTE

This report presents unevaluated information selected from foreign-language publications as indicated. It is produced and disseminated as an aid to United States Government Research.

WEEKLY REPORT ON COMMUNIST CHINA

Table of Contents

Note: Names of persons followed by an asterisk are listed in the appendix; names are given alphabetically followed by Chinese characters.

SOURCES

The information contained in this summary is taken from the following sources. Titles are given in the modified Wade-Giles transliteration followed by the P'in-yin romanization system in parentheses which was newly adopted by the Chinese Communists.

Newspapers	Place of Publication
Anhwei Jih-pao (Anhui Ribao)	Ho-fei
Chieh-fang Jih-pao (Jiefang Ribao)	Shanghai
Hsin-wen Jih-pao (Xinwen Ribao)	Shanghai
Hupeh Jih-pao (Hubei Ribao)	Hankow
Izvestiya	Moscow
Jen-min Jih-pao (Renmin Ribao)	Peiping
Kuang-chou Jih-pao (Guangzhou Ribao)	Canton
Liaoning Jih-pao (Liaoning Ribao)	Mukden
Ta Kung Pao (Da Gong Bao)	Peiping
Tsingtao Jih-pao (Qingdao Ribao)	Tsingtao

Periodicals	
Chung-kuo Chin-jung (Zhongguo Jinrong)	Peiping
Chung-kuo Fang-chih (Zhongguo Fangzhi) semimonthly	Peiping
Chung-kuo Kung-yeh (Zhongguo Gongye), monthly	Peiping
Hsin Kung-shang (Xin Gongshang)	Peiping
Jen-min Yu-tien (Renmin Youdian)	Peiping

Part 1. ECONOMIC

I. INDUSTRY AND MATERIAL

1. OVERTAKE BRITAIN IN IRON AND STEEL -- Peiping, Chung-kuo Kung-yeh, No 2, 25 Feb 1958

At the Eighth Congress of Chinese Trade Unions, Comrade Liu Shao-ch'i, speaking on behalf of the Party Central Committee, uttered a stirring call to the working class and to the whole nation: to catch up or overtake Britain in 15 years, in the output of iron and steel and other principal industrial products.

During the Congress, Vice-Premier Li Fu-ch'un also referred to the impressive picture which our industry will present 15 years from now. In 1972 our output of steel will have reached approximately 40 million tons, while Britain will probably not reach such a level by that date. With regard to the output of coal, machinery, cement, and chemical fertilizers, we can most definitely overtake Britain in 15 years.

This call by the Central Committee of the Party clearly shows the confidence of our nation that we shall win the peaceful competition between the two social systems. At the same time, the foundation of this call stands on the concrete facts of the economic development achieved by our country over the past few years. It is therefore truly realistic and fully realizable. The present article is an explanation of exactly what is involved in our overtaking Britain in respect to iron and steel production.

I.

Britain, our economic competitor in the struggle of the next 15 years, is a highly developed capitalistic industrial country second only to the US Historically, Britain was the first country to develop capitalism, and the first to complete the process of capitalistic industrialization.

Concerning the question of Britain's present share of world trade, we find that in 1956, industrial output was 8.1 percent of the world total, in third place behind the US and the USSR. British Output of

pig iron and steel were 9 percent and 10 percent respectively, in third place, with the US coming first and Western Germany just slightly ahead of Britain. So, if in 15 years we can beat Britain in output of iron and steel it means that our own output of these commodities will be second only to that of the USSR (who by then will lead the world) and the US will be in third place.

Prior to our liberation, our peak-year production (for 1943) was 1,800,000 tons on pig iron and 923,000 tons of steel, while Britain's output in 1940 was 8,336,000 tons of pig iron and 13,184,000 tons of steel, so that our output of pig iron was only 21.6 percent, and our steel output was only 7 percent of Britain's. In 1952, our output of pig iron was 1,900,000 tons, and steel was 1,349,000 tons. In that same year, Britain's output was 10,900,000 tons of pig iron and 16,881,000 tons of steel, so that our production of pig iron was only 17.4 percent and steel was only 8.1 percent of Britain's. According to the production levels reached by China in 1952 for pig iron, we were approximately at the pre-1850 British level, and for steel we were approximately where Britain had been in the 1880s. In other words, we were from 70 to 110 years behind. Backward as our foundations may be, we have complete confidence that we can catch and pass Britain in the next 15 years, as we will show in the next section.

II.

The rate of growth of our iron and steel output must be faster than Britain's, and this is shown by the results of the first 4 years of our First Five-Year Plan. The table below shows the production of the two countries for the years 1952-1956.

Table 1 (in units of 10,000 tons)

Product	Country	1952	1953	1954	1955	1956
Pig iron	China	190.0	217.5	296.2	363.0	477.7
	Britain	1,090.0	1,135.4	1,207.4	1,267.0	1,338.1
Steel	China	134.9	177.4	222.5	285.5	446.5
	Britain	1,668.1	1,789.1	1,881.7	2,010.8	2,099.0

As will be seen from this table, the annual absolute growth of our output of iron and steel is very considerable. Particularly is this so when one compares 1956 with 1955, the increase being 1,147,000 tons of pig iron, and 1,612,000 tons of steel. But in that period Britain's

manufacture of pig iron rose 611,000 tons and steel rose 882,000 tons. Naturally, if one wishes to make a proper assessment one should give one's attention to the rate of development, and from the foregoing data one can make the following estimate of the rates of growth of pig iron and steel output in the two countries.

Table 2

Product	Country	Annual Output in % of 1952 Output (1952=100)					Average Annual Speed of Growth 1955-1956 (%)
		1952	1953	1954	1955	1956	
Pig iron	China	100.0	114.5	155.8	191.1	251.4	125.9
	Britain	100.0	104.2	110.8	116.2	122.8	105.3
Steel	China	100.0	131.5	164.9	211.5	331.0	134.9
	Britain	100.0	107.3	112.8	120.6	125.8	107.1

In the 4 years, 1952-1956, our production of pig iron increased by 150 percent and of steel by 130 percent, while Britain's output of pig iron rose by about one fifth and her output of steel by about one quarter. China's average annual rate of increase for both pig iron and steel, is about five times that of Britain. We must also point out that this rate of growth in Britain's iron and steel output was achieved only with the aid of all sorts of temporary factors in the form of human incentives. Such being the case, the discrepancy as regards rate of development between Britain and ourself is enormous.

Given the fact that the growth in our output of iron and steel is far more rapid than it is in the case of Britain, it is certain that within a brief historical period we can overtake Britain. The study of what has occurred in this short period of 4 years shows us the obvious change that has taken place in the relative positions of the two countries. Let us now look at Table 3.

Table 3

Chinese Iron and Steel Output as Percent of British Output

Product	1952	1955
Pig Iron	17.4	35.7
Steel	8.1	21.3

These figures show that although at the beginning China was far behind Britain, the lag has been greatly reduced after only 4 years.

III.

Although in the foregoing tables, we still lack the data for China for 1957, we can state that for the whole of the First Five-Year Plan the average rate of growth of our iron and steel production cannot be very different from the figures given in Table 2. In his report, referred to above, Vice-Premier Li Fu-ch'un pointed out that during this 5-year period the average annual growth of our iron and steel production was about 131 percent. Over the three Five-Year Plan periods, 1958-1972, the average annual rate of increase in our output will show a drop (since the base figures for the planned annual rate of growth, i.e., the output for the year preceding, are gradually rising). Consequently, what sort of average annual rate of growth can we actually maintain over the next 15 years? Over the 15 years between the beginning of the Soviet Second Five-Year Plan and the end of the Fifth (their Third Five-Year Plan was interrupted by the War and is therefore not included) the Soviet actual average rate of growth of output for pig iron was 115.6 percent, and for steel 117.4 percent. If we also include 1957 in our calculations, then it will be seen that our country will be able to maintain these Soviet rates of increase of iron and steel output, so that by 1972 our estimated production will reach approximately 49 million tons of pig iron, and 58 million tons of steel.

We need not go into any extensive explanations about this, and it will suffice if one simply bears in mind two points: first, that the USSR had to build up her own iron and steel industries without any foreign economic or technical help, while we are building ours with the fraternal aid of the USSR and all the socialist countries; and secondly; we, as a result of this help, have in fact had a faster growth in our output of iron and steel under our First Five-Year Plan than was the case in Soviet Russia's First Five-Year Plan. In our First Five-Year Plan, the average annual increase in output of steel was 131 percent, and of pig iron, over 120 percent. The USSR in her First Five-Year Plan had increases of 108.7 percent for steel and 117.1 percent for pig-iron.

In the Second Five-Year Plan of the USSR, the figure for steel was 124.5 percent, while in our Second Five-Year Plan it is scheduled to be between 120.6 percent and 123.8 percent; and one can well visualize that, as was the case with our First Five-Year Plan, these target figures will be surpassed, so that our average rate of development cannot be slower than that of the USSR.

Using as his basis these concrete facts furnished from all relevant quarters, and starting from the premise of pursuing a policy of furthering the development of both industry and agriculture with a bias in favor of the latter, Vice-Premier Li Fu-ch'un made a masterly forecast as to the steel output which we can attain by 1972; namely, approximately

40 million tons. According to his estimate, our average annual growth of output over the 16 years from 1957 to 1972 will be roughly 114.6 percent. Such a rate of increase would by no means be high in relation to our needs, and it will in fact very probably be exceeded. Our steel production may therefore very well be more than 40 million tons by 1972.

IV.

Can Britain exceed this figure by 1972? If the average annual increase for the years 1953-1956 (see Table 2) can be maintained in the future, by 1972, steel production will certainly be over the 40 million ton mark. The difficulty is that Britain will be fundamentally incapable of maintaining so high a rate of increase in the future.

Britain may encounter temporary favorable factors that will help her in the future, but it would be extremely difficult to push her steel production to 9 million tons more than the above estimate of 40 million tons, for Britain produced only 9,440,000 tons during the whole period of 50 years between 1890 and 1940. In our country, on the contrary, steel production can very easily reach the 40 million ton mark by 1972. We can therefore say quite definitely that in 15 years we shall catch Britain and pass her in the manufacture of iron and steel. We can unquestionably leave the imperialistic countries far behind.

2. WUHAN TEXTILE INDUSTRY PIG IRON PRODUCTION COSTS DROP -- Hankow, Hupeh Jih-pao, 13 Jun 59, p 2

The production of pig iron by the plants under the control of the Wuhan City Textile Industry Control Bureau showed a notable drop in production cost. During May, the over-all average production cost for producing one metric ton of pig iron was 294.62 yuan. When compared with the January average of 415.65 yuan, this represented a drop of 121.03 yuan. Of the plants covered by the report, the Iron and Steel Works of the Wuhan National Cotton Mill No 1 achieved the greatest drop in pig iron production cost. Its January, cost of production of pig iron was 669.61 yuan; however, this plant's May production cost was only 247.08 yuan. A comparison of the two figures revealed that the plant's cost of production of pig iron had dropped 422.53 yuan between January and May. The Wuhan National Cotton Mill No 2 also achieved a very low production cost for pig iron. Its cost of production per metric ton was 258.70 yuan.

3. JANUARY-FEBRUARY PRODUCTION OF WU-HSI CITY TEXTILE INDUSTRY -- Peiping, Chung-kuo Fang-chih, No 9, 21 Mar 59, p 12

(The following extracts are from an article written by Hu Yun-o* and Chang Hsueh-shih*.)

The textile industry in Wu-hsi achieved definite production increases during January and February. Cotton yarn production increased 78 percent, cotton cloth production increased 40 percent, and dyed cloth production increased 159 percent over that of the corresponding period of 1958. During February, the average production levels for the individual items were: 10-S yarn, 75.4 kilograms [probably per 1000 spindle hours], an increase of 7.18 kilograms over that of the corresponding period of last year; 20-S yarn, 35.81 kilograms, an increase of 2.75 kilograms over that of the corresponding period of last year; and 32-S yarn, 18.17 kilograms, an increase of 1.48 kilogram over that of the corresponding period of last year.

With regard to quality, the percentage of up-to-standard products of all items reached 77.35 percent, an increase of 28.13 percent over that of the fourth quarter of last year. Among the products included in this figure, the percentage of up-to-standard product for coarse-count yarn showed an increase of 9.76 percent, medium-count yarn showed an increase of 41.09 percent, fine-count yarn showed an increase of 9.76 percent, and superior grade yarn showed an increase of 9.94 percent.

4. SHANTUNG TEXTILE INDUSTRY'S 1958 ACHIEVEMENTS AND 1959 TARGETS -- Peiping, Chung-kuo Fang-chih, No 9, 21 Mar 59, p 14

(The following extracts are from an article written by the Shantung Province Department of Textile Industry.)

In 1958, the textile industry in Shantung achieved an unprecedented leap forward. Cotton yarn production exceeded the annual quota by 24.49 percent, an increase of 51.56 percent over that of 1957. Compared with the record production of 1954, the 1958 production of cotton yarn was 80,000 chien more than the 1954 production. Cotton cloth production exceeded the annual quota by 11.38 percent, an increase of 29.11 percent over that of 1957. Printed and dyed cloth production surpassed the quota by 10.17 percent, an increase of 29.71 percent over that of 1957, and knitted underclothing production topped the quota by 10.34 percent, an increase of 104.26 percent over that of 1957. Although the Shantung textile industry failed to fulfill its production quota for silk goods because of the insufficient supply of raw material, it nevertheless achieved a production increase of 10 percent over the 1957 production.

For 1959, the Shantung textile industry vowed to strive for a bigger, better, and broader leap forward. To accomplish this, the industry pledged: (1) to increase the cotton yarn production by 35.07 percent over the 1958 production--equivalent to twice the 1957 production; (2) to increase the cotton cloth production by 22 percent over the 1958 production--equivalent to 1.57 times the 1957 production; (3) to increase the knitted underclothing production by 87.5 percent over the 1958 production--equivalent to 3.8 times the 1957 production; (4) to strive to keep capital construction abreast with production; and (5) to strive to keep the development of the wool, linen, and silk textile industries abreast with the development of the cotton textile industry.

II. TRADE AND FINANCE

1. 10 YEARS OF FINANCE WORK IN SINKIANG UIGHUR AUTONOMOUS REGION -- Peiping, Chung-kuo Chin-jung, No 53, 2 Oct 59, p 4

In the 10 years following establishment of the country, the various peoples in the Sinkiang Uighur Autonomous Region have achieved a socialist revolution on the economic, political, and ideological fronts and obtained glorious victories in socialist construction under the leadership of the Communist Party. The people's banks at all levels in the autonomous region have also had outstanding achievements in all operations under the correct leadership of the party, the government and the main office of the People's Bank of China.

During the early days of liberation, the state, faced with the confused money market inherited from the Kuomintang, stipulated that the silver yuan certificate could circulate temporarily in the autonomous region, but its redemption was stopped. This severed the direct relationship between the silver yuan certificate and the silver yuan. At the same time, the state rapidly opened exchange between the autonomous region and China proper which brought together the silver yuan certificate and the jen-min-pi. It also adopted the method of exchange subsidizing which raised the comparative value of the silver yuan certificate compared to jen-min-pi and facilitated commodity flow from China proper.

These measures stabilized markets in Sinkiang, brought a measure of tranquility in the livelihood of the various nationalities and provided important conditions for the revival and development of industrial, agricultural, and pastoral production in the autonomous region. Continuing, the state put a stop to the issuance of notes by the three ch'us of I-li, T'a-ch'eng and A-lo-t'ai and unified the currency for the whole autonomous region. Following the rapid development of commodity exchange in and among urban and rural areas, the local silver yuan certificates gradually lost their ability to meet objective needs. In line with orders from the state, the autonomous region halted the circulation of silver yuan certificates as of 1 October 1951, and issued jen-min-pi, which unified the currency system of the autonomous region and the whole state. The commodity prices in the autonomous region became more stabilized, the scope of currency circulation broadened daily, and jen-min-pi rapidly gained prestige among the masses.

The Gold and Silver Control Act promulgated in early 1952 prohibited valuation and circulation of gold and silver yuan. The currency system of the whole area became unified and stabilized which provided favorable conditions for developing production and for expanding trade between urban and rural areas. In March of 1955, Sinkiang like the rest of the country, issued new jen-min-pi. This issuance of new jen-min-pi marked the further unification, consolidation and strengthening of China's financial system.

The rapid development of construction for production in the autonomous region and the continued increase of social wealth provided the People's Bank of China with unlimited resources for mobilizing people and accumulating capital. During the past 10 years, banks at all levels in the autonomous region went through such operations as managing state treasuries, instituting cash controls, transferring and clearing accounts and exhorting the people to save. Large amounts of capital were organized and collected from the various departments and from among the urban and rural broad masses. At of the end of August 1959, deposits of all banks in the autonomous region were up 23.3 times over what they had been in 1950, of which savings increased 222.6 times and reached 206,130,000 yuan, becoming an important source of credit capital. The large increase in savings clearly reflected the rapid development of industrial, agricultural and pastoral production and the daily increase of people's income. It also amply illustrates the activeness of the broad masses in economizing to support the state and maintain state construction.

During the past 10 years, the various banks in the autonomous region have made large loans in line with party policies and state plans. The amount of loans at the end of August 1959, was 571 times more than in 1950. These loans have played a major role in boosting the development of state-operated economy, and helping peasants, herdsmen, and handicraft workers to solve production and living difficulties, supporting the development of the cooperativization movement and the consolidation of the people's communes, and transforming privately-operated industry and commerce.

During the past 10 years, all banks adopted policies to actively meet the capital needs of state-operated commerce. Loans of state-operated commerce not only increased rapidly, but their proportion was sizable throughout. At the end of August 1959, loans to state-operated industry had increased 2,188 times over 1950 and accounted for 65.2 percent of all loans. Following the continuous expansion of industrial and agricultural production and the constant entering into production of newly constructed

enterprises, loans to industry have also increased rapidly. Taking the year 1950 as a base, in 1952 the increase was 19.3 times; in 1957, 502.1 times; and by the end of August 1959, 1,158 times. The proportion of industrial loans increased from 11.4 percent in 1950 to 23.1 percent by the end of August 1959, reflecting the rapid development of industrial construction in the autonomous region. Based on the party's policies for classes, cooperativization and rapid development of agricultural and pastoral production, one aspect of rural finance operations was the direct issuance of large amounts of agricultural loans to peasants and herdsmen, and another aspect was the active development of cooperative credit, mobilization of the masses' finances, and assistance and solution of the large capital needs of peasants and herdsmen in getting organized, overcoming difficulties, and developing production. Agricultural loans issued by the various banks in the autonomous region during the past 10 years amounted to more than 279 million yuan. An additional 54 million yuan in loans was issued through credit cooperative organization and by means of organized mass capital. Both types of loans amounted to more than 333 million yuan, which played a major role in expediting agricultural and pastoral production, developing state-operated agricultural and pastoral economy and collective economy, and overcoming usurious exploitation. During land reform, banks issued large amounts of loans to poor peasants and lower-middle peasants, with most of the loans going to the poor peasants. In this way these people were helped to overcome difficulties in production and livelihood, to revive and develop agricultural and pastoral production, and to put a brake on usurious exploitation. Banks in the area have continued to help people and organizations in various ways.

Based on the rapid development of producer cooperative organizations, the development of credit cooperatives was also very rapid. In 1953, there were only ten credit cooperatives in the whole area; by the end of 1955, 1,624 had been set up, basically completing credit cooperativization. Following establishment of the people's communes, these credit cooperatives were reorganized as 1,788 credit units which became integral parts of the people's communes. They have already achieved the historic task of attacking and eliminating rural usurious exploitation.

During the past 10 years, a great deal of experience has been accumulated from financial operations in the area. The most basic experiences are the following:

1. Financial operations must consistently and thoroughly implement outlooks beneficial to politics, production, and the masses, as well as those which serve the general line of the party and general tasks. For example, during the high tide of agricultural cooperativization in 1956,

the banks, besides issuing large amounts in loans for capital construction and production expenditures, also issued more than 16 million yuan in cooperative-fund loans to poor peasants which provided more than 350,000 households and poor peasants with capital shares to join cooperatives. Taking the central task of 1959 to be consolidation of the people's communes, the banks issued more agricultural loans and loans for advanced purchases than in any previous year and actively devised ways of helping communes initiate multi-productive activities, increase income, and energetically assisted the consolidation of communes and the development of production. The banks themselves also increased their sources of credit capital.

2. We must correctly handle three items and strike balances between the production (including items transferred) and distribution of the means of subsistence, between financial receipts and expenditures, and between credit receipts and expenditures. The circulation of currency should be regulated with commodity turnover in order to consolidate it.

3. We must resolutely and thoroughly implement three principles for controlling working capital to ensure that the national economy will develop in a planned manner, proportionately and at a rapid rate. These principles for controlling working capital are as follows: (1) working capital must be differentiated from capital for capital construction and can not be used for capital construction, (2) working capital must be coordinated with commodity circulation and can not be used for commodity credit sales and advance payments not included in plans, and (3) working capital must be used according to plans.

4. We must fully utilize operation methods of the mass line.
-- Yang Wan-sheng, Chief, Branch Bank of the Sinkiang-Vighur Autonomous Region, People's Bank of China

2. MARKET CHANGES AND INCREASED RURAL PURCHASING POWER OVER 10 YEARS IN KIANGSU -- Shanghai, Hsin-wen Jih-pao, 7 Oct 59, p 5

Hua-yang-ch'iao is a small market town in Ch'eng-tung People's Commune, in Sung-chiang, Kiangsu. Furthermore, it is the political, economic, and cultural center for the commune. The markets in Hua-yang-ch'iao supply consumer goods and producer goods to a population of more than 30,000

with more than 62,000 mou of agricultural land, and they undertake the selling and purchasing of all agricultural and subsidiary products. Market changes in Hua-yang-ch'iao over the past 10 years fully reflect the deep-rooted changes in the production and consumption habits of these 30,000 or more people.

The primary agricultural crop in Ch'eng-tung Commune is rice. In 1958, the average yield per mou was 788 chin, or 47 percent more than the average per-mou yield of 536 chin in 1957, and more than double the yield of 385 chin per mou prior to liberation. Very little wheat, barley, rye, oil crops, and other hot weather crops were planted before the liberation, but in the past 10 years the area seeded in these crops steadily increased. In 1959 the average per mou yield of the three cereals [wheat, barley, and rye] was 232 chin, or 76 percent more than in 1958; the average yield per mou of oil crops was 168 chin, or 78.7 percent more than in 1958. With regard to subsidiary production, from January through August 1959, 11,251 pigs were raised. This is an increase of 50.6 percent over the figure at the close of 1958, and 1.25 times the amount raised in 1950. Vegetable production in the past was barely enough for their own use, but after communalization, they were grown on a larger scale for commercial purposes and output reached 100 tan or more per mou. Owing to the constant expansion of agricultural and subsidiary industries and the increased capital accumulation for expanded reproduction, the commune members' standard of living improved markedly. This was evidenced in Hua-yang-ch'iao markets by the steady increase in commune member purchasing power and the subsequent steady rise in retail sales of social commodities. This is illustrated in the following table (unit = yuan):

Time	Total Retail Sales	Increases Based on 1950		Absolute Total	Increase in % over preceding yr
		Absolute	Percentage		
Pre Land Reform (1950)	709,562				
Land Reform (1951)	776,260	66,698	9.4	66,698	9.4
Mutual Assistance (1952)	966,176	256,614	36.16	189,916	24.46

Time	Total Retail Sales	Increases Based On 1950		Absolute Total	Increase in % over preceding yr
		Absolute	Percentage		
Early Co-operativ-ization (1954)	1,266,258	556,696	78.46	300,082	31.06
High Level Cooper-ative (1956)	1,569,053	859,491	121.13	302,795	23.91
After Com-munal-ization* (1 year)	1,921,042	1,211,480	170.73	351,989	22.43

*Note: The year referred to is from October 1958 through September 1959; the figures for September were estimated.

The above table shows that the increases in purchasing power were in line with changes in production relationships and the steady increase in production. Statistics show that since 1950, purchasing power increased at an average annual rate of 17.07 percent, and during the first half of 1959 it increased 18.07 percent over the same period of 1958.

In addition to the increases in output of agricultural products listed above, production by subsidiary industries, particularly supplementary food products, has expanded tremendously in recent years. Income from agricultural subsidiary production in the summer season of 1959 for example, is 49 percent ahead of that of the same period of 1958. Also, with the advent of the distribution system combining wage and supply, commune members no longer need to fear hunger and thirst; during the summer each household was given 45.98 yuan, or an average of 10.96 yuan per person, or 106 percent more than in the summer of 1958. The income of more than 95 percent of the commune members increased, and public accumulation increased 8 percent over 1958. This accounted for the steady increase in purchasing power.

As purchasing power increased, not only did retail sales of commodities rise, but commodity make-up also began to change. In the line of consumer goods, though the amount of food products actually increased, their proportion decreased as the proportions of clothing and expendables steadily increased. For example, the supply of supplementary food products in 1958 was 82.17 percent more than in 1949, but the proportion among total commodities decreased 12.32 percent; the supply of cotton cloth was 24.8 times greater in 1958 than in 1949, whereas its proportion increased from 0.58 percent to 5.29 percent; and the supply of daily-use articles in the same span of years increased 290 percent, and the proportion increased from 5.14 percent to 5.27 percent.

Retail sales of consumer goods during the second quarter in Hua-yang-ch'iao markets were 15.6 percent ahead of sales in the same period of 1958; of these, clothing showed an increase of 66.08 percent over 1958, and expendables increased 26.12 percent. Increases in some of the major products were as follows:

Product and Unit	2d Qtr (58) (in yuan)	2d Qtr (59) (in yuan)	Increase (%)
Cotton Cloth (meters)	13,009	22,570	73.6
Towels (doz)	52	165	217.3
Socks (doz)	41	110	163.4
Undershirts (doz)	59	165	180
Woolen Yarn (kg)	4	57	1325
Rubber Shoes (pairs)	104	400	284.6
Soap (cartons)	160	499	212.5

Commune members not only demanded more commodities, but they also insisted on better quality and more variety. In the past, cotton cloth such as black muslin or gray cloth at .3 yuan per ch'ih was usually purchased, but after communalization, sales of printed cloth increased, and peasant women were willing to buy printed silk at about .5 yuan per ch'ih,

and printed linen at about .4 yuan per ch'ih. In the past, the women usually wore shoes without socks when they went out, but now they not only wear socks, but they want to buy sport socks priced from .6-.8 yuan per pair. Yuan-k'ou [literally "round mouth"] shoes no longer suit the demands of the peasants; for winter they want to buy light overshoes at 5 yuan per pair, and in the summer they want cloth and rubber shoes as well as liberation-type Li-shih [literally "strong man"] shoes. It is also becoming quite common for young girls to buy toilet soap, cologne, rash powder, etc.

Accompanying this improvement in the standard of living was the peasants' demand for a higher cultural level. In the early stages of the liberation, the said area had one complete primary school and 17 junior primary schools; in the past 10 years the number of primary schools increased to 29, or which 6 are the complete type. The number of children in school increased from 1,046 to 4,594, and an agricultural middle school was started. The said area formerly also had 4 or 5 doctors; in the period of early level cooperatives a dispensary was set up, and after communalization, 5 hospitals and sanitariums were established. Now that the peasants have certain cultural and scientific knowledge, the past practice of imploring to Buddha when there was no money to treat sickness has changed considerably. Consequently, the sale of cultural, educational, and health articles increased steadily through the years as follows (in yuan):

	Total Retail Sales					
Item	1950	1951	1952	1954	1956	Oct 58-Sep 59
Cultural and Educational articles	1,152	1,242	1,752	3,661	14,473	16,657
Medicines and Drugs	4,842	4,531	5,004	12,007	35,950	37,291

Many tonics, such as cod liver oil, which formerly were attainable only by landlords and wealthy peasants, are now being purchased every day by a large number of peasants. On the other hand, however, according to a survey of consumption by six basic households (all were commune members), purchases of such superstitious articles as incense, candles and tinfoil decreased steadily: in 1954 purchases of these items amounted to 53.7 yuan, while in 1958 the amount was 33.93 yuan, or a reduction of 36.82 percent. These conditions reflect the changes in peasant behavior patterns.

Changes in the Hua-yang-ch'iao markets are also evidenced in the steady increase in the retail sales volume of producer goods. This is illustrated in the following table.

Item	Cooperativization (1954)	High-Level Cooperatives (1956)	Post Communalization, Oct 58-Sep 59
Total retail sales of all commodities (yuan)	1,266,258	1,569,053	1,669,762
Retail sales of producer goods (yuan)	381,900	514,172	825,702
Fertilizer	102,591	238,237	747,544
Insecticides	1,255	6,284	41,350
Proportion of total commodities accounted for by producer goods (in %)	30.16	32.78	49.46

This table clearly shows how, after communes were set up and production expanded rapidly, the retail sales volume of producer goods had a huge increase over the period of high-level cooperatives. From April through August 1959 alone, the total value of producer goods supplied amounted to 431,025 yuan. This included 12,639 tan of chemical fertilizer, or an average of 21.51 chin per mou, and 122 percent more than in the same period of 1958; 190,806 tan of manure, or an average of 1.87 tan per mou, and 107 percent more than in 1958; and since disease and pests were more severe than in 1958, insecticides were applied twice at the rate of 2 chin per mou, or an increase of 184.9 percent over 1958. The producer goods supplied also changed from small-scale to large-scale and were new models. Before communalization, the said area had 4 water pumps, 20 windmills, and 141 double-wheel, double-share plows. Now, after communalization, it has an additional 28 windmills, 2 more water pumps, a large part of the area has electrified irrigation (the irrigated area totals more than 20,000 mou, or about 32.6 percent of the total area), and great strides in the prevention of droughts have been made. In addition, the state set up tractor stations with 3 tractors which the production teams can use for plowing, and there are 24 threshing machines, 70 improved single-share plows, 323 deep-setting plows, and 780 sprayers and dusters which are converting agriculture to mechanization.

Owing to changes in production relationships and the development of collective welfare operations, the pattern of purchasing has also changed gradually from individual to collective. Since the time of high-level cooperatives in 1956, with the exception of miscellaneous small farm tools, some young animals, seedlings, fodder, and miscellaneous building materials, nearly all purchases have been collective. This was the case even more so after communes were established. From January to August 1959, collective purchases of the aforementioned producer goods accounted for 85.02 percent of all producer goods purchased. With commune operation of dining halls, nurseries, happiness homes, and other collective welfare operations, the ratio of collective purchases of consumer goods also increased. Reports on consumption in three mess halls show that they purchased from the markets 4,985 yuan worth of oils, salt, soy sauce, etc., or an average of 1.21 yuan per person per month. As the collective welfare operations continue to expand, so too will the ratio of collective purchases.

These market changes over the past 10 years, and in particular during the big leap forward and since communes were set up, are indicative of the basic change in China's peasants. By ridding themselves of class deprivation, and presently by expanding production through communes, the social organization with no historical precedence, the peasants are bettering their livelihood day by day. The red flag for the general line, a big leap forward, and for the communes must be raised even higher, and we must strive for a pre-schedule completion of the state's agricultural development plan so that China's agricultural production and the peasants' standard of living will be raised quickly. The rural markets, too, must continue to expand, thereby serving the producer and consumer even better.

3. STATISTICS ON SEPTEMBER PURCHASES IN LIAONING, KIANGSI, HUPEH, AND KWANGSI -- Peiping, Ta Kung Pao, 11 Oct 59, p 2

Purchases of ginned cotton in Liaoning for September amounted to 160,000 tan, or 46.2 percent over the September plan, and the amount of raw cotton supplied to the textile mills exceeded the monthly quota by 175 percent. At present, Liaoning has some 800,000 persons picking cotton every day, and 10,000 persons engaged in round-the-clock, shock procurement, and purchasing activities.

Party committees at all levels are concerned over cotton purchases for 1959; the provincial committee has arranged fall harvesting work several times; all committees have given top priority to cotton sales, and have places it in the No 1 position in red flag emulation drives. One commune organized more than 7,000 persons who picked 1,350,000 chin of cotton in one week. Still another organized nine brigades who in 24 hours shipped 200,000 chin of cotton, thus enabling the September sales plan to be fulfilled 690 percent.

Purchases of various products for September in Kiangsi, as compared to the preceding month, were as follows: raw cotton, up more than 10 times; jute, up more than 24 times; tobacco, up about 70 percent; ramie, up 200 percent or more; live hogs up about 70 percent; poultry, up at least 170 percent; cattle, up about 200 percent; and aquatic products, up 100 percent or more. The third quarter export quota for live hogs, frozen pork, fresh eggs, and beef, and the quota for processing and shipping raw cotton and for shipping jute were overfulfilled.

Trade and finance operations have continued their leap forward in Hupeh. By the end of September, as compared to the same 9 months of 1958, commercial purchases had increased 24.5 percent, retail sales increased 33.91 percent, the level of consumption had decreased 0.67 percent, profits were up 54 percent, grain storage increased 124.7 percent, raw cotton purchases increased 46.54 percent, financial income increased 26.79 percent, and the net increase of bank savings over the total at the end of 1958 was 23,210,000 yuan.

By mid-September, Kwangsi Chuang Autonomous Region had fulfilled its annual financial income plan 68.99 percent, or an increase of 57.52 percent over the same period of 1958. Kuei-lin and Pai-se Special Districts fulfilled the annual income plan 82.78 percent and 79.57 percent, respectively. At least ten hsiens fulfilled the annual income plan 100 percent. Also, by mid-September Kwangsi had fulfilled the annual financial expenditure plan 59.12 percent, or 35.89 percent more than in the corresponding period of 1958. Of total expenditures, capital construction fulfilled the annual plan 70.50 percent, or 48.53 percent more as compared with 1958. The capital for every construction project was ensured.

4. DEVELOPMENT OF DIVERSIFIED OPERATIONS IN LIEN-HUA-CH'IH COMMUNE OF HOPEH -- Peiping, Jen-min Jih-pao, 9 Oct 59, p 3

(Jen-min Jih-pao editor's note: In the last year there has been a great development of diversified production in Lien-hua-ch'ih Commune, and both the achievement and scope of production were unprecedented. Although there is an average of 4.4 mou per person in this area, most of the land is salty and life is very difficult. Before the liberation there was only agriculture here. After the liberation, at the time when mutual aid teams and elementary level cooperatives were in operation, only 11 kinds of subsidiary production were in operation, such as transporting, extracting oil,

making bean curd, and weaving, and the gross income was only 1,140,000 yuan. During the time of high-level cooperatives, from the winter of 1957 to just before communalization, the subsidiary industries were expanded to 24 kinds. In the year after communalization, the items of diversified operations were increased to 41 kinds and the gross production value increased 162 percent over the previous year, offering commodities to the state whose gross production value reached over 980,000 yuan, greatly increasing the income of the commune, and strongly supporting agricultural production.)

Lien-hua-ch'ih Commune in Chiao-ho Hsien, Hopeh Province, was set up during the last year and the agricultural, lumber, livestock, subsidiary, and fishing industries have undergone an over-all development. From the beginning of September 1958 to the end of August 1959, less than one year's time, the gross production value of the production of diversified operations in the commune reached 2.2 million yuan, the net income was 1,444,000 yuan, and there was an average of 203 yuan for each agricultural household in the commune.

The development of diversified operations offered a great many commodities for the support of state construction and the daily increasing needs of the people. The commune offered 35 kinds of products to the state such as pastoral products, saltpeter, woven goods, vegetables, fruits, etc., whose gross value reached over 980,000 yuan, which was an increase of 75 percent over the same period in 1958. The development of diversified operations also increased the income of the commune and strongly supported the development of agricultural production. In 1958, of the 70,000 mou of fall crops in this commune, over 50,000 were damaged by floods, the income was very small, and there was a deficiency of 610,000 yuan for production and livelihood expenditures. Under these circumstances, besides using 59,000 yuan in state loans, it was necessary to depend on the development of income from subsidiary and fishing industry production, etc. to resolve the difficulty in production and livelihood. It is estimated that the investments used for agricultural production reached 53,200 yuan, and over 8,000 agricultural implements, 32 head of draft animals, 340,000 chin of chemical fertilizer, 32,000 chin of seeds, and 4.5 million chin of feed were purchased, which strongly supported the development of agricultural production. In 1959 there was an unprecedented harvest of wheat, which was double that in 1958. Fall crops have grown well and it is predicted that the total annual output can increase 45 percent over 1958. The development of diversified operations changed the impoverished appearance of being that Lien-hua-ch'ih Commune has had in past years. Of the 46 production teams in the commune, the production and livelihood level of 27 impoverished teams caught up to that of average or prosperous teams. Because there is much salty land, the grain produced by Ts'ung-chia

Production Team, which consists of 170 households, was insufficient for their own food purposes and every year they depended upon state loans for relief. The amount they owed the state for loans in the last few years was 100,000 yuan. After communalization, transportation and subsidiary production such as extracting saltpeter, weaving, extracting salt was commenced, and the income on hand in August 1959 was 16,120 yuan, an average of 95 yuan per household, and 4,000 yuan was paid back on state loans. In 1959, 1,800 mou of wheat yielded 150,000 chin, and in addition to that used for self consumption, a surplus of 80,000 chin was sold to the state. The development of the production of diversified operations also increased the commune members' income and raised the level of their livelihood. The commune used the income from diversified operations to purchase 460,000 chin of grain and 4.5 million chin of heating fuel to be used as a means of subsistence for the commune members, and to distribute 210,000 yuan in wages among the commune members. In the winter of 1958, poor commune members were supplied with 911 suits of cotton-wadded clothes and 495 cotton-wadded quilts. From the development of diversified operations, not only were they victorious over the disasters they had suffered, but also the lives of the commune members were made more prosperous than before. Before communalization, of the more than 7,000 households in the commune, 4,200 owed the state for loans, but at present only 2,245 households owe the state for loans, and the number of households that deposited money in banks increased to 5,130, which was an increase of 52 percent over the same period in 1958.

Why was the development of the production of diversified operations in Lien-hua-ch'ih Commune so fast and the achievements so great in the short period of one year? Basic reasons for the development and strengthening of communalization include:

1. The Commune Can More Rationally Utilize Natural Resources to Promote Diversified Operations

Although Lien-hua-ch'ih Commune has low-lying land and previously was an impoverished area susceptible to natural disasters, it is rich in resources for diversified operations. There are over 500 large and small streams in the commune (each village has its streams and ponds), and the northern portion borders Ta-lang-tien Lake making a large volume of aquatic production possible. There is 69,000 mou of salty land from which salt and saltpeter can be extracted, and 20 million chin of Judas tree branches can also be produced each year for use in weaving and as fuel. There is over 20,000 mou of natural pasture land that can be used to develop the pastoral industry. However, before communalization, these rich resources were not fully utilized.

The commune had not long been in existence when, under the uniform leadership of the commune party committee, a land investigation by the cadre was organized. They visited and had informal meetings with the peasants, and investigated the resources in the commune. Afterward, the commune concentrated all its manpower and materials in an over-all development, utilized the resources not utilized in the past, and rationally utilized those that were irrationally utilized. At the time of agricultural cooperatives, in the five cooperatives; Wu-chia-fang, Ts'ung-chia, Hsiao-wang-chuang, Leng-hsing-chuang, and Hsiao-li, there was over 20,000 mou of natural pasture land that had a capacity for pasturing over 3,000 head of cattle or sheep and goats; however, these five small cooperatives had only 300 or more sheep and goats pastured here. After the commune was established, pastoral farms were set up which handled over 1,500 sheep and goats, 230 pigs and 120 small draft animals. Each year an area of 20 to 30 thousand mou in Ta-lang-tien Lake was open for fishing, the ownership being divided among nine agricultural cooperatives that bordered the lake. The fish and shrimp in the lake were abundant, but because the population of the agricultural cooperatives was sparce and they had few nets, fishing could not be done on a large scale, and agricultural cooperatives of other ageas were not allowed to fish there. Because fishing was restricted to the area owned by the particular cooperatives, arguments and disputes arose among the nine cooperatives that bordered the lake. This all hampered the development of the aquatic production of Ta-lang-tien Lake. After the commune was established, these restrictions were abandoned, and through a uniform organization of operations by the commune, almost every production team fished in the lake during the prosperous season. In the last year Ta-lang-tien Lake produced 300,000 chin of fish, surpassing any previous year by over six times. There are 160 lakes and streams suitable for raising fish in the commune, and after communalization, in less than 4 months' time, the entire area was utilized, it was stocked with 40 million fingerlings, 24 mou were sown with lotus roots, and 180 mou with reeds. The subsidiary production of extracting salt and saltpeter, is undertaken where they occur, and weaving is carried out.

2. Rationally Arrange and Utilize Labor Force for Daily Production and Monthly Return

In the past, the labor force of agricultural cooperatives was small and equal concern could not be simultaneously given to diversified operations for over-all development. Frequently, subsidiary industries were only in operation during the agricultural slack period in spring and winter; some agricultural cooperatives did not even operate during the slack period, but only after suffering a disaster.

The commune, whose scale is large, whose scope of activity is broad, and whose labor force is great, could resolve this problem. First, according to the requirements of production development, the commune arranged the proportion of labor force between agriculture and diversified operations: in the winter when agricultural activity was comparatively small, the labor force engaged in subsidiary production accounted for about 40 percent of the total labor force; at the end of spring and the beginning of fall when agricultural activity was not at full peak, the labor force engaged in subsidiary industries accounted for about 20 percent of the total labor force; and in summer when agricultural activity was at its peak, the labor force engaged in subsidiary industries accounted for about 15 percent of the total labor force. Permanent specialized teams were set up and homes and households were to coordinate with them. In regard to activities which are more technical, require considerable capital, and are suitable for permanent, concentrated operation, such as the processing of supplementary foodstuffs and agricultural products, sewing, the lumber industry, vegetable gardens, etc., 37 subsidiary factories and regular specialized teams were organized (among these, one was operated by the commune and 32 by production teams). In regard to activities which are of a more seasonal nature, and are suitable for collective operation, but for which a regular operation period cannot be fixed, such as extracting salt and saltpeter, weaving, etc., temporary specialized teams were organized. In regard to miscellaneous, scattered activities which require little capital and are not of a very technical nature, these were undertaken by commune members and the income was returned to the commune members themselves.

Next, cooperation was implemented based on equivalent exchange, including cooperation between various operations, between areas, and between units. In the spring of 1959, T'a-ma-szu Production Team had an excess of Judas tree branches and a lack of weaving personnel and could not fulfill the quota in their basket weaving agreement on schedule, so the commune, according to the principle of equivalent exchange, organized 42 weavers from four production teams to help the T'a-ma-szu Production Team for 10 days, and the quota in the agreement was fulfilled according to schedule.

A rational arrangement of the labor force enabled agricultural and diversified production to be fully developed, and regular and seasonal production to be closely coordinated. From this they worked toward light operation during the busy agricultural season, heavy operation during the slack period in agriculture, heavy concentration in season, year-round operation, daily production, and a monthly return. Tuan-liu-po Control Area altogether has a labor force of 2,920 persons, and when all three

agricultural activities; summer harvesting, summer sowing, and field management were at the peak season, they still had a labor force of 528 persons (17 percent of the total labor force) engaged in fishing, planting vegetables, weaving, transporting, putting pigs, sheep and goats out to pasture, and in other forms of diversified production. In 1959, although this control area's requirements were higher and quotas were greater for summer harvesting, summer sowing, and field management than they were previously, they were fulfilled better and earlier than in former years (summer harvesting and sowing were a half month ahead of schedule).

The facts also prove that a rational arrangement of labor force enables many laborers who have technical skill to devote themselves to many different kinds of production, which in effect, enables those who have the ability to do work requiring education to do so and those who have ability to do work requiring manual labor to do so, thereby fully utilizing everyone's talents. According to a survey, at present, of the labor force participating in diversified operations, about 40 percent is part-time and supplementary. Although their labor potential is not too great, it is technical and it is of great value to production. Of the 838 people in Ta-fang-tzu Production Team, 56 or seven percent of the total population participate in diversified production, and among these there is a full-time labor force of 25 people, which is 9 percent of the total full time labor force, and a part-time and supplementary labor force of 31 people, which is 55 percent of the total number of laborers engaged in diversified production. From January to August 1959, there were seven kinds of large and small subsidiary industries in operation with an income of over 16,800 yuan, an average of 77 yuan per household.

3. More Advantageous Conditions Needed for Developing Diversified Operations Than Agricultural Cooperatives

During the period of agricultural cooperatives there was much difficulty in conducting diversified operations. According to statistics, in 1955, at the time of low-level cooperatives, there were 27 cooperatives that operated subsidiary industries; however, insufficient capital necessitated the borrowing of 45,000 yuan. In 1958, at the time of high-level cooperatives, there were 14 cooperatives that operated subsidiary industries, and it was necessary to borrow 32,000 yuan. In the first year after communalization it was only necessary to borrow 12,000 yuan to conduct diversified production, and the commune supplied the greater portion of investment.

The major methods used by the commune for raising capital were: credit cooperatives aided the 28 production teams that lacked capital for diversified production by gathering the surplus funds; necessary consideration was given to production teams that were having difficulty by organizing them to operate several diversified operations that required small investment for a quick return; and besides this, the state also adopted the method of making advanced payments to support diversified production. In 1958 the Fan-chia Production Team of Lien-hua-ch'ih Commune suffered severely from disaster. There was not enough grain to eat and there was no money to invest in the operation of subsidiary industries. The food problem was solved by the commune giving them over 11,000 chin of grain taken from Tuan-liu-po Production Team according to the principle of equivalent exchange. Moreover, credit cooperatives loaned them 560 yuan to carry out 31 kinds of production, such as extracting saltpeter, weaving, fishing, etc. By the end of June they had attained a net income of 9,160 yuan and they not only paid their debts, but also purchased double-bladed plows and 12 small agricultural implements. In addition, the 110 households of the team had an average income of 48 yuan per household.

4. Commune Party Committee Leadership Unites Industry, Agriculture, Commerce, Education, and Military to Promote Development of Diversified Production

Through an adjustment of the commercial network, 21 purchasing stations, 18 circulating purchasing teams, and 27 commission sales outlets were established. Commercial departments sent out five cadres to enter production teams to aid in finding resources, make plans, sign purchasing agreements, find out what supplies are needed, and to carry out technical control. Moreover, two buyers were sent to each production team to carry out purchases and sales. They basically worked toward purchasing products, supplying whatever was lacking, and producing or supplying the amount that was lacking. The commune commercial departments signed 164 supply and marketing agreements with the commune and production teams, the total value of which was over 34,000 yuan, an increase of 41 percent over the same period in 1958. Commercial departments supplied diversified operations with raw materials and over 18,000 small-scale tools and purchased 35 kinds of agricultural and subsidiary products, the total value of which was over 42,700 yuan, an increase of 47 percent over the same period in 1958. This not only further supported the development of diversified production, but also enabled diversified operations to make progress on the state production plan.

Commune-operated industry produced over 12,000 small-scale tools, such as hoes and sickles needed by agriculture and diversified operations, and at the same time they promptly repaired tools thereby supporting the development of diversified production.

5. Further Strengthen Leadership

Because the original agricultural cooperatives placed emphasis on the development of agriculture, they handled diversified production loosely, with no full-time management, consequently, diversified production was continuously squeezed out by agriculture. After communalization, in order to strengthen the leadership of diversified operations, the commune party committee "set off a line of battle" from top to bottom, from the commune party committee to control areas and production teams, assigned leaders for full-time management, and set up specialized organizations. The commune established diversified production committee which had one deputy secretary as full-time manager. Each control area had one director or deputy director in charge, and each production team had one deputy chief in charge. The party branches of the commune party committee, control areas, and production teams could investigate and study diversified operations at any time, and by awarding red flags, setting up model soldiers, and organizing criticism and emulation drives, they could strengthen political ideology work and organize and motivate the masses.

This guaranteed the development of diversified production from the aspect of organized leadership. During May, in the "Red Flag" emulation drive and criticism, Tuan-liu-po Production Team was chosen as a "Red Flag" unit, and a high tide of enthusiasm was quickly raised throughout the commune to "study Tuan-liu-po and catch up to Tuan-liu-po." Fan-chia Production Team sent out a labor force of 35 people to expand 17 various items of diversified operations, and in one month's time, the team had an income of over 750 yuan, which was an increase of over 20 percent over the previous month. Ho-ch'i-po, a team specialized in basket weaving raised the number of baskets woven per day per person from one and one half in the past to two, and some weave three or more.

Strong vitality and incomparable excellence stand out among the facts of the great development of diversified operations in Lien-hua-ch'ih Commune in the last year. However, this kind of excellence is still far from being developed, throughout the country. All the doubts and denunciations of the excellence of communes come from the rightist thinking that has not been curbed. Consequently, we must continue to carry out the general line, oppose rightist conservativism, better and more completely develop the excellence of communes, and promote a greater development of the production of diversified operations.

III. TRANSPORTATION

1. TEN GLORIOUS YEARS OF NATION'S RAILWAYS-- Peiping, Jen-min Jih-pao, 28 Sep 59, p 9

For the rapid and effective establishment of socialist construction, a widespread and efficient railway system is essential. In the past 10 years of national reconstruction under the leadership of Comrade Mao Tse-tung and the Communist Party, railway construction, like other kinds of construction, has progressed with giant strides. The railways of old China, had suffered the ravages of 10 years of war and strife, and on the eve of liberation there were only about 11,000 kilometers of railways in operable condition. During the past 10 years, with restoration, rebuilding, and much new construction, the railway picture has radically changed. Railways now in operation total over 32,000 kilometers and the aggregate length of track is over 57,000 kilometers. Main trunk lines have been extended into the vast expanses of the Northwest and the Southwest. There are railways in all of the provinces and autonomous regions with the exception of Tibet.

In the course of railway construction, some very formidable engineering projects have been undertaken and successfully accomplished. Among these are the Pao-chi--Ch'eng-tu railway built through the Ch'in-ling mountain range the Ying-t'an--Amoy railway for which a viaduct had to be built across the bay to the island and city of Amoy, the great Yangtze River Bridge at Wuhan, and the excellently designed and imposing Peiping railway station. In the greatness of their dimensions, the profoundness of the knowledge and skill required in their execution, and the speed of their completion, they have few parallels in any other country.

Old China had no railway locomotive and car-building industry and relied on foreign countries even for important parts needed for repairs. During the past 10 years, we have built up a manufacturing industry that is able annually to produce locomotives numbered in the thousands, and passenger and freight cars in the tens of thousands. We have acquired the capability of designing and building powerful locomotives, large special-purpose freight cars and elegantly appointed passenger cars. We have also designed and trail-produced electric locomotives and internal combustion locomotives, and thus raised the curtain on the production of a revolutionary type of tractive power.

With the flying leap forward of the national economy, railway transportation has soared to great heights. The volume of freight transported in 1959 is likely to reach 520 million metric tons, which is an increase of 8 times over that in 1949. The freight turnover will probably amount to 240 billion ton-kilometers, an increase of 12 times more than in 1949. The improvement in efficiency has advanced with great rapidity as is shown

by the fact that the density of freight traffic averages 7,500,000 metric tons per kilometer of railway [per year]. Freight car turnaround time has been reduced to 2.52 days. The [average] daily kilometrage of freight locomotives has been raised to 395 kilometers. The ratio of carloads to car capacity now averages over 95 percent. The average carload of freight is now 39.4 metric tons. Such operational efficiency far exceeds that in any capitalistic country.

Reactionaries inside and outside our country try hard to discredit our leap forward claims, saying that our leap forward is a leap backward, that the railways are in miserable condition and frustrated by confusion. They hope by such abusive talk to disparage our accomplishments. The truth is that the facts are just the opposite of their assertions. In 10 years of national reconstruction, the most rapid achievements were made during the time of the leap forward movement. This is also true of the railways. In 1958-1959 the railway trackage increased more than 8,000 kilometers, which is more than half as much as the total of the preceding 8 years; over 1,400 new locomotives were added, which is 3 times as many as the total of the preceding 8 years; over 27,000 newly built passenger and freight cars were added which is more than 50 percent of the total in the preceding 8 years. In the past 2 years, the volume of freight transported increased 250 million metric tons, which is more than double the total increase in the preceding 8 years. The freight car turnaround time was reduced by 0.32 days, while in the years of the First Five-Year Plan, the reduction was only 0.06 days. Can these performances be described as indicating a confused and critical state of railway affairs? As the volume of transportation grew with the leap forward in industrial and agricultural production, the railways were subjected to considerable pressure, but that was also a stimulus to the railways; the pressure became a motive force that propelled the railways into a great expansion which concurrently supported the advance in industry and agriculture. This is a mark of the excellence of our country's socialist system. The reactionaries do not understand, and never will understand, the limitless power of the spirit of the liberated Chinese people.

The recent great advances in railway development, as in other fields of activity, have depended on the loyal cooperation of the masses to whose welfare they so greatly contribute. The people have enthusiastically participated in numerous movements that have been stepping stones to progress. Regarding constructive enterprises as their own, they recognizes their responsibility for ensuring the success as these movements and without their cooperation, rapid and successful accomplishment would have been impossible. Among the important movements among the common people that have marked progress in the railway field are these; following liberation, cooperation in the swift restoration of damaged railways, recovery of stolen and hidden rails and ties, the rapid extension of railway service behind the war front in the years 1947-1949 as it moved from north to south, and the provisioning of the People's Liberation Army on an advancing front.

In the period of economic restoration, particularly that of the First Five-Year Plan, they cooperated in such political activities as the suppression of counter-revolutionaries, the "three anti movement", and the "resist US and aid Korea movement." More specifically, with respect to the railway transport industry, the people aided in the protection of tracks and railway bridges, in the maintenance of way, in the formation of "model" locomotive and train crews, in the "full carload, above-norm trainload, 500 kilometers a day per locomotive movement," in the widespread emulation and red banner competition movements, and in the "million ton-kilometers per day per locomotive movement." These all helped to improve the efficiency and capability of the railways, enabling them to serve the constantly growing economic needs of the country.

The brisk progress since the beginning of 1958 has been due in a large measure to the stimulating effect of such slogans as "dare to think, dare to speak, dare to do," "advance in comparison with others," "advance in learning and in performance," "let the vehicles continue to roll and the goods to flow, even though men have to rest," "one leap after another," and "increase efficiency again and again." The workers generally have shown great zeal for the technical revolution, for better and cheaper ways of doing things; they have invented many new tools and equipment. For example, they built earth "humps" in the freight yards and thereby increased the shunting rate of cars 30-60 percent; they suggested high platforms for loading cars and low platforms for unloading cars, whereby the efficiency of these operations has been multiplied many times. They suggested the idea of "opportune transport" (shao chiao yun shu), that is, utilizing as occasion offers, the vacant space in cars which otherwise would go unused. From the beginning of April through August, more than 4 million metric tons of goods were thus transported, instead of wasting that amount of capacity. Transportation has been greatly expedited by the implemention of the idea of "red banner trains" in the operation of which prearranged concerted action is taken at all stages of the transport process, such as loading, shunting, dispatching, train inspection, running, switching at junction points, breaking up trains, unloading, and so forth, thereby reducing to a minimum the turnaround time of the transport equipment and the turnover time of the goods.

Under Communism, the railways, like everything else, belong to the people, hence the people should and do work hard to build them rapidly and operate them efficiently. The country's transportation tasks cannot be accomplished by a few highly train specialists without the help of the masses. Reactionaries and rightist deviationists who argue otherwise must be silenced. The climate in which the railways can achieve their greatest development and service is one of thoroughgoing cooperation, in accord with the party's general line. Seeking one's own advantage must give way to seeking the best interests of the whole. In transportation, cooperation is not merely an internal affair of one individual train crew, one railway bureau, or of one mode of transportation. Cooperation should

be exercised between the railway and industrial plants, between the railway and mines, highway transport, waterway transport agencies, and harbor and river port organizations.

At more than 1,000 railway stations, responsibility for the work of loading and unloading cars has been assumed entirely by the people's communes. When there is freight handling work to be done, farmers and artisans drop their usual work and do the railway work quickly, after which they return to their ordinary occupations. A similar arrangement is used in connection with the work of maintenance of way. This is not only of mutual advantage to the railway and the communes, but it also has the incalculable political advantage of drawing peasants and industrial workers into closer and more friendly relationship.

The glorious progress of the railways during the past 10 years is only one step in a bright future program of development and expansion. In the course of several more periods of five-year plans, we shall build tens of thousands of kilometers of railway, thousands of locomotives and millions of cars; we shall use new techniques, much automatic equipment, and internal combustion and electric locomotives.

In the formulation and adoption of the general line, we have sought and found the way to the reconstruction of our country, and this is the way: place political objectives at the top of the list, then follow with the mass line, broad scope cooperation, "walking with both legs", comprehensive operations, high speed railway construction and high efficiency in the utilization of the railways. By walking with two legs is meant the use of both foreign- and local-type railways and other equipment, and letting both large and small, high standard and low standard enterprises proliferate and complement each other. By comprehensive operations is meant concurrent operation of transportation, the construction of new railways, the manufacture of new locomotives and rollingstock, and the domestic production of a large share of the raw materials needed. If this way is followed the construction of our railways will be greatly hastened. Nevertheless, there will be many obstacles, not the least of which will be mental and ideological problems, that will require determined struggle to overcome. But with firm resolution and unswerving devotion they can be overcome, and we can go on from victory to victory. -- Lu Cheng-ts'ao, Vice-Minister of Railways

2. SHORT DISTANCE TRANSPORT IN SHANTUNG -- Tsingtao Jih-pao, 20 Oct 59, p 2

In the course of a telephone conference in which cadres and others concerned with short distance transport in Shantung participated, Comrade Pai Ju-ping, secretary of the Shantung Province People's Council, made the following statements.

A vigorous mass movement to foster the expansion of short distance transportation has become active all over the province. At present, there are more than 280,000 men engaged in this occupation in the province, in which they make use of 230,000 vehicles of many descriptions. More than 70 percent of the people's communes have organized one or more teams for full-time work on public short distance transport.

The efficiency and capacity of the means of transport in general are constantly increasing. In September, 608 motor trucks equalled or surpassed the performance target of 10,000 ton-kilometers a month per truck-ton. Ninety percent of the coal that had accumulated at small coal mines has been moved to market. A large quantity of the means of production and the means of subsistence, as well as the products of rural handicraft industries, have also been taken to market. Due in large part to this movement, the total volume of freight handled in September was 10,580,000 metric tons, which figure is 23 percent greater than that in August. From 1 January to the end of September, the total volume of freight transported was 90,590,000 metric tons; this is 69.1 percent of the planned quota for the year, and 70.2 percent more than in the same period in 1958. This increased movement of freight has been of immense benefit to the rural areas.

The fourth quarter is the most critical period in the year, and it will require extraordinary efforts to complete the year's quota. The fulfillment of the quota is of great importance since it depends upon the fulfillment of the production goals of many industrial enterprises and the adequate supply of living necessities to hundreds of thousands of people. A further reason why every effort should be made to complete the transport task for the fourth quarter is to provide the means of production which are essential for the fulfillment of greater industrial production goals in the first quarter of 1960.

The fulfillment of the transport quota for the whole of 1959 calls for the transport of 46,100,000 metric tons in the fourth quarter, of which the railways operating in Shantung should transport 10,500,000 metric tons, and local transport should move 35,600,000 metric tons. It is hoped that the total volume of transport for the whole year will reach 136,690,000 metric tons; this is 104.3 percent of the original quota. This target sets 33,700,000 metric tons as 100 percent of the railway transport goal, and 102,990,000 metric tons, or 105.8 percent of the original quota, as the goal for local transport.

The railways are working very hard to fulfill their quota. To do so, they must load a daily average of 3,525 cars in the 4th quarter.

Following the above statements, Comrade Pai offered six constructive suggestions for maximizing the local short haul traffic level which the cadres were directed to disseminate throughout the province, and he exhorted his hearers to exert their best efforts during the coming 3 months.

3. CONSTRUCTION OF FANG-TS'UN BRANCH RAILWAY AT CANTON -- Canton Kuang-chou Jih-pao, 14 Dec 58, p 1

On 13 December 1958, formal ceremonies marked the opening of the 6.9 kilometer long Fang-ts'un branch railway line, which has been built to hasten the development of the new Fang-ts'un industrial section of Canton which includes the Kuang-chou Iron and Steel Plant and the Kuang-chou Shipyard. [Fang-ts'un is situated on the south side of the Chu Chiang and west (upstream) of Ho-nan Island, from which it is separated by one of the channels of the Chu Chiang.] According to long-range plans, this line will be extended eastward across a large bridge to Ho-nan Island and on to the Huang-p'u harbor. At the west end, this branch line connects with the present Canton--San-shui railway which now terminates at Hsin-wei-t'ang on the edge of the river, with ferry connection with the main city of Canton.

When the two sections of the railway bridge across the Chu Chiang, now under construction, are completed, the Fang-ts'un branch will have a connection with the Peiping--Canton railway, and thus with the whole national railway network.

Active work on the building of the Fang-ts'un branch line was started on 23 September, and to hasten its completion, over 1,000,000 man-days of voluntary labor were given by the local people. Besides a number of small bridges, this line has one large bridge which is 180 meters long.

4. DOCKS AT CHUANG HO TO BE ENLARGED -- Mukden, Liaoning Jih-pao, 14 Jun 59, p 2

The docks at the mouth of the Chuang Ho [east of Dairen] are only large enough to permit ten small boats to dock at one time, and the adjacent cargo storage space is only 10,000 square meters in area. Hitherto its annual cargo turnover has been about 30,000 metric tons, but it is estimated that in 1959 it could be as much as 200,000 metric tons if the decks were enlarged and improved. The work of enlargement and improvement now going on is expected to be completed within 3 months.

5. ANHWEI MAKING VEHICLES AND BOATS -- Ho-fei, Anhwei Jih-pao, 19 Jun 59, p 2

Various areas within Anhwei Province are moving into the high tide of making vehicles and boats to support transportation. Up to the end of May [1959], Anhwei Province made 336 motor vehicle trailers and 23 wooden barges. The total metric tonnage is 2,030. At the same time, a number of wooden sailing vessels were also built.

6. LOCAL AIR ROUTE INSTITUTED IN HUNAN -- Peiping, Jen-min Jih-pao, 3 Nov 59, p 3

Recently, the first local civil air route to be established in Hunan Province was instituted between Ch'ang-sha and Shao-yang. At present, an An-2 passenger-cargo plane is flying this route.

7. STATISTICS ON SHANGHAI CONSTRUCTION--Shanghai, Chieh-fang Jih-pao, 30 Oct 59, p 5

By the end of 1958, Shanghai had built or rebuilt the following: 1,166 kilometers of roadways, or 113.3 percent of the 1,029 kilometers of roadway existing in 1949, and a 32.2 percent increase in total length; 780 kilometers of sewers, or 120.2 percent of the 649 kilometers that existed in 1949, and a 45.4 percent increase in actual length; and 277 bridges, or 93.9 percent of the 295 bridges in existence in 1949, and 56.3 percent increase in the actual number of bridges

By the end of the third quarter of 1959, the volume of capital construction completed in Shanghai amounted to 29,210,000 yuan, or 28 percent more than total capital construction in 1958.

8. MISCELLANEOUS TRANSPORTATION STATISTICS--Peiping, Hsin Kung Shang, No 16/17, 9 Sep 59, p 32

Despite increased building and repairing of railways over the past few years, China's transport facilities are extremely rushed. In the first half of 1959, China had 6,000 more units of rollingstock than in the same period of 1958; these units of rolling stock can transport from 5 to 10 million metric tons of goods daily.

IV POSTS AND TELECOMMUNICATIONS

1. MINISTRY URGES EMPLOYEES TO FULFILL ANNUAL PLANS AHEAD OF SCHEDULE -- Peiping, Jen-min Yu-tien, 17 Oct 59, p 1

On 13 October 1959, the Ministry of Posts and Telecommunications called a telephone conference urging all its employees to exert all efforts to fulfill its 1959 production and finance plans one month ahead of schedule.

According to the present situations and available statistics concerning the implementation of the annual plans, it is possible that the national posts and telecommunications and finance plans will be fulfilled ahead of schedule. For instance, from January through September 1959, the total

volume of operations fulfilled 79.2 percent of the annual plan, of which the postal matter plan was fulfilled 84.8 percent, the newspaper and periodicals plan, 72 percent, the telegraph plan, 90.7 percent, and the long-distance telephone plan (including telephone conference calls), 79.2 percent. The total receipts from operation fulfilled 83.1 percent of the annual plan, and the balance between financial receipt and expenditure already exceeded the 1959 annual plan by 0.9 percent. The coefficient of receipt and expenditure was 3.3 percent lower than that of 1958. The labor productivity during the period January through August 1959 was 20.4 percent higher than that of corresponding period in 1958. The quality of communications was greatly improved over last year.

In August 1959, the total volume of posts and telecommunications operations was increased 2.9 percent over that in July 1959, and in September, it was increased 9.2 percent over that in August. In September 1959, the increase of volume of operations in various categories over the previous month was as follows: mail matter, 7 percent; newspapers and periodicals, 7.3 percent; telegraph, 11.5 percent; long-distance telephone, 14.1 percent; and total income, 12.6 percent.

2. SHANSI LINE UTILIZATION RATE -- Peiping, Jen-min Yu-tien, 10 Oct 59, p 3

In August 1959, the average utilization rate of the T'ai-yuan--Ta-t'ung communication line was 78.11 percent, and that of the Ta-t'ung--Hsin-t'ung line was 57.77 percent. In September, the utilization rate of the former line was increased to 89.57 percent, and that of the latter line was increased to 63.64 percent.

3. HSIN-SHUI INSTALLS VERY HIGH FREQUENCY COMMUNICATIONS LINE -- Peiping, Jen-min Yu-tien, 10 Oct 59, p 1

The installation of a 4-channel very high frequency telephone line from Hsu-shui to An-chou was completed and formally inaugurated at 1200 hours on 24 September 1959. This is the nation's first such line ever constructed extending from the hsien to the commune. This project was completed under the direct assistance and supervision of the Shanghai Telecommunications Research Institute and the Hopeh Provincial Posts and Telecommunications Engineering Corporation together with the great efforts exerted by employees of the Hsu-shui Bureau.

4. YIN-CH'UAN LAYS COMMUNICATIONS CABLES -- Peiping, Jen-min Yu-tien, 10 Oct 59, p 1

An underground cable of the latest type with a total length of some 6,000 meters was successfully laid between the Yin-ch'uan Bureau and the Hsin-ch'eng exchange point on 29 September 1959. On the evening of this date, telephone service through this line was initiated.

With the installation of this new line ahead of schedule, the number of pairs of junction cables located between Yin-ch'uan and Hsin-ch'eng was increased by 4 times. Originally there were only six pairs of cables in this location; now there are 24 pairs. It is required only 6 days to have the ground dug and 3 days to have the cables laid.

5. CHAN-CHIANG LAYS CABLES -- Peiping, Jen-min Yu-tien, 21 Oct 59, p 4

On 4 October 1959, a total of five pairs of native submarine cables produced by employees of the Chan-chiang (Fort Bayard) Posts and Telecommunications Bureau with a length of 1,800 meters was laid on the sea bottom between Hsia-shan and Ma-hsieh. On the same date, telephone service along these lines was initiated.

6. PAO-CHI INAUGURATES AUTOMATIC TELEPHONE SERVICE -- Peiping, Jen-min Yu-tien, 17 Oct 59, p 6

The automatic telephone service of the Pao-chi Municipal Posts and Telecommunications Bureau was inaugurated on 21 September 1959.

V. ELECTRIC POWER

1. INADEQUATE ELECTRIC POWER IN ANHWEI PROVINCE -- Ho-fei, Anhwei Jih-pao, 27 Jun 59, p 3

According to statistics gathered from the Anhwei electric power industry, there is a difference of 50,000 kilowatts between the present Anhwei electric power capacity and the actual need. Whether a solution can be found is a serious problem related to the possibility of further leaps forward in Anhwei industrial production and construction.

At present, in Anhwei Province, the Mao-chien-shan, Hsiang-hung-tien, and Mo-tzu-ling hydroelectric power stations and the Huai-nan and Ma-an-shan thermal electric power plants are now being expanded. At the completion of these projects, their total power-generating capacity will be equivalent to 1.6 times or more the present power capacity of the entire province.

2. WORK ON MAO-CHIEN-SHAN HYDROELECTRIC POWER STATION UNDER WAY -- Ho-fei, Anhwei Jih-pao, 27 Jun 59, p 3

Construction is underway on the gigantic Mao-chien-shan Hydroelectric Power Station project. At present, some 8,000 power station construction workers are participating in the work to build the large dam to the height of 365 meters to hold back a flood occuring once in 100 years.

The Mao-chien-shan hydroelectric station project will include the three power stations, the Hsiang-kung-miao, Mao-chien-shan, and Chiu-ching-kang, which are linked together. According to the plan, six turbogenerators will be installed with a total capacity of 56,000 kilowatts.

3. INSTALLATION OF KU-T'IEN ELECTRIC POWER STATION UNIT COMPLETED -- Foochow, Fukien Jih-pao, 7 Jun 59, p 1

The installation of unit No 3 of the first turbogenerator in the second period of the first level of the Ku-t'ien electric power station was completed. The capacity of the installed equipment of this generator is 12,500 kilowatts, which is 500 kilowatts more than the capacity of the two units of the first period of the first level of this power station. In the installation of this unit, men were sent by the Central Hydroelectric Power Construction Bureau of the Ministry of Water Conservancy and Power Industry and by the Shanghai Power Production Equipment Plant to aid in the work. After the completion of work on this unit, activities started immediately on the installation of unit No 4.

4. NEW MA-AN-SHAN POWER GENERATOR PUT INTO OPERATION -- Ho-fei, Anhwei Jih-pao, 1 Jul 59, p 1

At 0400 hours on 23 June, the first 6,000-kilowatt generator of the second expansion phase of the Ma-an-shan Electric Power Plant was put into operation. This power was added to the south Anhwei power grid.

5. HENG-YANG REDUCES CONSUMPTION OF ELECTRIC POWER -- Ch'ang-sha, Hsin Hunan Pao, 10 Jul 59, p 2

Heng-yang workers and residents have participated in the movement to economize in the consumption of electricity. From January to May of 1959, some 2 million kilowatt hours of electricity was saved. This amount is equivalent to a 550-kilowatt generator in full operation for 5 months.

Part 2. POLITICAL: RIGHTIST OPPOSITION IN LIAONING PROVINCE, OCTOBER 1959

I. INTRODUCTION

The leap forward movement and the commune movement, both started in 1958, have built up violent controversies and given form to many opposition groups in China. The controversies and elements of opposition began to be seen when the August Plenum of the Central Committee of the Communist Party revised the figures for the output of certain key items for 1958 and revised the targets for 1959. Following the plenum, the Chinese press gradually deliniated the general issues. Embarassing questions were asked publicly as to whether the productive forces in 1958 were such that the economy was ripe for drastic measures such, as the conversion to the communes, and all that the conversion implied in the distribution of the social product and in ideology. Questions were raised as to whether the means adopted for the leap forward, especially the mass movements in all fields, were as suitable for construction activities as they had been in revolutionary activities and whether the economy had been thrown into serious imbalances.

At first the regime evidently was willing to compromise with its critics to the degree of making explicit admissions that certain serious economic obstacles existed to the realization of further leaps forward and to the realization of some of the social and ideological elements of true communism, such as the elimination of classes and distribution according to need only.

However, from about May 1959, the views of the opposition as publicly stated became more and more extreme. Such articles were published by the Jen-min Jih-pao, Hung-ch'i, and Hsin Chien-she, the most important vehicle for the statement of the views of the intellectuals. Eventually, the opposition views seem to have traveled past the limits acceptable to the party center. For instance, an article entitled "How to Understand the Socialist Economy" in the No 10 issue of Hsin Chien-she, by Hsueh Mu-ch'iao, vice-chairman of the State Economic Commission and former chief of the State Statistical Bureau as well as former vice-chairman of the State Planning Commission (See Weekly Report on Communist China, No 2, 27 November 1959), argued that at the time of the inception of the leap forward movement and of the commune movement, the productive forces were not yet at a stage of development that allowed drastic changes in the productive relationships and that objective economic laws could not be overriden by what amounted to "revolutionary enthusiasm" manifested in mass movements, so prized by the regime in its lines and policies. The limit drawn by the regime was evidently that obstacles to a further leap could be stated, but that emphasizing the existence of similar or identical obstacles at the time when the original leap forward, or the commune

movements were started must be suppressed as criticisms of the policies of the party center since the last part of 1958. Hsueh's views, first expressed in a home service radio talk on 28 June 1959, obviously overstepped such a line.

The continuation and intensification of attacks from what came to be designated as rightist opportunists and rightist conservatives forced the gradual pinpointing of rightist groups and their doctrines and eventually grave warnings to the opposition groups to cease their attacks. At the same time, direct statements by rightists of their views disappeared from the press and periodicals.

The 3 October 1959 issue of the Li-lun Hsueh-hsi, organ of the Liaoning Provincial Party Committee, a special issue devoted almost exclusively to the problem of rightist opportunists, is quite revealing. This issue contains articles written by the secretaries of the party committees of Pen-ch'i, An-shan, Lu-ta, Fou-hsin, and Mukden the chiefs of the provincial department of culture and education and science and technology commission, and the deputy chiefs of the provincial law department, propaganda department, planning committee, and party school. Each article discusses rightists in the field of concern of the author.

A complete list of the titles of the articles and authors is appended to this Part 2. Numbers in parentheses refer to the items of this appended bibliography.

II. IDENTITY OF THE RIGHTISTS

The general thesis regarding the identity of the rightists is that certain remnants of the bourgeoisie and petit bourgeoisie have survived in Chinese society and have infiltrated units in every field of activity. Such persons have seized upon the deficiencies of the last year or so as a great opportunity to attack the party and socialism and have in some cases succeeded in influencing those around them enough to cause disruption and slowdowns. In industrial enterprises, the rightists appear to include the majority of the workers, some of the cadres, and some of the intellectual elements. The following excerpts reveal rightist opportunists and rightist conservatives, as presented in the Li-lun Hsueh-hsi.

"At present, the exploiters within the socialist state enterprises have been basically eliminated. In the joint public-private enterprises, the exploitation of the bourgeoisie has been confined within the sphere of 'fixed profits." And in respect to the nature of [all] the enterprises, these are basically socialist enterprises. However, the viewpoint of class analysis is used, to study the political and ideological conditions of the workers within the enterprises, the problem is not so simple.

"The old workers in the enterprises have been forged by the cruel exploitation of the bourgeoisie so that they have a comparatively high political awareness and take in Marxism-Leninism easily. These workers constitute the backbone of the proletariat; they are the people on whom the party and the socialist enterprises basically rely. However, following the great development of the country's economic construction affairs, the proportion of the total workers of the various enterprises represented by these old workers has decreased day by day. The majority of the workers in the enterprises are new. Among them, some are ex-soldiers and relatives of the old workers; together with the old workers, they constitute the backbone of the enterprises. However, some of the new workers are people who have been diverted from their original livelihoods by the two profound socialist revolutions in China, to work in the enterprises. (These people include former landlords, rich peasants, capitalists, nationalist soldiers, policemen, and migrants.) These people have brought into the ranks of the proletariat the exploitating-class thoughts and bad habits of their original state. Many of the new workers began life in the families of the petit bourgeoisie in the cities and the villages or the families of the rich landlords and rich peasants. They have retained a comparatively large amount of the ideological pattern of the bourgeoisie and petit bourgeoisie. Why is it that every time there is a deep socialist reform, a rather large political and ideological wave is caused among the workers? The answer lies in the class source of large numbers of the new workers."

"Conditions along the industrial front are very good; nevertheless, there are problems. Furthermore, these so-called problems are not all of the past. These problems arose from a lack of experience, from deficient leadership, and have been overcome or are in the process of being overcome. The [present] problem is that among certain cadres, rightist ideology and sentiment have already on two occasions affected the leap forward in industrial output. A look at production conditions from January to August shows that Januray and July were the lowest months [in terms of output]. Why? We should point out that although, there were objective causes, the primary cause for the decrease was ideological. During these months, there were people with rightist ideology and sentiment who blew cold wind, poured on cold water and deflated instead of inflated, thus damaging the activism of the masses and causing a drop in output. The working masses are extremely dissatisfied because of this situation."

"In the enterprises, among the ranks of the engineers and technicians, there are many people who have risen through training from among the workers. These are the newly born and extremely valuable intellectual elements of the proletariat. However, some of the others in the ranks had served the exploiting classes or had grown up under the long-term educational and ideological influence of the capitalist class. The majority of these people are still bourgeois intellectual elements who constantly are antagonistic

to the leadership of the party and to the socialist system. The last 10 years, the historical facts, especially since the rectification and anti-rightist [campaigns], have proven that although the change to the socialist system has been made, remnants from the old period, in the form of reactionary thinking in the minds of some people, the thinking of the capitalist class and of the upper strata of the petit bourgeoisie, cannot be changed all at once. A revolution along the economic front, that is, in the system of the ownership of the means of production, is not enough, and also not stable. We must still thoroughly carry out the socialist revolution along the political and ideological fronts. The severe political and ideological struggle in the socialist enterprises is the necessary reflection of the life and death struggle between the bourgeoisie and the proletariat during the transitional period. The elimination of the reactionary ideology of the bourgeoisie and the petit bourgeoisie in the minds of the people, that is, the thorough extermination of class, politically and ideologically, will need a long period of time and firm and continuous struggles. The last 10 years or so have also proven that although the enemy classes have been beaten down, the obstinate members (even though they are very few in number) will want to cause trouble and destruction until they have been put into their coffins.' Whenever the opportunity offers, they increase the violence of their attacks. Therefore, in the socialist enterprise, there is not only a struggle between the advanced and the backward, there is also a struggle between the bourgeoisie and the proletariat, between two systems of ideology. There exists not only inner contradictions of the people, but also contradictions of the kind between us and the enemy." (1)

In economic matters, the planners and technical personnel, along with those groups already mentioned, have also been accused of harboring rightists.

"Previous to 1957, our planning work had the defects of considering things but not people and "emphasizing things to the neglect of people.' We did not respect the function of human subjective motive power. We talked excessively about the difficulties because of insufficient financial and material power. In planning arrangements, we frequently allowed ourselves to be dictated to by the backward cycles and adversely influenced the speed of development of production and construction. Actually, this type of rightist conservative ideology of "mechanical balances" and 'negative balances' is incompatible with the party's line for socialist construction and of 'struggling upstream' and 'much, quick, good, and economical.'" (9)

"We must unceasingly overcome rightist conservative ideology and perform comprehensive and balanced work well. The experience of the last 4 years has proven that production in any leap forward plan is the result of struggles with all types of rightist conservative ideologies. Generally speaking, human knowledge frequently falls behind objective realities. Our economic management and planning units especially, because they did

not understand objective conditions well enough, had a tendency to give rise to the rightist conservative ideology difficulty of 'considering things and not considering people' and of insufficient fervor, etc., adversely influencing the attainment of activism and advancement in planning arrangements." (9)

Rightist sentiments, it is said, exist also in the fields of art and education. The fields of the arts in Liaoning received what could be considered a remarkably light reprimand.

"...the art work of the province.....has made a very great leap forward. In the last 2 years, very few poisonous weeds have spread among us. On the contrary, we have seen an extraordinarily good trend. The art workers have moved to conform with political duties, actively serving the struggle for production, seeking the facts of life, and seeking the improvement of art."

"How can we obtain continuous leaps forward in art affairs?... If we do not clearly understand this problem, it will be difficult to avoid narrow understandings. For example, we have already seen instances of this phenomena. Some conferences for the discussion of the arts have only emphasized discussions of techniques. Some comrades pay attention only to the study of techniques. Some units still have deficiencies in arrangements for ideology in literature and the arts and for the study of life. In writings or rehearsals have very seldom developed debates and discussions on ideology in the arts....

"Attention to technical practice and study is very good, especially to those groups and individuals who did not pay attention to this aspect of their work in the past... However, we must clearly recognize that the art of some units and individuals was inadequate, not because of deficient training in techniques, but because of lack of enthusiasm for politics and to too great a separation from life." (8)

In education, however, the indictments against rightists are very serious.

"...Part of the intellectual elements still have a doubtful attitude in regard to whether the party can lead well in education, teaching, and study work. They still are not convinced of the correctness of the party's policy for education."...

"There are still a certain number [of people] who, on the educational front, doubt and reject the general line, the great leap forward, and the people's communes. There are still not a few bourgeois intellectual elements who doubt and reject especially the policy of education politically serving the proletariat and of unifying education and labor. Some of them, although not open in their opposition, still do their utmost to reduce the time for labor and the time for political lessons or take nonphysical

as a substitute for productive labor. Some of them basically want to eliminate labor. Ideological reform is neglected among the teachers and political lessons are neglected among the students. This type of phenomenon still exists. School leadership cadres are lax about the ideological reform of the intellectual elements and political and ideological education for the students and are fearful of difficulties in implementing the party's policy for education. All these reflect the existence of rightest ideology among the educational units and other units as well. Those sentiments which claim that there is no rightist ideology in the education units are wrong." (6)

III. SUBSTANCE OF THE RIGHTISTS ATTACKS

Consideration of the substance of the attacks by the rightists shows that the timing and methods of the party are the two main points for the attacks. As a logical consequence, the capability and function of the party, including Mao Tse-tung, who is identified with the policies under attack, are also called into question. The attack on the timing, couched in Marxist jargon, is essentially the argument that the dominant faction of the party has been pushing a rate of economic development faster than conditions in China allow, and that, consequently, failure and confusion are sure to result. Since these arguments refer to the year already past, the implication is that failure and confusion already exist, the very point that the party center is determined to deny. Lu Sen, the deputy chief of the Liaoning Provincial Party School, presented the counterattack on this line of argument.

"It is a basic principle of Marxism that the productive relationships must be matched to the nature of the productive forces. Our party has obtained an extremely great victory by using this principle to lead the leap forward which started last year and to lead the movement for the conversion to communes. In these movements, our party used this principle to oppose the rightist conservative ideology of the bourgeoisie and prevented the tendency and acute defect of egalitarianism of the petty bourgeoisie, and consequently guaranteed the health of the movements from beginning to end.

"However, a small group of rightist opportunist elements are now taking this Marxist principle as a weapon with which to attack the people's communes. They say that 'At present, the tools of production in our country are backward, the level of production is still very low, the superior points of the high-level cooperatives have not yet been fully developed, so that the immediate setting up of communes violates the principle that the productive relationships must be matched to the nature of the productive forces and furthermore obstructs the development of the productive forces.' Using this theory as a basis, these people then malign the communes as 'having been brought on too early' and as being 'in a mess.'"...

"We must point out that in using this principle of Marxism, the rightist opportunists first had to distort it out of all recognition; with slight changes, [their attack] would match the tune of the revisionists.

"First, they are completely arbitrary in their understanding of the meaning of the concept of the productive forces. They understand these forces to be only the tools of production and neglect everything else, especially people, that is, labor power, the factor of decisive importance."

"Second, they twist the mutual relations between the productive forces and the productive relationships, pretending that the productive relationships are completely powerless in the face of the productive forces. They exaggerate to the extreme the degree of backwardness of the tools of production in our country at the present time and the degree of lowness of our present level of production. On this basis, they then go on to draw the conclusion that the present level of the productive forces is suited only to agricultural cooperativization and not to the people's communes. If this is true, then when would be the suitable time for setting up the communes? According to these people, the proper time is 'after there is a basis from the mechanization of agriculture.' This is all nonsense....

"Everyone knows that since the setting up of the state, China's production has developed in flying leaps each year and that raising the level of the productive forces of agriculture has been at a rate that no capitalist country can hope to match. At present, the level of the productive forces in China's agriculture is as different from the level in the old China as the difference between heaven and earth, even though mechanization and electrification have not been reached.... These iron facts cannot be obliterated by a small group of rightist opportunist elements.

"The Marxist recognizes that the development of the productive forces is the content of the process of production, and that the productive relationships are the social forms of the process of production. When the productive forces have developed to certain conditions, they will then be able to cause certain changes in the productive relationships, and then the new productive relationships will open a broad path of development for the productive forces. The history of the development of agriculture in China in the last 10 years is an illustration of dialectical movements between the productive forces and the productive relationships."

"Third, the inseparable connections between the objective laws of society and revolutionary mass movements have also been destroyed in the hands of the rightist opportunists. They have taken the Marxist principle that the productive relationships must be matched to the nature of the productive forces for opposing the great revolutionary mass movements of the leap forward and of the conversion of the communes.

"The Marxist recognizes that human society does not develop according to the desire of human beings to change objective laws. However, the history of society is created by the masses of the people. The objective laws of society perform their function through the activities of the masses of the people when they are creating history. All real revolutionary movements are manifestations of the objective laws of society, and all contribute to the promotion of the development of the history of society. This is true of revolutionary periods; it is true in periods of construction. It is true in a class society; it will also forever be true after the classes have been eliminated.

"The twisting of the productive relationships and the productive forces in the above three ways by the rightist opportunists actually negates the great function of the masses of the laboring people in creating history, and furthermore, the rightist opportunists plan, on this basis, to negate the people's communes in our country.

"The above three examples are sufficient to permit use to see just what the so-called theoretical basis of the rightist opportunists is. They first raise the placard of Marxism and then trample the soul of Marxism. Verbally, they seem to be the strongest supporters of Marxism, but actually, they are extraordinarily opposed to Marxism. This type of false Marxism is in nature revisionism. The 'theory' of this type of revisionism was originally the theoretical manifestation of the ideology of the rightist opportunists." (10)

The attack by the rightists on the methods of the party centers on the argument that enthusiasm, in other words mass movements, cannot be substituted for the technical competence that only specialists can provide. The leap forward and the communes had been inaugurated when conditions were not ripe, the rightists say, and the attempt of the party to compensate with revolutionary fervor is equally erroneous and conducive to confusion.

"...the rightist opportunist elements and people with serious cases of rightist conservatism ideology still see things but not people. They see only trees and not forests. They superstitiously believe in dead mechanics, dead books, and dead yardsticks, taking into account only things but not the activism of the people. As a result, the more the difficulties are counted, the more there are, and the more output is calculated, the smaller it becomes." (5)

"The minute that the general line, the great leap forward, and the people's communes were born, they were the objects of the opposition of the reactionaries at home and abroad. The rightist opportunist elements also vilified the great leap forward and the commune movements as 'petty bourgeoisie fanaticism.'" (5)

"The rightist opportunist elements not only vilified the great leap forward of last year, but have also claimed that fundamentally, 'there should be no great leap forward in 1959' and refuse to recognize that continuous leaps forward are possible....

"Why do the rightist opportunist elements want to negate our great accomplishments and great leap forward? Their main objective is the plot to negate the general line, to liquidate the fervor and the struggling upstream content of the general line. They only want 'good' and 'economical' and not 'much' and 'quick.' They call fervor and struggling upstream petit bourgeois fanaticism,' planning to use this line of argument to negate the general line. It is clear that the people of the country cannot tolerate this type of scheme." (3)

"Rightist ideology and rightist sentiments are manifested in many ways, but there is a basic touchstore, namely, the attitude toward mass movements. They seem to believe that in other work, it is possible to have mass movements, but in industrial construction, in work so technically complex and where production is so unified and concentrated, they doubt that it is possible to have mass movements. The smelting of steel, the generating of electricity, the planning and production of new items, all these, according to the rightists, are work that should be performed by specialists. They doubt the value of engaging in mass movements. Since they have this doubtful attitude, they naturally delight in the deficiencies of each movement, standing aside from the movements and casting cold eyes upon them. Outwardly, they seem to be objective and calm, but actually, they feel cold and satisfied that there are deficiencies. The minute that a movement develops some difficulties, they immediately come to life to carry out post-mortems." Whatever has shown up as certain deficiencies in work becomes the objects of their attacks." (4)

The question of technical competence versus mass movements is very closely tied to the problem of the validity of party leadership, at least over economic affairs, or as the Chinese put it, over construction as opposed to revolutionary affairs. In essence, the rightists are saying that the predicted chaos has arrived, but even now, if the, party will allow the specialists to perform their work without interference, order may be restored. The counterattack accuses the rightists of wanting to liquidate political primacy, to liquidate the leadership of the party.

"The rightist opportunist elements have also advocated the simultaneous raising of political and economic work, opposing the primacy of politics. The domestic and foreign reactionaries have always taken the weakening and destruction of the leadership of the vanguard of the proletariat, the leadership of the party, as their main goal in opposing socialist revolution. Basically, politics is the concentrated manifestation of the economic base, is the superstructure that is serving the economic base and at the same time advancing the development of the

economic base. The rightist opportunists have deliberately juxtaposed the concrete methods for economic work and political primacy, proposing that the two must be raised simultaneously. This is an error. Actually, the so-called concrete methods for economic work belong to the sphere of the economic base. The realization of these concrete methods, if not accomplished through the political primacy of the proletariat, will necessarily be accomplished through the political primacy of the bourgeoisie. ...The rightist opportunist elements unceasingly cry out that 'Political primacy cannot be substituted for the concrete methods of economic work.' This is simply to say that we should have that political primacy which is opposed to the proletariat, that we should have the realization of the political primacy of the bourgeoisie. Consequently, we absolutely cannot underestimate the seriousness of this battle." (2)

"Comrade Mao has taught us that 'In all the actual work of our party, all correct leadership must come from the masses and go to the masses. That is, take the opinions of the masses (scattered and unsystematic opinions) and bring them together (study and convert them to systematic opinions), then propagate and explain them among and to the masses and convert these opinions brought together into the opinions of the masses, carry them firmly down to the masses, see them put into action, and study them among the actions of the masses to see if they are correct.' However, some comrades believe that this type of leaderhip method, the only correct method, is not suitable for the characteristics of modern enterprises. They say that the special characteristic of modern enterprises is that 'The continuous nature of production needs decisive and scientific direction... It is possible only to have one person direct. It is not possible to have many people interfere. Mass movements are not suited to the characteristics of production by modern enterprises.' The facts for Mukden for the last 10 years or so, show that the core of the opinions of these people is their 'theory of order.' They say that there must be only one person directing if there is to be 'order' in production by modern enterprises, that the minute we have a mass movement, 'many people are interfering.' Then everything will be thrown into disorder. They do not dare to openly oppose the carrying out of mass movements of a general social political nature, but they consistently draw the limit on technical problems and management problems....

Well then, what is this 'order' that they are protecting?

Their attitude is nothing more than technical mysticism, the idea that systems of regulations are omnipotent, the absolute division of labor between mental and physical labor, mechanical balances, the managing of live people by dead books, administrative coercion combined with material stimulation, etc . . . this type of order is a stone slowing the full development of the activism of the masses, an obstacle to the forward development of the productive forces."...

"The Central Committee of the party and Comrade Mao Tse-tung have repeatedly taught us that the masses of the people are the creators of history and that if we separate ourselves from the masses of the people, we will fail in any task that we take on. In carrying out the revolution, we must fully mobilize the masses and extensively carry out mass movements. Socialist construction also needs the full mobilization of the masses and the extensive carrying out of mass movements. However, some comrades, up to the present time, believe that enterprises are special and cannot engage in mass movements. They say 'There is no class struggle in socialist enterprises, so why have mass movements?' and 'The management of production is not like the storms in revolutions.' This is the wrong sentiment of neglecting the political conditions in enterprises and eliminating mass movements, and is not suited to actual conditions."...

"If, in the face of the broad and violent political and class struggle in the enterprises at the present time, we loudly call out that 'There is no class struggle in the socialist enterprises,' if we completely abandon the class analysis viewpoint, if we look only at things but not at people in economic work or production activities, if we say 'The management of production is not like the storms in revolutions,' or if we viciously attack the carrying out of mass movements as 'The theory of the omnipotence of mass movements,' as 'the blowing of typhoons,' etc., would that not be the theory of the complete cessation of the class struggle? Would that not be a vicious attack on the policy of mobilizing the masses, the only correct policy, proposed by the central committee and Comrade Mao?... Would that not be...the viewpoint of rightist opportunism?" (1)

The scientists and technicians working in exclusively scientific and technical units are accused essentially of the same sins as the managers and specialists in the economy, but surprisingly enough, significant concessions are made to the usefulness of scientific and technical specialists.

"...the scientific and technological units must strengthen the leadership of the party, maintain political primacy, fully develop the masses, have revolutionary enthusiasm, and overcome rightist ideology. At present, in the scientific and technological units, there is a small group of cadre and scientific and technological personnel who are nurturing a type of rightist ideology. This ideology is mainly manifested: (1) In neglecting political primacy, in strengthening the case for the specialist nature of scientific and technological work, in exaggerating the function of mental labor, and in disparaging the function of the masses. It is believed that the scientific and technological work performed through the participation of many people 'is not high in quality.' People of such view throw cold water on the masses and deflate them, and then in the name of opposing political primacy, oppose the implementation of the mass line in scientific and technological work. (2) In fear of difficulties and laxity, in

excessive claims of objective difficulties, in not daring to leap forward, in advocating that work be performed by steps. This ideology is an important danger in scientific and technological work at the present time."...

"Actualities have proven that the great tasks of science, technology, and research which small numbers of specialists cannot accomplish, or accomplish only with great difficulties, can be quickly accomplished by mobilizing the masses."...

"On the other hand, some people believe that it is only necessary to rely on scientific and technological activities of a mass nature to solve all problems and that there is no need to set up special research organs. This view is...not correct. The technical accomplishments, technical experience, and technical discoveries and creations of the masses are frequently scattered or simple and plain. There must be definite research organs composed of specialists to correct the accomplishments of the masses, to verify, analyze, and sum them up before they can be raised to the level of theory, and even better be used to lead production. At the same time, some comparatively large pivotal problems arise in the process of production which need /people of/ comparatively high technical levels and experimental proof for solutions. Also, the research on problems of a long-range nature must be carried out by research organs of specialists....generally speaking, the scientific and technological activities of the masses and those of the scientific research organs supplement each other.... We cannot do without either of them." (6)

It should be evident from the excerpts presented in this report that the rightists are being accused of wanting to put up barriers to bar from their respective fields, party policies impinging on substantive matters. The competence of the party for judgements on the substantive matter of the various fields of activity is being called into question. It is no surprise considering the past intransience of the intellectuals, that this problem is also manifested clearly in the field of education.

"Some people believe that education can only be managed publicly and not by the people, that management must rely on a small number of specialists, not on the masses. This bourgeois policy for managing education is basically incompatible with the party's policy for education. Our experience is that education work must engage extensively in mass movements, fully mobilizing the masses, fully mobilizing each unit and the activism of each group involved in education."...

"No sooner had the policy of working and studying diligently been started last year than various kinds of falsehoods were encountered. One type was 'the theory of the fall in quality,' which believed that 'time is a constant, and if we participate in labor and production, the quality of teaching and education will necessarily be affected.' Another kind was

the 'theory of waste of expenses,' which believed that 'there must be divisions of labor in society. If we allow the university students to participate in simple labor, it would be a great waste.' The unnumbered facts /learned/ after the policy was applied destroyed these errors.

"Starting from the spring of this year, some people urged that we set up order in education and raise its quality. They said that 'we have participated in enough labor, now let us rectify the balance,' etc. This type of talk is without exception an apology for the viewpoint that the bourgeoisie has always advocated, the viewpoint that separates theory from reality and mental from physical labor." (6)

Finally, the passages contained in this report so far have also made clear that the party center is identifying its policies with Mao himself. The extravagance of the following passage lends some credence to the speculations that Mao himself has been attacked.

"Strengthening the leadership of the party is first of all the strengthening of the political and ideological leadership of the party or the support of the primacy of politics. The teachings of Chairman Mao make up the soul and overall guides for our political and ideological work and for all work. His teachings are as wide and deep as the four seas. The rightist opportunists oppose the primacy of politics. They believe that political primacy cannot replace economic laws and that it represents subjective wishes and subjectivism. Their opposition to the primacy of politics is opposition to the general line, to the leadership of the party." (5)

IV. STRENGTH OF THE RIGHTISTS

Enjoying the support of leading national figures, the rightist ideology has shown its strength by the stubbornness, prevalence, and cogency of its views, qualities which are apparent even from the indirect statements of its views by the opposition.

"Since August, the various party organizations of the An-shan district have conscientiously and thoroughly implemented the directives of the Central Committee, of Comrade Mao, and of the provincial committee in regard to the opposing of the rightist ideology. People's spirits and the conditions in production are in the process of developing profound changes. Previously, the morale of the broad masses for production and of the majority of the cadres for work were high. However, among a small portion of the cadres, the problem of rightist opportunist ideology, of doubting or even denying the great accomplishments of the great leap forward of last year and the general line of the party for socialist construction has not been completely solved. Fear of difficulties, laxity, fear of bitter warfare, are rightist opportunist feelings still seriously existing among not a few people. When we come to actual work, laxity, failure to grasp work tightly, and trouble, are even more in evidence. Rightist ideology has already become a tide of thought and has become an important danger in work." (2)

"In what ways do rightist ideology and sentiments manifest themselves? In broad strokes, they appear in the following ways.

1. They do not welcome the accomplishments of the great leap forward, considering the accomplishments to be very few and the deficiencies many. In regard to the great efforts of the last year, they grasp certain deficiencies and violently attact efforts such as the mass campaign for steel, mass participation in electric work, the mass technological revolution, etc.

2. They have a severe fear of difficulties. In the face of difficulties, they can only carry out calculations on the balance of material and technical conditions. They dislike to see or do not see the factor of the masses, of people. Consequently, many of the difficulties before them prove hard to solve or impossible to solve.

3. In their view of the future, their determination in regard to continuous leaps forward is not great and their faith insufficient. They are happy when planning falls back to reality, but this 'reality' is that of the lower the better, not that which seeks facts. It is the 'reality' of 'calculating as much as is done.' The result was that morale fell and output fell." (4)

"Our struggle against the rightist opportunist elements is a sharp class struggle; it is the continuation of the two life and death struggles between the opposing bourgeois and proletarian classes of the socialist revolution of the last ten years. In the past 10 years, every time we obtained a great victory in the road of advance in the socialist revolution or in socialist construction, the imperialist elements and the enemy elements within the country have viciously slandered and attacked us. Furthermore, the opportunist elements mixed into our party and the misplaced class elements also join the activities of the enemy powers outside and inside the country, originating attacks on the party...

"The great leap forward since 1958 and the movement for the conversion to the communes are movements for the high-speed development of the socialist economy and for the last steps in eliminating the capitalist and individual economies. At this great historical turning point, the enemy forces inside and outside the country are developing violent attacks against our party and our people based on our temporary and localized deficiencies in the two movements... They oppose the great leap forward...saying "the accomplishments of the great leap forward are all lies; the smelting of steel by the people has completely failed; the steel from the native furnaces used up money and work but cannot be used."... From this we can clearly see that the rightist opportunist elements are actually the representatives, within our party, of the bourgeoisie, that they have joined the attacks of the reactionary forces within and outside the country, that they have opposed the last steps to eliminate the ownership of the means of production by the bourgeoisie and the petit bourgeoisie, seeking to destroy the affairs of the party and of the people's communes. This is the reflection within the party of the class struggle in the society at the present time....

"Our struggle with the rightist opportunist elements within the party has a complex and twisting nature. Because they are adept at cammouflage, they mention accomplishments and words of support when they exaggerate deficiencies and attack the party. They are adept at choosing legal procedures for the struggle. They are also adept at selecting opportunities for seizing on the temporary and localized deficiencies of the leap forward movement and the commune movement to cause ideological and political confusion. If we look at problems only from form and not from their basic nature, it will not be easy to see their class nature. Consequently, in regard to the nature of the opposition of the rightist opportunists to socialism, we must use the proletarian class viewpoint to see beneath the skin and recognize their true objectives....

"It is not accidental that they have committed rightist opportunist errors. These people who joined our party as bourgeois revolutionists have two natures. One is revolutionary; one is reactionary. During the bourgeois revolution, they willingly participated and were revolutionary.

in the
agains
people
and ad
revolu
being

1-2-in

1.

2.

3.

4.

5.

6.

7.

8.

9.

In the anti-imperialist movement and the national democratic revolution against feudalism, these people are also of some use to the work of the people because the aims of these movements coincided with the interests and aims of the bourgeoisie.... At present, at a time when the socialist revolution is deepening in its development, their reactionary nature is being expanded." (2)

Bibliography

Li-lun Hsueh-hsi, Mukden, No 10, 3 Nov 1959

1. "We Must Engage in Mass Movements in Enterprises," by Ch'iao Jo-yu, First Secretary of the Mukden Party Committee, pp 22-25

2. "The An-shan Steel Works Advances Under the Banner of the General Line," by Yang Shih-chieh, First Secretary of the An-shan City Committee, pp 26-30

3. "Realization of the General Line Is the Lofty Hope of the People of the Country," by Jen Chih-yuan, First Secretary of the Pen-ch'i City Party Committee, pp 31-35

4. "Raise High the Glorious Banner of the General Line and Continue to Leap Forward," by Hu Ming, Secretary of the Lu-ta City Party Committee, pp 36-38

5. "There Was a Great Leap Forward Last Year, There Will Be a Great Leap Forward This Year," by Ch'iu Hsin-yeh, First Secretary of the Fou-hsin City Party Committee, pp 30-41

6. "Oppose Rightist Deviations, Strive Hard, Struggle for an Even Greater Leap Forward in Education Affairs," by Wang K'un-ch'eng, Chief of the Culture and Education Department of the Provincial Council, pp 42-47

7. "Oppose Rightist Deviations, Strive Hard, Develop Our Province's Scientific and Technological Affairs," by Ch'eng Hsu, Chief of the Provincial Science and Technology Commission, pp 48-53

8. "The Great Victory Along the Legal Front," by Lin Jun-ch'ing, Deputy Chief of the Legal Department of the Provincial Council, pp 54-58

9. "The Arts Must Leap Forward Along With Ideology," by An Po, Deputy Chief of the Propaganda Department of the Provincial Council, pp 59-63

10. "On Comprehensive Balance Work in the Plans for the National Economy," by Lin Hao, Deputy Chief of the Provincial Planning Commission, pp 64-67

11. "Boring Into the Theoretical Camouflage of the Rightist Opportunists," by Lu Sen, Deputy Chief of the Provincial Party School, pp 68-73

Part 3. OUTER MONGOLIA

PROGRESS OF SOCIALISM -- Moscow, Izvestiya, 26 Nov 59, p 3

Inspired by the example of the Great October Revolution and [guided by] the leadership of the MPRP (Mongolian People's Revolutionary Party and its founders, Sukhe-Bator and Choibalsan, the Mongolian arats (people) completed the anti-imperialist and antifeudal revolution in 1921 and took over the government.

The Third Congress of the MPRP, which was established in 1924 and was guided by the study of Marxism-Leninism, outlined a lucid plan for Mongolia's development along the socialist path, bypassing Communism. On 26 November 1924, the first People's Great Hural, completely subscribing to the general party line, adopted a constitution which proclaimed Mongolia a "people's republic."

In the first years of the revolution, the people's government liberated the arats from serfdom and set up a democracy of local self-government. It cancelled the populace's debts to foreign usurers. It abolished the feudal tax system, and it fulfilled a number of other acts.

As a result of the triumphant completion of the basic tasks in the antifeudal revolution, the Mongolian people had set out, by the beginning of the 1940s, to construct the bases for socialism.

Fundamental socioeconomic improvements occurred in the life of the country in the brief historical time which elapsed after the republic was proclaimed. A conclusive victory was gained over the feudal lord class, which disappeared from the political arena. The birth of a national working class and a new working intelligentsia made a tremendous impact on the country's fate. The emergence and growth of the Mongolian working class strengthened the socialist basis for a People's Democracy. It accelerated the course of Mongolia's historical development and her transition to socialism. An indissoluble union between the working class and the arats was established as a result of the victory of the antifeudal revolution.

Taking into consideration all these profound changes in the life of the country, the Eighth Great People's Hural ratified the republic's new constitution, in which the achievements of the people's revolution were legally consolidated.

During the years of the people's government, especially during recent years, the workers in Mongolia attained great successes in all fields of the national economy and of cultural construction.

Our socialist industry was further developed on the basis of utilizing the national resources and applying the most modern technology. The Mongolian People's Republic currently has coal, petroleum, power, mining, metallurgical, timber-processing, textile, leather and footwear, food, and a number of other branches in industry.

Profound basic changes occurred in our agriculture, where the cooperative movement triumphed. At present, 99.3 percent of arat households are members of agricultural unions.

The republic's sown area has doubled during the past 3 years. The virgin lands are being cultivated. The rapid development of agriculture in the republic is already indicating that the impending years will completely guarantee the population grain products from its own production, as well as create a solid fodder basis for animal husbandry.

The socialist transformation of agriculture is being attended by a broad application of modern agricultural technology.

The construction of the trans-Mongolian railroad, extending 1,100 kilometers, was the greatest event in the country's economic development.

All the successes we have attained in the development of the economy are indissolubly allied to the Soviet people's fraternal aid.

With the Soviet Union's financial-technical support, we are erecting modern industrial enterprises; a new agricultural technology is being inculcated; the virgin lands are being developed. Soviet specialists are training technical cadres for our industry and are offering them their rich experience and knowledge.

The Mongolian people's material and cultural standard of living is steadily increasing as a result of the development of the national economy and culture.

The number of students in the country's educational institutions has more than doubled in the last 10 years. For every 1,000 citizens, there are 122 students, which is 3 times more than in Iran and 3.2 times more than in Pakistan. There is one physician for every 1,480 persons. In Iran, there is one physician to serve 5.6 times that number of persons, and in Pakistan, one for 21.1 times that number.

A historical event in the life of our party and of our people was the March Plenum of the Central Committee of the MPRP, which summed up the gains of the socialist construction; described the most profound socio-economic transformations which had taken place in the country, and outlined plans for the republic's future development.

The plenum pointed out that the wide-scale construction of a socialist society is the task which now confronts the party, the working class, and all workers.

The successes of economic and cultural construction in the Mongolian People's Republic have made possible the increase of its international authority.

The Mongolian People's Republic has invariably conducted -- and is conducting -- a policy of peace and friendship among all peoples. Our friendly relations with the fraternal socialist countries are becoming stronger yearly. Aid rendered in economic and cultural construction by the Soviet Union, the People's Republic of China, and other fraternal countries is a powerful factor which is accelerating the republic's progressive movement toward socialism. Mongolia is focusing a great deal of attention on the further development and intensification of friendly relations with India, Indonesia, Burma and other Afro-Asian countries. We are also prepared to establish relations based on complete equality of rights and mutual benefit with other governments, including the US.

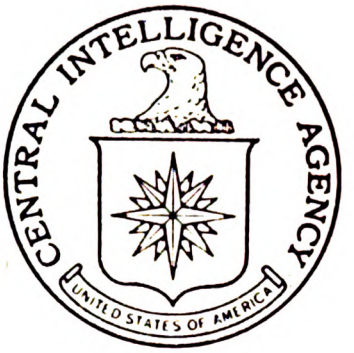
The Mongolian nation is certain that the time is coming when it will occupy its lawful place in the UN, despite the opposition of the "cold war" adherents. Our government is undeviatingly conducting a "peace-loving" policy. It is striving for the development of international collaboration. It completely supports the Soviet government's efforts directed toward easing international tension and liquidating the "cold war." In this connection, note should be made of the historical significance of Khrushchev's visit to the US. The results [of this visit] have proved that in modern conditions, the peaceful coexistence of governments must comprise the basic content for the foreign policy of all countries.

The Mongolian people are enthusiastically following the gigantic achievements of Communist construction in the USSR. The theoretical conclusion of the 21st Congress of the CPSU on the more or less uniform transition of the socialist countries to Communism opens grand and joyous perspectives before the Mongolian People's Republic. -- J. Samba, Chairman of the Presidium, People's Great Hural, Mongolian People's Republic

APPENDIX

Names of Persons	Chinese Characters
Chang Hsueh-shih	張學詩
Hu yun-o	胡雲娥

* * *



WEEKLY REPORT ON

COMMUNIST CHINA

Number 7

31 December 1959

Prepared by

Foreign Documents Division
CENTRAL INTELLIGENCE AGENCY
2430 E. St., N. W., Washington 25, D.C.

PLEASE NOTE

This report presents unevaluated information selected from foreign-language publications as indicated. It is produced and disseminated as an aid to United States Government Research.

WEEKLY REPORT ON COMMUNIST CHINA

Table of Contents

SOURCES

The information contained in this summary is taken from the following sources. Titles are given in the modified Wade-Giles transliteration, followed by the P'in-yin romanization system in parentheses, which was newly adopted by the Chinese Communists.

Newspapers	Place of Publication
Anhwei Jih-pao (Anhui Ribao)	Ho-fei
Hopeh Jih-pao (Hebei Ribao)	Tientsin
Hsin Hunan Pao (Xin Hunan Pao)	Ch'ang-sha
Jen-min Yu-tien (Renmin Youdian)	Peiping
Kuang-chou Jih-pao (Guangzhou Ribao)	Canton
Ta Kung Pao (Da Gong Pao)	Peiping
Tibet Jih-pao (Xizang Ribao)	Lhasa
Tientsin Jih-pao (Tianjin Ribao)	Tientsin
Wen-hui Pao (Wen-hui Bao)	Shanghai

Periodicals	
Chung-kuo Hsin-wen (Zhongguo Xinwen)	Canton
Chung-yang Ho-tso T'ung-hsun (Zhongyang Herzuo Tongxun)	Peiping
Ch'iao-wu Pao (Qiaowu Bao)	Peiping
Chi-hua Ching-chi (Jihua Jingji), monthly	Peiping
Druzhba	Peiping
Hua-hsueh Kung-yeh (Huaxue Gongye), semimonthly	Peiping

I. INDUSTRY AND MATERIALS

1. DEVELOPMENT OF CHEMICAL FERTILIZER INDUSTRY -- Canton, Chung-kuo Hsin-wen, No 1787, 30 Jan 59, p 11

After the liberation, all departments of the national economy resumed operation, and the chemical fertilizer industry, of course, was no exception. By 1952, the end of the national economic restoration period, nitrogen fertilizer output had increased to 194,000 tons, nearly equal to the preliberation peak yearly output. During the First Five-Year Plan, the chemical fertilizer industry developed by leaps and bounds. The Kirin Fertilizer Plant was built with Soviet aid, and the nitrogen fertilizer output of this plant alone was more than one third greater than the peak annual output of chemical fertilizer in old China. The state also invested in the construction of the T'ai-yuan Fertilizer Plant, the Lan-chou Chemical Plant, and the Nanking Phosphorous Fertilizer Plant. Also, the existing Yung-li Nanking Plant and the Dairen Chemical Plant underwent large-scale expansion. In 1957, the year that the First Five-Year Plan was successfully completed, nitrogen fertilizer output increased to 683,000 tons.

The year 1958 was the great leap forward year of China's national economy. The chemical fertilizer industry also had a particularly rapid development. In succession, the Lan-chou Chemical Plant, T'ai-yuan Phosphorous Fertilizer Plant, and the Nanking Phosphorous Fertilizer Plant were completed. Chemical fertilizer output increased many fold. The 1958 nitrogen fertilizer output was 1,010,000 tons, 5 times the preliberation peak yearly output and almost 40 times the 1949 output. The annual output of phosphorous fertilizer also increased from 120,000 tons in 1957 to 344,000 tons in 1958.

2. CHEMICAL FERTILIZER PRODUCTION FIGURES -- Peiping, Hua-hsueh Kung-yeh, No 1, 6 Jan 58, p 13

Before the liberation, China had only two chemical fertilizer plants; one was the Nanking Plant of the Yung-li Chemical Industry Company, started in 1935 and completed in 1937; and the other was the Dairen Chemical Plant, built in 1935. The output of these two plants was very low, there being only one product, ammonium sulfate. The highest annual output (1941) of the plants was only 227,000 tons. In the 10 years before the liberation, China's chemical fertilizer industry not only failed to make a significant increase, but also suffered continuous damage. By 1949, only the Yung-li Nanking Plant was in operation; its output of 27,000 tons represented China's total chemical fertilizer output for 1949.

Because of the emphasis placed upon the chemical fertilizer industry after the liberation by the party and government, it recovered rapidly, and its development was comparatively great. According to estimates, the industry can produce 800,000 tons of chemical fertilizer in 1957, including 684,000 tons of nitrogen fertilizer and 116,000 tons of phosphorous fertilizer. The 1957 output will be 3.5 times the preliberation peak year output and more than 29 times the 1949 output. In 8 years, there was an average yearly increase of 53 percent.

During the First Five-Year Plan, China built the large, modern Kirin Fertilizer Plant, the Lan-chou Fertilizer Plant, and the Nanking Phosphorous Fertilizer Plant. The Kirin Fertilizer Plant entered production ahead of schedule in July 1957. Chemical fertilizer output of this plant in one year alone is one third more that the preliberation peak yearly output (1941). Construction of the Nanking Phosphorous Fertilizer Plant has recently entered the installation phase; the plant can enter production this year, producing 400,000 tons of calcium superphosphate per year. The Lan-chou Fertilizer Plant can also be basically completed by the end of 1958. Besides constructing these new plants, large-scale expansion is being carried out on the Yung-li Nanking Plant and the Dairen Chemical Plant. Production capacity of these two plants increased many fold after the first phase of construction was carried out. According to estimates, the 1957 nitrogen fertilizer output of the Dairen Chemical Plant will increase 353 percent over the 1952 output, and the Yung-li Nanking Plant output will increase 176 percent. At present, the total output of these two plants represents 62 percent of the chemical fertilizer output of all of China and 73 percent of the entire country's nitrogen fertilizer output. Increases in chemical fertilizer output during the First Five-Year Plan were due primarily to the expansion and technical improvement of existing plants. Provinces and municipalities also built and expanded a few medium- and small-scale fertilizer plants; there are now six plants producing phosphorous fertilizer.

3. YUNG-LI NANKING PLANT INVESTMENT -- Peiping, Chi-hua Ching-chi, No 12, 9 Dec 57, pp 25-26

Yield on investment in the Nanking plant of the Yung-li Chemical Company has been high. During the period 1953-1958, investment for increasing the output of ammonium sulfate and expenditures for technical and organizational measures amounted to 45,790,000 yuan. Added production capacity was 187,000 tons, so that the average investment per ton

of ammonium sulfate production capacity was 245 yuan. If nitric acid, commodity sulfuric acid, and other production factors are deducted, then investment per ton of added ammonium sulfate production capacity was only 200 yuan. On the other hand, at the Kirin, Lan-chou, and Chin-t'ang chemical fertilizer plants built during the First Five-Year Plan, investment per ton of ammonium sulfate (ammonium nitrate converted) production capacity was 500-750 yuan. Preliminary calculations put the investment per ton of ammonium sulfate production capacity at 500 yuan for the medium- and small-scale chemical fertilizer plants that all the provinces are preparing to build during the Second Five-Year Plan.

Total value of fixed capital for the entire plant at the end of 1952 was 48,340,000 yuan; ammonium sulfate production capacity was 63,000 tons; thus, an average of 770 yuan in fixed capital was required per ton of ammonium sulfate production. Added fixed capital in the period 1953-1958 is estimated at 48,260,000 yuan. The total value of fixed capital in 1958 will reach 96,600,000 yuan, and ammonium sulfate capacity will be 250,000 tons. The average value of fixed capital required per ton of ammonium sulfate produced will be 386 yuan, only half the 1952 average. In other words, fixed capital investment is nearly doubled, but production capacity is nearly quadrupled.

Construction time at the Yung-li Nanking plant was short, production was started early, and the designed capacity of equipment was reached quickly. For example, sulfuric acid system No 3, with a daily output of 200 tons, required only a half of a year to build. Expansion of system No 1 started in January 1953, and by the end of July 1953, the equipment was in production at the designed level of capacity. Expansion of system No 3 started in February 1956, and the system was in full operation by 13 August 1956.

The highest annual output before the liberation was in 1948 when 7,700 tons of synthetic ammonia, 22,000 tons of sulfuric acid, and 28,000 tons of ammonium sulfate were produced. The output when the plant was converted to public-private joint operation in June 1952 is as follows: 16,000 tons of synthetic ammonia, 47,000 tons of sulfuric acid, and 63,000 tons of ammonium sulfate. Because of the expansion during the First Five-Year Plan, the 1957 output can reach 50,000 tons of synthetic ammonia, 229,000 tons of sulfuric acid, and 172,000 tons of ammonium sulfate. By 1958, when the expansion projects are completely finished, output will be 75,000 tons of synthetic ammonia, 257,000 tons of sulfuric acid, and 250,000 tons of ammonium sulfate.

Total investment in the plant during the First Five-Year Plan was 36,946,000 yuan; of this, 32,960,000 yuan was for construction of a productive nature. Investment for nonproductive construction such as housing and educational, cultural, and health construction amounted to 1,710,000 yuan, or 4.6 percent of the total. Investment for other basic construction was 712,000 yuan, 1.9 percent of total.

Throughout the expansion work, much creativity was employed in utilizing damaged British and American equipment. Seven different renovations were performed on the synthetic ammonia high-pressure synthesis cylinder(s) The daily production capacity of the two American synthesis towers was formerly 75 tons; now, daily output can reach 250 tons. In the expansion of the new sulfuric acid systems, everything except the blowers and acid pumps were placed outside, including the catalyst converters, thereby reducing plant construction.

Much major equipment used in the expansion was self-built or was rebuilt equipment. About 70 percent of the total value of equipment used was self-built. For example, investment in the copper solution tower built in 1957 was 100,000 yuan; if foreign equipment had been installed, 300,000 yuan in investment would have been required.

By 31 August 1957, the entire plant employed 263 engineers and technicians, including 5 chief engineers, 8 deputy engineers, 25 special engineers, 20 "chi-shih" [literally, technical teachers], 103 technicians, 90 assistant technicians, and 12 apprentices.

4. PETROLEUM INDUSTRY GAINS -- Peiping, Druzhba, No 45, Nov 59, pp 9-10

In 1958, 2,260,000 tons of crude oil were extracted, including 20,000 tons extracted by small local enterprises. This is 26.3 times more than 1948 and 7.1 times more than in 1943. In 1943, 320,000 tons of petroleum were extracted, and in 1948, 90,000 tons were extracted. In 1958, oil extraction increased 55 percent over 1957. In this same year, the average monthly work by each large and medium drill was 673 meters, more than twice that of 1957. From 1949 to 1958, 3,370,000 meters of boring wells were drilled. Within the next 10 years, 2,964 prospecting wells will be drilled.

In 1952, the ratio of natural oil to the total volume of crude oil extracted was 45 percent. This increased to 65 percent in 1958.

There are now 92 types of oil products being produced in China. There are 916 geological research parties under the Ministry of Petroleum Industry; 94 of these are geophysical parties. China now has 5 higher and 19 secondary educational institutions which train qualified cadres of oil industry workers. -- Wang Chi-tszyun [ch'iung?]

Total investment in the plant during the First Five-Year Plan was 36,946,000 yuan; of this, 32,960,000 yuan was for construction of a productive nature. Investment for nonproductive construction such as housing and educational, cultural, and health construction amounted to 1,710,000 yuan, or 4.6 percent of the total. Investment for other basic construction was 712,000 yuan, 1.9 percent of total.

Throughout the expansion work, much creativity was employed in utilizing damaged British and American equipment. Seven different renovations were performed on the synthetic ammonia high-pressure synthesis cylinder(s) The daily production capacity of the two American synthesis towers was formerly 75 tons; now, daily output can reach 250 tons. In the expansion of the new sulfuric acid systems, everything except the blowers and acid pumps were placed outside, including the catalyst converters, thereby reducing plant construction.

Much major equipment used in the expansion was self-built or was rebuilt equipment. About 70 percent of the total value of equipment used was self-built. For example, investment in the copper solution tower built in 1957 was 100,000 yuan; if foreign equipment had been installed, 300,000 yuan in investment would have been required.

By 31 August 1957, the entire plant employed 263 engineers and technicians, including 5 chief engineers, 8 deputy engineers, 25 special engineers, 20 "chi-shih" [literally, technical teachers], 103 technicians, 90 assistant technicians, and 12 apprentices.

4. PETROLEUM INDUSTRY GAINS -- Peiping, Druzhba, No 45, Nov 59, pp 9-10

In 1958, 2,260,000 tons of crude oil were extracted, including 20,000 tons extracted by small local enterprises. This is 26.3 times more than 1948 and 7.1 times more than in 1943. In 1943, 320,000 tons of petroleum were extracted, and in 1948, 90,000 tons were extracted. In 1958, oil extraction increased 55 percent over 1957. In this same year, the average monthly work by each large and medium drill was 673 meters, more than twice that of 1957. From 1949 to 1958, 3,370,000 meters of boring wells were drilled. Within the next 10 years, 2,964 prospecting wells will be drilled.

In 1952, the ratio of natural oil to the total volume of crude oil extracted was 45 percent. This increased to 65 percent in 1958.

There are now 92 types of oil products being produced in China. There are 916 geological research parties under the Ministry of Petroleum Industry; 94 of these are geophysical parties. China now has 5 higher and 19 secondary educational institutions which train qualified cadres of oil industry workers. -- Wang Chi-tszyun [ch'iung?]

II. TRADE AND FINANCE

1. WORK OF I-YANG COMMERCIAL DEPARTMENTS CITED -- Ch'ang-sha, Hsin Hunan Pao, 4 Jul 59, p 1

Through unified leadership of the party committee, dependence on the masses, and strengthening of production outlooks and by means of purchasing and selling activities, the I-yang municipal commercial departments have energetically expedited the development of local industrial production. Commodity circulation has been broadened and the market supply assured.

As of 1959, the commercial departments of the city signed production, supply, and marketing agreements with the 15 factories. The total value of industrial products already purchased by the commercial departments has reached 18,060,000 yuan, an increase of 3.9 times over 1958. There are 2,468 kinds of commodities, an increase of 1.21 times over 1958. Conditions for implementing the agreements during the past 5 months have been excellent. The total value of local industry products purchased by the commercial departments through the first part of June reached 6.7 million yuan, an increase of 144.5 percent over the same period of 1958. There were more than 1,710 types of commodities, more than twice as many as for the same period of 1958. Daily-use industrial products in 1959 were up 175.5 percent over the same period for 1958, while daily-use sundries increased 32.6 percent for the same period. Beginning with the second quarter and based on market needs, we also revived and developed production of 77 types of small commodities, including knives, scissors, spring locks, drills, and leather shoes and belts. Not only were the needs of local market met, but also at the same time, the total value of commodities sent to other places in and outside the province to meet the needs of traditional markets during 5 months of 1959 reached 6,350,000 yuan.

In line with developing production, ensuring market supply, and having industry and commerce progress space, the I-yang Party Committee called on industrial and commercial departments to adopt a system of "double contracts," that is, commercial departments would contract with the industrial departments to purchase and sell products and contract to supply raw materials, and the industrial departments would contract with the commercial departments with regard to quality and supplying market needs. While implementing this method, some commercial cadres started having such thoughts as "two willing, two unwilling, two stresses, two neglects," and restricting sales, that is, they were willing to contract for product purchases, but unwilling to contract for the supplying of raw materials; they were willing to do business with large factories, but unwilling to work with new plants and small plants; they stresed large plants and neglected small ones; they stressed foreign

methods and neglected local methods; and they sought to restrict the sale of industrial and other raw materials. To meet these conditions, meetings were held under party committee leadership among commercial staff members and workers to discuss such problems as "What is the production outlook?," "How are the commercial departments to embody the three great outlooks?," and "Why must we establish industry and commerce relations like those in a household?". Following these mass discussions, the thinking of commercial staff members and employees became clarified, and viewpoints became strengthened.

The commercial departments took the lead in asking industrial departments to convene a series of five industry and commerce round-table meetings to seek opinions on how to improve operations. This close exchange of ideas meant that the industrial departments got to know the wishes of the commercial departments and the needs and opinions of consumers, which enabled them to take the lead and actively improve production. The commercial departments were likewise familiarized with production and came to know the wants and needs of industrial departments for raw materials and goods, thereby being able to improve organization and supply.

At the same time, the leadership and cadres of commercial departments went into plants and workshops to contact responsible personnel and set up subcontracts. They also adopted such methods as the "four fixes" (fix people, fix time, fix targets, and fix locations) and the "four guarantees" (guarantee signing of agreements, guarantee experience in purchasing commodities, guarantee task completions, and guarantee effective relations). They also got into production, where they heard opinions and requests and brought out problems for immediate solution. For example, the industrial equipment and material control department introduced the method of using the original freight cars to transport coal to the factories, thereby saving the factories more than 10 million yuan in capital.

Another example is the Hung-ch'i Ink Plant, which lacked preservatives necessary for the manufacture of ink. After this problem came to the attention of procurement personnel from the general merchandise control department, they were able to help the plant with the solution to this problem. In this way, by helping with the solution of specific problems, production was energetically supported, and everyone achieved the goal of pushing ahead together.

With the rapid development of local industry, shortages of raw materials and goods became even more noticeable. The commercial departments doubled their efforts to devise ways and means for organizing the sources of supply and helping the industrial departments to solve their materials problems. According to statistics for the period January-June, the total value of raw materials and goods supplied to the industrial

production departments reached 3.9 million yuan, comprising more than 160 types of major items. Production departments also actively mobilized their staff members and workers to think up new ways and adopt such methods as "doing," "searching," "making do," "substituting," "economizing," "improving," and "adding" to help solve the materials shortage problem. For example, the button factory did not have enough shells, and so it organized 32 boats to go out and dredge for them. Similarly, 90 percent or more of the raw materials and goods in the coir products plant came from the substitute use of wild-growing plants. The production raw materials and goods of the bamboo products factory came from utilizing left-over materials from the manufacture of various items and boat matting.

The commercial departments not only had to perform buying and selling operations effectively and support and develop production, but also had to tighten up investigation and research so that production could be organized and guided on the basis of consumption needs. The commercial departments worked together with the industrial departments under the leadership of the municipal party committee. On the basis of needs and capabilities, they saw to it that some 28 types of goods, including knives, scissors, razors, spring locks, paper umbrellas, and daily-use earthenware, got the benefit of controls from industry and commerce departments. After unified arrangements had been made, production of these items revived rapidly. Each department and unit concerned has been making production arrangements conscientiously since June, with the result that the June production of a majority of items was greatly expanded over that of May. Examples of some products and increases are: folding umbrellas, 35,000, up 0.75 times; daily-use porcelain products, 800,000 pieces, up 5.7 times; buttons, up 0.77 times; bath towels, up 1.71 times; and iron pots, up 1[illegible]0 percent.

Aside from this, more than 60 types of service establishments -- including laundry, repairing of socks, bamboo mats, umbrellas, and barbershops -- were revived and set up to satisfy the many and varied needs of the poeple. Street peddlers also provided door-to-door service.

2. DIVERSIFIED OPERATIONS IN CH'ENG-TE -- Tientsin, Nopeh Jih-pao, 11 Jun 59, p 1

To increase commercial operations in the Ch'eng-te area, every hsien concentrated its efforts on expanding diversified operations. The said area organized more than 630 special teams to assist in the expansion of these operations in the rural areas. In the past 5 months, the number of live hogs increased by more than 96,000, the number of chickens increased by 460,000, some 4,620,000 fruit trees and 35.6 million mulberry trees were planted, the value of commodities supplied amounted to 28.1 million yuan, and income per peasant household increased an average of 65 yuan.

This expansion in diversified operations caused the purchase quotas of agricultural and subsidiary products to increase 43.8 percent over the same period of 1958. At present, purchases of egg products are exceeding the plan 56 percent, the amount of producer and consumer goods supplied is up 87 percent as compared to 1958, financial income has increased 9 percent, and savings deposits have increased more than 230,000 yuan over the corresponding period of 1958.

3. SOCIAL SERVICES IN HARBIN OPERATED BY MASSES -- Peiping, Chung-yang Ho-tzo T'ung-hsun, No 9, 11 Sep 59, pp 24-26

(The following is from an article, entitled "Rely on Masses to Operate Social Service Operations," by the Trade and Finance Department, Harbin Municipal Party Committee.)

Owing to large expansions in production, the population of Harbin has increased from 700,000 in the early stages of the liberation to 1.7 million, and employment and purchasing power increased at a rapid pace. Estimates are purchasing power in 1959 will be 40-50 percent higher than in 1958. Accompanying this rise in purchasing power is the demand for more and better service operations. As a larger number of women engage in social labors, there is less time for household chores; things ordinarily done in the household become the responsibility of society, thus adding to the burden of social service operations.

Despite vast developments in Harbin's social services over the past few years, they were unable to keep with the ever increasing demands. For example, Harbin had 186 barber shops with 1,039 barbers. Under normal conditions, each barber had to give 400 haircuts per month, but currently that number has doubled. Also, Harbin had 19 bath houses with accommodations for 1,983, but about 800,000 people use the public baths. This means that there are 400 people per accommodation or, actually, again as many accommodations are needed.

In light of these conditions, a social services office to organize and arrange for these services throughout the city, composed of the trade and finance department, welfare department, labor unions, and women's federations, was set up at the end of May. In addition, four work units were formed to collaborate with various factories and enterprises in various areas in approving individual contracts, in coordinating work methods, and in extending this operation.

To carry out this operation, a policy of having state, collective, and street-inhabitant control was adopted. This stirs up all positive factors and utilizes the strength of the masses for operating social services. State-operated services form the nucleus, while collective- and street-operated services provide auxiliary support.

Among the advantages of this operation are the features that it reduces the consumption of social goods, it is more economical, it spurs the national health and sanitation campaign, and it brightens the lives of the masses. In the past, when clothing, shoes, and socks were torn, many people had to buy new ones because they could not get anyone to mend them. Now they can be repaired, thereby obviating the purchasing of new ones.

It is economical because services offered by these service stations are very reasonable. For instance, for washing one heavy quilt, municipal establishments charge 1.1 yuan, whereas service stations charge 0.6 yuan; municipal establishments charge 0.36 yuan for a haircut, but service stations charge only 0.15 yuan. Fees for other services by service stations are generally about 20 percent lower than those of municipal establishments. Furthermore, some relatively scarce commodities can sometimes be distributed through these service stations.

The degree of sanitation is naturally raised when haircuts, bathing facilities, and laundries for clothes and quilts are convenient to the masses, and as small sheds containing each family's supply of coal and firewood were removed from the courtyards (these also were a problem concerning sanitation) and flowers, shrubbery, and fruit trees were planted in their place, the environment of the masses was brightened considerably.

Marked progress has been made by these service operations over the past few months, but not all needs of society have been accommodated completely, and many problems must still be resolved. Consequently, henceforth, the leadership toward these service operations which serve all of society must be strengthened, they must be solidified even more, and they must be improved and developed rationally.

4. ANHWEI MARKETING OPERATIONS IN FIRST HALF OF 1959 -- Ho-fei, Anhwei Jih-pao, 24 Jul 59, pp 1-2

In the first 6 months of 1959, total purchases of commodities in Anhwei were 29.8 percent ahead of those in the same period of 1958, and the amount of commodities supplied was 44.1 percent more than in 1958 (included in this was a 70-percent increase over 1958 in the supply of consumer goods to the masses.) Despite these increases, supply did not keep up with demand; but now several measures have been adopted which are alleviating shortages of some products. For example, several of the major markets in the province have enough vegetables to supply about one chin per person, per day. The production of many articles of daily use and other supplementary food products has expanded, and the results of this are evidenced in the increased supply on the market.

5. QUARTERLY RAW MATERIAL REQUIREMENT IN HUNAN -- Ch'ang-sha, Hsin Hunan Pao, 22 Jul 59, p 2

Since April, Hunan has adopted various measures to reinstate and develop further the production of many metals and general commodities for daily use, such as native goods of bamboo, wooden implements, and ceramic, glass, porcelain, and cotton articles. To ensure the production of these general commodities, metals, and agricultural tools and to accommodate the needs of the markets, the Provincial Planning Commission, Commercial Department, Light Industry Department, and Machines Bureau recently studied the production and material consumption in all special district and municipalities and assessed the third-quarter requirements for raw materials as follows: 4,000 metric tons of steel materials, 2,796 metric tons of pig iron, 4,000 metric tons of wrought iron, 5 metric tons of sheet metal, 13 metric tons of white iron, 35 metric tons of tin plates, 335.77 metric tons of copper, aluminum, lead, and zinc, 25,188 cubic meters of wood materials, and at least 5,384,000 pieces of bamboo. In addition, such materials as insulated wire, plastics, and rubber are needed. During this quarter, some 82 varieties of major products, 33 kinds of articles of daily use, 29 types of metal products, 21 varieties of communication and electrical products, and 7 types of iron agricultural implements will be turned out.

III. CAPITAL CONSTRUCTION

1. CAPITAL CONSTRUCTION IN SHANTUNG -- Tsingtao Jih-pao, 27 Sep 59, p 1

The Shantung Province Party Committee held a telephone conference on capital construction on 24 September 1959. It was demanded that all the employees on the capital construction front thoroughly develop a "Six Competitions," "Red Flag" emulation drive centered on completing major items which can possibly enter into production in 1959 and guarantee preschedule fulfillment of the 1959 capital construction plan.

At the conference, Comrade Teng Ch'en-hsi, secretary of the secretariat of the party committee, delivered an important report on the situation and quota of capital construction at present and suggested measures on how to fulfill the annual capital construction plan ahead of schedule. He first pointed out that, for the January-September 1959 period, it was estimated that investments amounting to 511,790,000 yuan could be completed. At present, 1,272 construction items have been completed or partially completed and have entered into production, and these projects are designed for: an iron smelting capacity of 444,000 metric tons (including 13-cubic-meter and larger blast furnaces); a steel-refining capacity of 112,500 metric tons; a rolled steel capacity of 55,000 metric tons; a coking capacity of 35,000 metric tons; 320 metal-cutting machine tools with a total capacity of 699 metric tons; an installed generator capacity of 28,360 kilowatts; 93 kilometers of 110-kilovolt transmission wire; 1,110,000 metric tons of coal; a coal-washing capacity of 2.7 million metric tons; 20,000 metric tons of cement; 118 agricultural tractors; reservoirs with a capacity of 13.15 trillion fang; two 500-horsepower fishing vessels; 115 kilometers of new highways; 308 motor vehicles with a capacity of 1,515 metric tons; storehouses with a capacity of over 45,900 square meters; middle schools with 28,800 square meters [of floor space]; and running water with a capacity for supplying 75,000 metric tons. However, the capital construction quota for the fourth quarter is still fairly large. At present, there are still projects amounting to over 381 million yuan (nearly 73 percent or more of the figure completed from January to September) that must be completed in the 3 months remaining. The scale of the projects is very great, and it includes two 25,000-kilowatt generating units of the Huang-t'ai electric power plant, iron mines, cement plants, new coal shafts, salt fields, and several other major projects. Guaranteeing that these items are completed and enter into production ahead of schedule not only has great significance toward guaranteeing a preschedule fulfillment of the entire national economic plan and supporting a big leap forward in industrial and agricultural production next year, but also it can change the appearance of industry in Shantung and accelerate China's socialist construction operations.

Comrade Teng Ch'en-hsi emphatically pointed out that the central task of the capital construction front is to continue to oppose rightists, arouse enthusiasm, carry out mass movements, concentrate on items to be completed or partially completed so as to enter into production, and guarantee preschedule fulfillment. Consequently, it is demanded that all capital construction departments, under the premise of completing more, advancing faster, attaining better quality, and economizing on investment, complete all items of construction so that they will enter into production 15 days earlier than originally planned. To do this, Comrade Teng Ch'en-hsi proposed the following concrete measures:

1. Maintain political primacy and carry out mass movements. Continue to carry out the spirit of the Eighth Central Committee of the Eighth Party Congress, concentrate on organizing labor competition, and push the "Six Competitions" (compete for advancement, quality, cost, effectiveness, economy, and safety), "Red Flag" emulation drive toward a new high tide. To do this, all areas, departments, and construction sites should quickly organize competition between similar projects and kinds of work in studying the advanced, catching up to the advanced, and surpassing the advanced. In these 90 days, strive to guarantee preschedule fulfillment of the annual capital construction plan.

2. Concentrate on key points. The 245 projects that must be completed and partially completed so as to enter into production during the fourth quarter are key-point projects of key-point construction, and all manpower and materials must be gathered to definitely guarantee preschedule fulfillment. Each unit must conscientiously make arrangements and clarify key-points, devise plans for preschedule completion of work and pass them down to basic level construction units and employees on construction sites, and motivate the masses and overcome all obstacles. While concentrating on key-point projects, projects such as supplying water, supplying electricity, and communications and transportation conjoined with key-point projects also must be coordinated with all areas of operation so as to ensure that they enter into production ahead of schedule. In addition, there still must be heavy concentration on tail-end projects and work preparatory to entering into production so that projects will be completed within the period to which construction was limited and so that the results of the investment will be brought out with the utmost speed.

3. Concentrate on the rate of advancement. Individual areas, departments, and construction sites must feel out the situation, devise plans, and, in particular, devise a plan for starting production when construction projects are completed. The supply of all materials and equipment must be carried out in compliance with the construction plan to ensure that the fixed daily, 10-day, and monthly progress on construction will be fulfilled. To definitely guarantee that the plan will be fulfilled daily, each 10 days, and monthly, the control work of basic level construction units must be

strengthened. Comrade Teng Ch'en-hsi especially emphasized that each area must study and extend the experience of the No 1 construction site of the construction and engineering company of the city of Tzu-po. Their experience is as follows: (1) do a thorough job, take responsibility, go into each work section, team, and organization, concentrate on key-points, and help the work sections arrange plans; (2) each work section promptly clarified tasks, strengthened the system of responsibility, fixed the time for the task, fixed the personnel to do the labor, fixed the quality standard, and promptly assigned duties; (3) plans were turned over to teams and organizations for discussion, work sections, teams, organizations, and individuals had targets and took measures to guarantee their fulfillment, and they created a competitive high tide to study, catch up to, and surpass each other; (4) the control method of setting targets each quarter, arranging them each month, concentrating on them each 10 days, and giving daily statistics was carried out, and inspections were enforced each day, each 10 days, and each month so that the concentration of leadership and the formation of mass movements was closely coordinated and a greater, faster, better, and more economical preschedule fulfillment was guaranteed.

4. Concentrate on equipment and materials work. All the equipment and materials needed for the items of construction to be completed and partially completed so they can start production in the fourth quarter were basically distributed according to the distribution targets set by the central government and according to the orders for the goods. However, there are several problems existing in regard to the time of arrival of the goods, the kinds of goods, specifications, quality and parts. Consequently, an emphasis on equipment and materials work is a material guarantee for the fulfillment of the capital construction quota. In regard to this, first, intensify individual effort, cope with difficulty in thinking, and criticize negative waiting and those who dread difficulty. Next, based on the experience of the entire nation and Shantung Province, each area should thoroughly carry out and utilize the experience summarized in the eight words "liquidate, unearth, transfer, economize, substitute, borrow, change, and reform."

5 Carry out technical reforms and the technological revolution, raise labor productivity, concentrate on safe production, and give attention to the livelihood of the masses. At present, many construction sites have an insufficient labor force, and the most direct route for solving this problem is to fully motivate the masses, carry out technical reforms and the technological revolution, improve tools, improve labor organization, and raise labor productivity. At present, the latent capacities of labor in all areas are great and should be positively unearthed. At the same time, attention must be given to concentration on safe production, caring for the livelihood of the employees, strengthening labor protection work, setting up and strengthening a system for regulating safe production, proposing coordination of hard, practical, and skilled work, and lightening labor intensity to have sufficient labor and leisure. In the fourth quarter, a drive for 90 days without accidents must be developed, and all areas should study and carry it out.

6. Strengthen the leadership of the party toward capital construction. All levels of party committees must put the same concentration on capital construction as they do on production and strengthen unified party leadership toward construction sites.

2. PROGRESS IN ANHWEI CAPITAL CONSTRUCTION, 1959 -- Ho-fei, Anhwei Jih-pao, 9 Jul 59, p 1

The completed investment in capital construction in the first 6 months of 1959 was 23 percent above that of the same period of 1958. Work is progressing rapidly on the construction of some 20 above-norm projects approved by the state for 1959; it is estimated that the work will be finished or at least partly completed by the end of 1959.

By the end of June, Anhwei had reconstructed ten 3-metric-ton converters and built four new 1.5-metric-ton converters which were put into operation successively; there were seven electric furnaces with a total capacity of 20.5 metric tons; one 500-millimeter rolled steel machine and three 250-millimeter rolled steel machines began regular production or trial production in May and June; one 72-cubic-meter blast furnace and six No 2 simple coking furnaces were constructed and have fired up; and 10,000 watts of equipment were put into operation in the Mei-shan Hydroelectric Plant.

The completed investment in capital construction during April was 53.9 percent of the total investment during the first quarter.

IV. STATISTICS

CANTON IN THE PAST DECADE -- Peiping, Ch'iao-wu Pao, No 9, 20 Sep 59, pp 20-21

Just as Canton was liberated a year later than the northern sectors (due to various complicating situations), operations there have been somewhat dilatory. However, the First Five-Year Plan also started in 1953 in Canton. Because Canton is situated on the national defense line, during the First Five-Year Plan, there was no large-scale capital construction and very little building of new factories; some of these were locally controlled small factories, and most of them were in the sphere of light industry. Primarily, there was a gradual evolution from small scale to large scale, from native to foreign methods, and from the old to the new. This procedure, however, was very effective, and the value of industrial production at the end of the First Five-Year Plan was three times greater than in 1949, industrial employees increased from more than 60,000 to 130,000 (in 1949, total employment in Canton stood at 181,655; by 1957, it had increased to 355,764), and of all industrial enterprises, those

that are state-operated (including local state-operated) accounted for 37 percent and public and private jointly operated accounted for 61.36 percent. Therefore, Canton can already be called a city with socialist production.

As the First Five-Year Plan was drawing to a close, the antirightist campaign and rectification movement were waged. This provided everyone with the ideological preparation necessary for accepting the Second Five-Year Plan, and it directly precipitated the big leap forward in 1958. Communalization of the area surrounding Canton was also completed in 1958. In this year, the gross value of industrial production reached 2,040,000,000 yuan (including handicrafts), or 66 percent more than in 1957. The number of workers increased by more than 80,000, thereby eliminating unemployment. Newly constructed or expanded factories, totaling 416, include 31 above-norm projects, such as iron and steel plants, a hydroelectric equipment plant, a shipbuilding plant, chemical factories, etc.; 98 enterprises, including the Kwangtung Canning Plant and the Hua-ch'iao Sugar Plant, are already in full operation; and 176 enterprises are partially in operation. Agriculture in the suburban area was also prosperous in that year [1958]; the total value of agricultural and subsidiary industry production was 22.29 percent higher than in 1957. Hence, one can say 1958 was completely a leap forward year.

Over the past 10 years, there was comparable development in culture, education, physical training, health, urban construction, and communications and transportation. Prior to the liberation, there were 257 primary schools with 60,290 students; now there are 645 such schools with 291,526 students. Before the liberation, there were 86 middle schools with 23,303 students; now there are 141 with a total of 81,957 students. In 1949, there were but 16 higher schools with 13,000 students; at present, there are 23 such schools with 22,256 students. Also, in preliberation days, there were only 2,995 hospital beds in the city, whereas now there are 6,953. Currently, Canton has 22 cinema houses and theaters and 25 motion-picture teams which were formed since the liberation.

In 1949, there were 48,435 households using running water; by 1958, there were 63,148. In 1950, residences used a total of 9,138,000 kilowatt hours of electricity; by 1958, the amount had increased to 12,932,000 kilowatt hours. Prior to the liberation, the average monthly wage of a worker was 29.5 yuan, but by 1958, this had increased to 70.3 yuan. Consequently, there have been substantial changes in the people's standard of living and in their thinking.

V. TRANSPORTATION

1. TWENTY-FIVE PERCENT RISE IN VOLUME OF SHORT-DISTANCE TRANSPORT--
Peiping, Ta Kang Pao, 10 Oct 59, p 2

A powerful short-distance transport mass movement is being developed all over the country. Since the beginning of September, there has been a flying leap upward in short-distance freight transport. September figures for 18 provinces show an increase of 26 percent. All party and government leaders and cadres are pushing and directing the movement, grappling with the problems of local bottlenecks, revealing buried potentialities, and increasing efficiency.

Special attention is being given to the formation and strengthening in the people's communes of special units giving full time to short-distance transport. In Shantung, 75 percent of the communes have such special transport units, with 170,000 men employed and 70,000 others in reserve. In Szechwan, the communes have more than 1,300 special transport units. In Kiangsu, nearly half of the people's communes have these units, with over 3,000 boats at work in addition to land vehicles.

To move promptly fourth-quarter freight, amounting to 16 million metric tons, Hunan Province is taking special measures involving all the various means of transport. Between 1 September and 5 October, 3 million metric tons of freight was moved. By the middle of September, Honan Province mobilized 140,000 vehicles of all descriptions and, each day, transported an average of 62 percent more than the daily average in August. Shansi has at work 180,000 men, more than 40,000 carts or trucks, and some 20,000 camels, and they are transporting 150 percent more than before the mass movement was organized. [Under ordinary conditions, two camels, driven tandem style are able to haul by cart loads as much as 6,000 chin.]

In Tsingtao, special street groups and groups of office employees, with 3,000 vehicles or implements of one sort or another, joined in, and prior to 1 October, they had removed all accumulations of freight and cargo that had been blocking the railway stations, wharves, and warehouses. Wei-hsien, Chi-ning, and four other cities or special districts have built a total of over 20 kilometers of light railways for short hauls to and from the main arteries of transport, and by the end of 1959, an additional 130 kilometers are to be built.

In many provinces, the movement has stimulated the building or improvement of hundreds of kilometers of motor highways and big cart roads and the building of river boats. Kansu and other provinces have converted many one-axle carts to two-axle carts and, thereby, doubled the loads that can be hauled. This gain is equivalent to adding the transport capacity of 200 motor trucks.

2. SHORT-DISTANCE TRANSPORT MASS MOVEMENT -- Tsingtao Jih-pao, 29 Oct 59, p 2

The nationwide short-distance transport mass movement called for by the Central Committee and the State Council is being vigorously promoted in and around Tsingtao and is yielding notable results. Between 12 September and 28 October, more than 310,000 man-days of work were done by organized groups of office workers, students and other city dwellers, and they have moved 970,000 metric tons of freight. In 45 people's communes in neighboring hsiens, special transport teams have been organized, using more than 300 animal-drawn carts and 2,400 man-drawn carts. These have made important deliveries of commodities to and from the main transport lines. The importance of this kind of work is appreciated when it is realized that short-distance transport is an essential and indispensible part of the whole transport process; without the former, the latter will be unable to function effectively, and the life of people will languish.

The successful operation of this short-distance transport mass movement depends on hard work on the part of the leadership cadres, thorough preparations, and detailed organization. The aim of this movement now is to fulfill the leap forward transportation goal for 1959 one month early.

3. MOTOR VEHICLES TRANSPORT ACTIVITIES IN SIAN AREA -- Peiping, Ta Kung Pao, 11 Oct 59, p 1

In Sian and vicinity, 85 percent of the motor trucks draw one or more trailers; 75 percent of them are working two shifts per day. By 24 September, which is 3 months and 6 days ahead of schedule, the 1959 quota for the trucking of freight to and from the Sian east freight station was completed.

4. TIBET HIGHWAY MAINTENANCE PROJECTS FOR LAST QUARTER 1959 -- Lhasa, Tibet Jib-pao, 10 Sep 59, p 2

Beginning 1 September, the Tibet Highway Bureau conducted a work conference of its staff and employees, after which its decisions as to work projects and targets for the last 3 months of this year were announced as follows:

Complete surveys for making the Lhasa-- Tse-tang highway a sixth-class highway before end of 1959.

Complete repairs and improvements on the Szechwan--Tibet highway to permit safe vehicular speeds of, at least, 40 kilometers and, if possible, of 50 kilometers per hour.

Repair damage caused by heavy rains so as to restore traffic on the Lhasa-Tang-hsiung and Lhasa--Mi-la-shan highways.

Attempt to clear away landslips, fill up washouts, and remove silt under bridges and culverts on the Lhasa--Ch'ü-shui section of the Lhasa--Tse-tang highway to permit vehicular speeds of 25-35 kilometers per hour.

Put to work a force of 1,000 Tibetan laborers on the tasks of relocating a 17-kilometer-long section of the Tsinghai--Tibet highway and of widening the Szechwan--Tibet highway between Lhasa and Mi-la-shan, including putting its bridges and culverts in better condition.

Remove all defects that impede safe and rapid traffic on the Ma-chiang section and the P'a-li section of the Lhasa--Ya-tung highway.

The maintenance crew at Jih-ka-tse is to recondition the highways in the section for which it is responsible to permit speeds of 40-50 kilometers per hour. The crew at Tse-tang is to make vehicular travel at speeds of 25-30 kilometers per hour possible on the highway section for which it is responsible.

The highway construction department is to use the next 3 months to prepare the construction materials that will be needed for building a large permanent bridge over the Lhasa Ho.

5. CH'ANG-TU--TING-CH'ING HIGHWAY -- Lhasa, Tibet Jih-pao, 16 Sep 59, p 2

Two thousand or more Chinese and Tibetan engineers and laborers are engaged in building the approximately 280 kilometer motor highway from Ch'ang-tu to Ting-ch'ing. This highway, whose elevation averages more than 4,000 meters above sea level, passes through some exceedingly rough terrain of mountain ridges and canyons with many steep cliffs. Work on this road began in July 1958, and by the end of the year about one half of the earthwork was finished. By 15 June 1959, with more than 2,000 men at work, the road had been made passable as far as Cho-ta. From Cho-ta to Hsueh-pi-la-shan is one of the most difficult and important parts of the whole highway, being more precipitous and lying at a higher elevation than the rest of the highway. It involves about 160,000 cubic meters of rock excavation. Fortunately, this part of the highway is nearly finished.

Most of the workers are Tibetan; they are of less technical ability than the Chinese laborers, but, under the leadership of the Chinese cadres, all are cooperating in good spirit, with the Chinese acting as instructors and the Tibetans as apprentices.

When completed, this highway will open up the political, economic, and cultural development of more than ten hsiens lying in the west of Ch'ang-tu. Their products include skins, furs, herbs, and lumber.

6. MOTOR SHIP HO-P'ING NO 60 MAKES TRIAL RUN -- Shanghai, Wen-hui Pao, 27 Oct 59, p 4

On 26 October, the Motorship Ho-p'ing No 60 made its trial run on the sea, 56 days after the start of laying the keel at the Shanghai Hu-tung Shipyard. Its hull was made in three sections and then electrically welded together by the most recent technical methods of automatic and semi automatic electric welding. In its construction, only domestically produced materials and equipment have been used. This ship is a coastwise freighter with a displacement of 4,835 metric tons. It is the country's first ship to be driven by a double expansion exhaust turbine with a slow speed, heavy diesel oil [internal combustion] engine. In the engine room, there is also installed an upright auxiliary electric motor the machinery of the winches for hoisting an anchor and cargo. The space required for motive power is comparatively small, thus leaving more space available for the pay load. In the trial runs, a number of diverse tests will be made.

7. HUGE RAFT TOWED FROM HAIPHONG TO CANTON -- Canton, Kuang-chou Jih-pao, 8 May 59, p 2

On 24 April, at Haiphong, in North Vietnam, the SS Nan-hai No 181 took in tow a large raft containing 3,500 cubic meters of bamboo poles, with more than 20 men aboard the raft to guard against mishaps. On the 26th, it encountered winds of hurricane force that threatened to wreck the raft. The ship then took refuge in the sheltered waters of Pei-li-wan, where the sailors tightened the fastenings. On the morning of 4 May, the ship and raft arrived safely at Sha-chiao, in the mouth of the Chu Chiang. The quantity of bamboo in the raft was equal to three shiploads of poles.

Although this ship, in October 1958, had towed a raft of 3,200 cubic meters from Huang-p'u to Fort Bayard (Chan-chiang), the present trip was the first successful attempt in South China to tow a large raft across the open sea.

VI. ELECTRIC POWER

1. ANHWEI ECONOMIZES ON ELECTRICITY -- Ho-fei, Anhwei Jih-pao, 2 Aug 59, p 1

The masses have supported the electric power economy drive instituted by the Anhwei Provincial Party Committee in late April. According to statistics for May, June, and July, Huai-nan saved a total of 3.8 million kilowatt hours of electric power; Ho-fei Shih, 3,270,000; and Wu-hu Shih, 764,000. In the 2 months between May and July, Feng-fou Shih saved 397,000 kilowatt hours of electricity.

Many steps have been taken to cut down on the civilian use of electricity and the use of electricity for illumination. As a result, on an average, in comparison with figures before April, the Huai-nan Shih consumption of electricity has been lowered 60 percent. Feng-fou Shih monthly power consumption has been reduced by 23,000 kilowatt hours.

2. CH'ANG-SHA POWER PLANT REDUCES CONSUMPTION OF COAL -- Ch'ang-sha, Hsin Hunan Pao, 23 Jul 59, p 2

For the first 6 months of 1959, the Ch'ang-sha Power Plant reduced its consumption of coal by 2,100 metric tons. The most outstanding reduction in coal consumption was during June, when 650 metric tons was saved. This is equivalent to five times the reduction for the same period in 1958. In the power industry, the cutting down of the consumption of coal is a major way of reducing the cost. Fuel coal is about 60 percent of the production cost. For the first half year, the goal was exceeded every month.

3. AN-CH'ING POWER PLANT SUPPLIES ELECTRICITY TO YUEH-SHAN -- Ho-fei, Anhwei Jih-pao, 1 Jul 59, p 1

The An-ch'ing Power Plant is supplying electricity to Yueh-shan, a suburban area, to support production and construction in the cement industry. On 19 June, 11 days ahead of schedule, the 10-kilometer-long, 10,000-volt, high-tension power transmission line between Chi-hsien-kuan and the Yueh-shan Cement Plant was completed. The quality of the work met the standard. As a result, the Yueh-shan Cement Plant will start production earlier.

4. YUAN-TS'UN POWER TRANSFORMER STATION PUT INTO OPERATION -- Canton, Kuang-chou Jih-pao, 29 Jun 59, p 2 .

The construction of another large Canton power station, the Yuan-ts'un Power Transformer Station, has been completed. On 26 June, it started the regular transmission of electricity. This station has a voltage of 110

kilovolts and a capacity of 31,500 kilovolt-amperes. The major transformer is 97 metric tons in weight and 6.4 meters in height. The power from the Liu-ch'i-ho Hydroelectric Power Station can be supplied to the industries in the Yuan-ts'un area after going through this transformer station.

In October 1958, construction plans were made for the Yuan-ts'un Transformer Station, and formal installation was started in February 1959. By May, work was completed.

VII. POSTS AND TELECOMMUNICATIONS

1. HUNAN INCREASES POSTS AND TELECOMMUNICATIONS ACTIVITIES -- Ch'ang-sha, Hsin Hunan Pao, 2 Jul 59, p 2

Posts and telecommunications units of 85 Hunan hsiens and municipalities are participating in the "one dragon" competition. Over 90 percent of the 365 telecommunication lines and 90 postal routes, from the hsiens to the special districts and province, have joined the race. As a result, the quality and the rate of speed have increased in posts and telephonic communications. For example, in the seven telecommunication lines between Ch'ang-sha and the special districts, in May, the figure for long-distance telephone calls requiring more than one hour to put through was reduced to 23.63 percent. Within the province, 52 hsiens were able to receive newspapers the day they were published. At the same time, 94.6 percent of the communes were able to receive hsien papers the day they were published.

2. LO-YANG'S VOLUME OF TELECOMMUNICATIONS OPERATIONS INCREASED -- Peiping, Jen-min Yu-tien, 10 Oct 59

Through the increase-production and practice-economy campaign, the volume of telecommunications operations showed an enormous increase in the Lo'yang Special District in Hunan Province. For instance, from 1 August to 16 August 1959, the average daily exchange volume of telegraph operations was 1,217 units, and from 19 August to 22 August 1959, the same average reached 2,818 units. During the first third of August, the exchange volume of telephone operations totaled 12,196 calls; and in mid-August, the figures increased to 15,066 calls. Although the volume of operations increased, the communications facilities were unable to satisfy the needs. At the same time, there was an increase in delaying and exceeding target time in the handling of telegraph and telephone services. Through the adoption of some special measures and technical innovations, in September, the rate of excessive time in telegraph transmission was lowered to 2.48 percent from 4.27 percent in August, and the rate of excessive time in handling incoming telegrams was lowered to 5.45 percent from 7.17 percent in August.

* * *

WEEKLY REPORT ON

COMMUNIST CHINA

Number 8 **8 January 1960**

Prepared by

Foreign Documents Division
CENTRAL INTELLIGENCE AGENCY
2430 E. St., N. W., Washington 25, D.C.

PLEASE NOTE

This report presents unevaluated information selected from foreign-language publications as indicated. It is produced and disseminated as an aid to United States Government Research.

WEEKLY REPORT ON COMMUNIST CHINA

Table of Contents

NOTE: Names of Plants followed by an asterisk are listed in the appendix; names are given alphabetically followed by Chinese characters.

SOURCES

The information contained in this summary is taken from the following sources. Titles for Chinese-language publications are given in the modified Wade-Giles transliteration followed by the P'in-yin romanization system in parentheses which was newly adopted by the Chinese Communists.

Newspapers	Place of Publication
Anhwei Jih-pao (Anhui Ribao)	Ho-fei
Canton Jih-pao (Guangzhou Ribao)	Canton
Hsin Hunan Pao (Xin Hunan Pao)	Ch'ang-sha
Izvestiya	Moscow
Jen-min Yu-tien (Renmin Youdian)	Peiping
Kuang-chou Jih-pao (Guangzhou Ribao)	Canton
Kweichow Jih-pao (Guizhou Ribao)	Kuei-yang
Pravda	Moscow
Szechwan Jih-pao (Sichuan Ribao)	Ch'eng-tu
Ta Kung Pao (Da Gong Bao)	Peiping
Tsingtao Jih-pao (Qingdao Ribao)	Tsingtao
Turkmenskaya Iskra	Ashkhabad
Yunnan Jih-pao (Yunnan Ribao)	K'un-ming

Periodicals	
Petrol Si Gaze (monthly)	Bucharest
Ch'iao-wu Pao (Qiaowu Bao)	Peiping
Chung-kuo Ch'ing-kung-yeh (Zhongguo Qinggongye), semimonthly	Peiping
Shui-li Yu Tien-li (Shuili Yu Dianli), semimonthly	Peiping

Part 1. ECONOMIC

I. INDUSTRY AND MATERIALS

1. CHEMICAL SHORTAGES IN CANTON -- Canton Jih-pao, 25 Nov 58, p 1

The great leap forward this year is creating pressing demands on Canton's chemical industry, particularly since the curtain was raised on the leadership of steel. In the fourth quarter alone, we lack over 5,000 tons of sulfuric acid, more than 2,000 tons of caustic soda, and over 700 tons of hydrochloric acid. Shortages are also very great for nitric acid, soda ash, carbide, oxygen, acetic acid, and oxalic acid. Some of these products are still not produced in Canton, but the production of those that are is still far from meeting demand. Thus, it is the responsibility of Canton's chemical departments to quickly mobilize the workers and masses in a small, native mass drive for chemical raw material production. At a meeting of plant chiefs from 15 to 22 November 1958 it was decided to carry out a mass campaign for small-scale, native-method production and to change the present backwardness [in output] of Canton's chemical industry in the production of the three acids (sulfuric, hydrochloric, and nitric), the two alkalis (soda ash and caustic soda), the three "yao" [literally, drugs or chemicals] (explosives, agricultural chemicals, and human medicines), carbide, oxygen, synthetic rubber, and insulating materials.

2. NATIVE CHEMICALS IN CANTON -- Canton Jih-pao, 22 Nov 58, p 2

Since the great leap forward in agriculture and industry, a scarcity in the supply of chemical raw materials has developed. Since large-scale chemical industries can not be constructed within a short time, the Canton Chemical Industry Bureau arranged in September 1958 for several chemical plants to carry out priority production of chemical raw materials utilizing small-scale, native methods. Definite achievements have not been made. It was first necessary to clear away the predisposition on the part of people toward large, foreign type chemical plants. For instance, the Chia-pang Chemical Plant* originally planned to build a carbide shop with a yearly output of 1,500 tons, but the equipment problem could not be solved. By October 1958 nothing had been done, and only after the Canton Chemical Industry Bureau reiterated the necessity to get started with native methods on a small scale was the carbide shop built. It was finished in 15 days under the direction of the party branch secretary. The Ling-nan Chemical Plant* planned to produce epoxy resins in July 1958, but there was no way of solving the problem of the stainless steel and steel plate required in manufacturing the production equipment. After the

plant's party branch suggested native methods, ceramic vats were used in place of the stainless steel evaporators, a trench was dug in the ground and used for a cooling drum, and epoxy resins were produced. The Yuan-tung Chemical Plant* used powdered coal, red ferric oxide, and sodium carbonate as raw materials, used a lithopone calcination furnace as a nitrating furnace, used oxygen cylinders as hydrolysis boilers, and manufactured ammonia.

The Canton Chemical Research Institute* and the Canton School of Chemical Technology* used native methods to produce hydrochloric acid, soda ash, and caustic soda. The departments concerned are now collating and disseminating these experiments to allow native processes to blossom forth universally.

3. CHING-TE-CHEN POTTERY WORKS CONSTRUCTS CIRCULAR-SHAPED INVERTED-FLAME-TYPE SIMPLE COAL KILN -- Peiping, Chung-kuo Ching-kung-yeh, No 21, 13 Nov 58, pp 16, 17

The Chinese Communist Municipal Council of the Municipality of Ching-te-chen organized a gathering of those engineering technologists concerned, experienced construction workers, kiln workers, and, using the thermal demands of the original 100 cubic meter circular inverted flame coal kiln as a basis, went ahead with experiments for the simplification and improvement of the composite structure of kilns and the utilization of raw materials. After 7 intensive days and nights, they finally succeeded in constructing a 100 cubic-meter inverted-flame-type simplified coal kiln (including chimney and kiln shelter). The quality of porcelain produced is excellent. Under normal working conditions, with sufficient raw materials and equipment, one of these simplified coal kilns can be constructed in 12 working days. Special features and structure are as follows:

1. For the same results, the cost has been reduced by three quarters. The old style complete circular-shaped inverted-flame-type coal kiln (two kilns, one chimney, and housing) cost 120,000 yuan, whereas the simplified outfit costs only 32,000 yuan (excluding housing and labor involved).

2. Construction time is eight to ten times faster for the same capacity. The old style outfit took 90-100 days from start to completion, whereas the simplified type requires only 12 days, after which it can be put into production.

3. The use of large quantities of iron and steel has been eliminated. The original type required much iron plate and angle iron, now none is used at all.

4. More than 90,000 fireproof bricks were used in constructing the old-type inverted-flame kiln outfits and only about 16,000 are used in building the simplified type. T'u [Local or earthen] kiln bricks are used for the greater part as a substitute for fire-proof bricks (each fire-proof brick costs 0.5 yuan and each earthen brick costs 0.015 yuan). Many waste bricks are also used instead of ordinary red bricks. Construction costs are therefore substantially reduced and the strain on the supply of building materials is eased.

5. The use of concrete for kiln and chimney foundations has been eliminated. Scattered stones and waste bricks pounded solid are used; no cement is used at all. Each kiln saves 120 tons of cement.

6. The kiln shelter is simple in form, with great saving in timber and labor. In the past, the kilns were completely covered, whereas now, an open type is used and the structure is completely simplified.

7. The chimney has been reduced from the original height of 30 meters to 21 meters, and because a straight line form was used in its installation, the drag caused by the curved flue, as used in the past, has been eased. Therefore, similar results can be obtained with this simplified chimney.

Simplified Improvements Planned

Foundation work for the kiln -- According to the soil structure at Ching-te-chen excavated [ploughed ground] foundations can withstand a load averaging 1.2-2 kilograms per square meter. Foundations of the old-style kiln or buildings were of the rubble-layer type, capable of withstanding loads averaging up to 0.7-0.9 kilograms per square meter. The kiln itself exerts a load of approximately 0.9-1.2 kilograms per square meter and that of the kiln-bed approximately 0.6-0.9 kilograms per square meter. Over-all analysis of the foregoing shows that it is quite permissable not to use concrete foundations; stones and waste bricks pounded together are sufficient. The over-all characteristics of the kiln are better, readily permitting a comparatively large subsidence; therefore, simplification of the kiln has been carried out, resulting in economy in material and man hours. More than 50 kilns have been constructed at Ching-te-chen and as yet there has been no evidence of subsidence or cracking.

The shape and structure of the simplified kiln and the old-style circular inverted flame coal kiln are basically the same, except that the external wall of the [new] kiln has a 20-degree slope and the kiln top, open to the sky, is tiled. However, with regard to materials used, there are great differences. In the simplified kiln, except for the combustion chamber, for roofing and flooring where fire-proof bricks

are used, local or earthen [t'u] bricks are used as a substitute in the chimney and the inner walls of the kiln. (Bricks with a fire-resistance factor above 1,300 degrees Centigrade were originally employed at Ching-te-chen when constructing the wood fuel kilns).

Pounded waste bricks are used as filling for the inner walls of the kiln, (the old style likewise used ordinary bricks). These are dry packed, no mortar being used. The moisture content of the inner walls is thus lessened, so no great expansion results from the heat; at the same time, since the small bricks are closely packed, the inner forces are likewise lessened. For this reason, the danger of the kiln walls cracking is obviated by not using iron bands.

The kiln top is roofed with tiles to simplify the structure of the kiln shelter. The undersurfaces of the tiles are filled with a cinder layer, an ideal material since, not only is the weight of the kiln decreased but due to the small heat coefficient the heat losses of the kiln are diminished, with advantages in full economy.

Although fireproof bricks have been used sparingly, if care is maintained, the inner walls of the kiln being completely smeared with fireproof mud before each firing, the life of the bricks can be extended, (This is done at present at Ching-te-chen); this is also a reliable method to ensure lengthening the life of the kiln itself.

Chimney -- Construction of the simplified chimney follows the method employed at Ching-te-chen in the erection of the wood fuel kilns earthen [t'u] chimneys. The wood kiln chimneys, some 10 meters high, have no foundations and are of single brick construction. However, the composite structure of the wood kiln and the inverted flame coal kiln are not the same and the requirements regarding the chimney are also different. It was planned throughout to make the foundations simple, eliminate concrete, decrease the height from the 30 meters of the old-style inverted-flame kiln to 21 meters, and not to employ fireproof bricks. Instead of the use of 3 bricks, 2 bricks, and one brick, 1.5 bricks, one brick and 0.5 brick would be used for the structure. In order that the draft of the simplified chimney would reach the required standard when the kiln was fired, a straight line form was employed, thereby obviating the curved flue used in chimneys in the past. The inner wall of the chimney is smeared with fireproof mud and the outer surface is brushed with [powdered yellow-mudstone]. Air leaks are thereby eliminated and the draft can attain that of the old-style chimney. Construction costs and time have been reduced from 14,000 yuan of the old style to 1,500 yuan and from 40 working days to 5 working days.

Kiln Shelter -- The kiln, being roofed with tiles, the kiln shelter does not have to cover the kiln itself. It is sufficient merely to erect a simple shelter surrounding the kiln. In the past, the shelter completely

covered the kilns, and after firing, the upper port [of the kiln] was opened for cooling. Because of the sparks, the roofing had to be high; building costs likewise were increased. Now, the structure is simplified and low-grade materials or old lumber can be used. Its shape is immaterial.

In the past, a complete outfit generally required 100 cubic meters of timber; now 20 cubic meters is sufficient. Costs have been reduced from 36,000 yuan to approximately 9,700 yuan.

II. FINANCE

1. INVESTMENTS OF OVERSEAS CHINESE DISCUSSED -- Peiping, Ch'iao wu-pao, No 9, 20 Sep 59, pp 36-37

The large number of overseas Chinese and countrymen in Hong Kong and Macao love the Motherland and their native places. Like the people throughout China, they are willing to contribute their own energies for the socialist building of the Motherland. Overseas Chinese have expended a lot of effort to build the Motherland; of which investments sent to China are one aspect. Since liberation, investments from Overseas Chinese have been very great, and the enterprises created with this overseas investment have played a definite role in developing agricultural and industrial production and in developing the economic prosperity of their native locales.

This is especially the case since the big leap forward of 1958. The overseas investment enterprises in various localities have been very aggressive and actively joined the ranks of the big leap forward. During the high tide of the big leap forward and the setting up of people's communes, old overseas residents and relatives in various places have enthusiastically provided investments to build up agriculture and industry in their native locales.

Small reservoirs, hydroelectric generating plants, industrial plants, and factories for processing agricultural products were set up everywhere. Enterprises sponsored by the overseas Chinese investment companies were also greatly strengthened. In 1957, there were only some 50 of these enterprises; by 1959, they had increased to more than 90.6 and included such things as hemp-weaving plants, sugar refineries, paper plants, canneries, plastic plants, resin plants, and farms for tropical industrial crops. Besides the increase in the number of plants, labor productivity also went up and very good results were obtained in improving product quality.

According to statistics of the Overseas Chinese Investment Company, Kwangtung Province, for 11 plants which it sponsored, including the Hua-chien Gunny Sack Plant, the total output value for 1958 increased 33 percent over that of 1957. Among these important commodities, the output of gunny sacks also increased: up some 54 percent over 1957. Granulated sugar from the Hsu-wen and Ch'ing-yuan sugar refineries increased 34 percent. In addition, there were many overseas investment enterprises that heeded the government's slogan to increase production and practice economy, which they did by creating new techniques and utilizing waste materials and scrap to turn out all types of new commodities. For example, the Hua-chien Gunny Sack Plant used banana stems, citronella grass, and other wild fibers to make jute for gunny sacks, which, in turn, lowered

costs and assured product quality. The sugar refinery used sugar cane refuse to trial-manufacture furfural, activated carbon, and plywood. The rosin plant distilled gasoline, diesel oil, and machine oil from turpentine. The Hsin-min and San-tao Farms sponsored by the Overseas Chinese Reclamation Company of Kwangtung Province also obtained very good results in planting such tropical and subtropical industrial crops as rubber trees, coffee trees, and citronella. By the end of 1958, these two farms had opened up more than 18,000 mou of land, of which 13,000 mou were planted with rubber trees, 3,000 mou with citronella grass, and 2,000 mou with coffee trees, bowstring hemp, and black pepper.

The 1958 output of enterprises set up by the Overseas Chinese Investment Company of Fukien Province, including the Amoy Cannery, increased threefold over 1957, and the Amoy Cannery was cited as a "red flag" unit for the whole canning industry. All these projects represented the flourishing bloom of the Motherland's big leap forward and they were also the glory of the overseas Chinese.

Since the overseas Chinese had long ago left their native places and lived elsewhere, they were oppressed and insulted by imperialism; they all have strong patriotic feelings. Their efforts to help the Motherland were frustrated by the reactionary KMT government, but now, under special considerations from the people's government, their efforts to help the Motherland are receiving encouragement, and they are happy.

2. THE ROLE OF COMMERCIAL DEPARTMENTS IN PRODUCTION DISCUSSED -- Ch'ang-sha, Hsin Hunan Pao, 4 Jul 59, p 1

Socialist commerce, which is the pivot between production and consumption, is not only responsible for the distribution of commodities and their exchange, but it is also responsible for assisting production departments with the organization and arrangement of commodity production in line with the needs of the society to satisfy market supply. Today, we are publishing some news on how the I-yang commercial departments strengthened production outlooks, enlivened buying and selling operations, energetically expedited the development of production, and assured market supply. It behooves all localities to consider this information.

Supporting and expediting production development is an important function of the commercial departments. If the operations of commercial departments are effective, production development can be expedited. If production develops, circulation can be enlarged, which will, in turn, provide favorable conditions for the commercial departments to carry out buying and selling operations. However, some commercial work personnel do not thoroughly understand this, for they think commerce means simply buying and selling, standing at the counter and doing business. If buying and selling are efficiently done, everything is all right. This view

is obviously incorrect. If commercial work personnel do not set up standards for serving production and merely buy and sell for the sake of buying and selling, it means forsaking the important role of socialist commercial operations to organize, lead, and support production in the social production processes. It is well known that production is the basic and indispensable function. Without production, there can be no distribution, exchange, or consumption. Only with a rapid and extensive development of production can commodities increase, circulation expand, commodity supply operations be effective, the needs of the consumer be satisfied, and the commercial departments be able to complete more effectively tasks assigned by the state.

The broadening of commodity circulation and satisfying of consumer needs also means necessary dependence on production development. For this reason we say that the joint aim of production departments and commercial departments is the development of production to satisfy the daily increasing consumption needs of the people. Therefore the relationships between these departments are mutually linked and interdependent. Under the unified leadership of the party committee, the I-yang commercial departments signed annual production, supply, and sales agreements with the more than 110 plants in the city, which greatly helped the production departments to develop output by purchasing commodities and supplying raw materials and goods. According to estimates, the total output value of purchased commodities for 1959 will reach 18,060,000 yuan and consist of some 2,468 kinds of goods, increases of 3.9 times and 1.21 times, respectively, over 1958. In this way, production development is being expedited and market needs assured. These experiences merit our attention.

Effective purchasing, selling, transporting, and stockpiling of commodities, correct handling of prices, and fully satisfying the needs of the producer in selling his commodities, these things all constitute important tasks of the commercial departments in supporting and expediting production. At the same time, the commercial departments must be fully cognizant of market conditions and keep in touch with the broad masses of consumers at all times. In this way they will be clear about the needs of the market and the consumer. The commercial departments should report these market and consumer needs to the production departments at all times, furnish production clues, participate and guide production, and, on the basis of the society needs, determine the variety and volume of commodities produced, adjusting these as conditions at different times warrant.

They should also be in active collaboration with the production departments and sign buying and selling agreements with them. In this way, production departments will have a better idea of what they are doing and be able to avoid blind production. That is, they will be able to make commodities that fit the needs and, at the same time, greatly expedite the forward development of production. But there is more than this.

The commercial departments must actively purchase commodities and find sales outlets for them; the commodities turned out by the production departments must be sold. If commercial departments are unable to make prompt purchases, the capital of production departments cannot be turned over and the expansion of production is affected. If the commercial departments promptly purchase the products of the production departments and increase sales, then the production departments can be stimulated to further expand production.

Besides supporting and expediting production through active buying and selling operations, the commercial departments should get down to on-the-spot production, continuously and promptly report consumer opinions and needs to the production departments, collect product samples, provide advanced technical materials, and help raise the level of technology and product quality. They should go to the plants to inspect and receive, purchase and transport goods, help the production departments economize on capital, improve business controls, lower production costs, and get production departments to supply the market with many commodities constandly appearing in new forms that are attractive and reasonably priced to meet the varied needs of the people.

The continuous development of production means a corresponding increase in the needs for raw materials and goods, so the commercial departments should think up ways of helping the production departments in this respect. However, some commercial units are willing to contract for the purchase of commodities but are unwilling to contract for supplying raw materials and goods, while other units have erroneous thinking about supplying raw materials and goods. All this is detrimental to the development of production, and the commercial departments should take active steps to help production departments with these problems by looking on them as their own responsibility.

The working conditions and forces of commercial departments show that these departments are fairly conversant with market conditions, that they have large batches of personnel buying in various localities and that they have rather extensive work relations with other departments in these areas. The commercial departments themselves handle certain amounts of capital and goods; so, on the basis of these conditions and forces, they are capable of doing the job. Naturally, production departments should also do all they can to utilize raw materials and goods properly, to look actively for substitute raw materials, to pay attention to economy, and to put a stop to practices of using good and bad materials, large and small pieces of materials, not using small bits, and failure to use substitute raw materials when they can. The production departments should do all they can to collect materials that are usable and use them so that the aim of "using up all materials" is achieved.

Commerce plays an intermediate role within production and between production and consumption, so the effective performance of commercial operations is extremely significant for the development of production. For this reason party committees at all levels must bolster the leadership of commercial work and strengthen the education of commercial work personnel with regard to production outlooks, political viewpoints, and mass thinking. On the basis of continuously developing production, commercial departments should do all they can to enlarge commodity turnover; to effectively perform operations in buying, selling, and transporting, and stockpiling commodities; expedite production; better business controls; improve work methods and attitudes; and bring into full play the role of socialist commerce in developing production.

3. PURCHASE OF SUPPLEMENTARY FOODSTUFFS IN TSINGTAO DISCUSSED -- Tsingtao, Tsingtao Jih-pao, 23 Sep 59, p 2

A high tide has risen in the various areas of Tsingtao for a shock supplementary foodstuffs purchasing drive centered on the purchase of hogs. Statistics up to 19 September 1959 show that the third-quarter purchasing plans for hogs were fulfilled 97.6 percent, and that the plans for fresh eggs were fulfilled 87.7 percent. Progress in purchases was rapid in September, from 1 to 19 September, 6,818 hogs were purchased, an increase of 131.8 percent over the total purchases in July and August; 91,500 chin of fresh eggs were purchased, an increase of 5.5 percent over the volume of purchases in August; and the volume of purchases of other supplementary foodstuffs such as chickens, sheep and goats, cattle, and rabbits were also several tens of times greater than the total purchases for July and August. Looking at the situation in respect to all areas, Lao-shan Suburban Ward exceeded third quarter plans for purchasing hogs by 3.9 percent; and Chiao-nan Hsien, through the shock drive, exceeded plans 53.1 percent in the volume of purchases of fresh eggs. Mo Hsien and Chiao Hsien, where progress was originally slow, caught up during this drive, and the volume of hogs purchased nearly fulfilled the quota.

4. TSINGTAO BRANCH BANK HELPS ENTERPRISES MANAGE CAPITAL -- Tsingtao, Tsingtao Jih-pao, 23 Sep 59, p 2

In the drive for increased production and economy, the Tsingtao Branch Bank of the People's Bank of China used all ways and means to aid enterprises in developing latent internal capacities in materials and capital. Working with trade and finance departments, the bank aided enterprises in determining amounts of capital, strengthening capital control, expediting production and accelerating commodity circulation. According to statistics for January through August, solely through developing latent internal material capacities in enterprises and aiding and supervising in the disposal of accumulated goods, this bank

enabled enterprises to free capital amounting to over 55.4 million yuan. Recently, as a contribution to the decade of building the country, through studying the directives of the central government on opposing rightists, arousing enthusiasm, and carrying out increased production and economy drives, and the resolutions of the Eighth Plenary Session of the Eighth Party Central Committee, the credit cadre of this bank investigated and criticized rightist conservative thinking and the dread of difficulty, aroused greater enthusiasm, and, under the leadership of the party, determined to help enterprises to better manage working capital, promote production, and attain achievment in accelerating commodity circulation.

In accordance with directives from upper levels, the bank's task in 1959 in regard to the credit work of state-operated industrial and commercial enterprises is to aid enterprises in launching drives to increase production and practice economy and to manage working capital. In carrying out upper-level directives, the party branch committee of this bank treated this work as the most important item in launching "Six Competitions," "Five Goods," and "Red Flag" emulation drives, and, through several conferences, thoroughly motivated the credit cadres to conscientiously study the directives of superiors and raised the political level of the cadres. The credit cadres of the bank, on the basis of raising ideological awareness, positively responded to the summons of the party and entered the drive for increased production and economy, utilized special points and advantageous conditions in credit work, developed investigation and analysis, and went into enterprises to find out what the situation was. They utilized various plans and report sheets turned over to the bank by the enterprises, coordinated conditions for handling ordinary loans, carried out internal analyses, cooperated with commercial wholesale units in setting up arrangements for commodities, implemented comparative analysis of similar operations of industrial units and commercial retail departments, did research on enterprise capital utilization, highlighted problems, found causes, instructed all echelons of party committees and enterprises and their management departments and proposed ideas for improvement. Consequently, there was considerable achievement in developing latent capacities in materials and capital.

For example, the credit personnel of the office of this bank in the southern municipal area, through thoroughly understanding the situation of materials of the industrial departments and promptly forewarning departments concerned, made possible shipment of 60 sets of diesel engines accumulated by the motor vehicle repair plant to rural areas, which aided production and developed the role of materials. After analyzing the situation of storage and accumulation at the chemical-industrial wholesale station, they reported to the leaders of this station and brought matters to their attention. Measures were immediately adopted, and, through retail departments promoting the sale of these accumulated commodities and through requesting permission from superiors to ship them out, these accumulated materials were properly sold and commodity circulation was accelerated.

The credit personnel of this bank also utilized advantageous conditions connected with credit work, adjusted differences between units, accelerated commodity circulation, and decreased capital in arrears. For example, they discovered that an accumulation of 60 metric tons of substandard cloth for curtains in a textile goods station could be processed into string; and, at the same time, they found out that a knit goods station urgently needed processed string to supply the markets. After studying the problem and making arrangements, not only was the knit goods station able to provide a source for string, but at the same time, the latent capacities of the accumulated materials were developed, enabling the textile goods station to free capital amounting to over 300,000 yuan. To enable enterprises to economize on working capital, the credit personnal also aided the Tsingtao Integrated Smelting Plant in arranging financial work, strengthened the accounting system, and, with the assistance of the management department of this plant, promptly resolved accounting procedures and the method for clearing accounts in the production of electrolytic copper, thus enabling this plant to lessen irrationally used capital by over 4.1 million yuan.

To bring about a planned utilization of the working capital of enterprises and to further strengthen enterprise business accounting, this bank coordinated financial departments and the enterprise management departments and carried out the work of determining capital for industrial departments and commercial retail units throughout the municipality. Besides sending out full-time personnel to determine capital in the municipal areas, the bank brought about close cooperation between all the credit personnel and full-time financial management personnel and went into enterprises to aid in determining capital so that the fixed amount of capital would be ascertained properly. While assisting the No 2 Knitting Plant in determining capital, by thoroughly settling accounts and analyzing materials, the credit personnel developed latent capacities of capital in products and finished goods amounting to 79,000 yuan and aided the plant in liquidating 160,000 yuan worth of accumulated inventories. Through determining capital, the Middle-Sized Agricultural Implement Plant not only fixed proper amounts of capital, but also developed latent capacities in materials amounting to over 300,000 yuan, which, in effect, increased production without increasing the use materials.

At present, on the basis of determining enterprise capital and utilizing new and old materials, this bank is further aiding enterprises in probing the situation of capital utilization, appropriately setting up and strengthening the entire financial control system, continuing to exploit latent capital, causing capital to be more rationally utilized, and expediting production and commodity circulation.

5. AGRICULTURAL PURCHASES IN SZECHWAN DISCUSSED -- Peiping, Ta Kung Pao, 9 Oct 59, p 2

After basically fulfilling annual quotas for purchasing grain, the commercial and grain employees in Szechwan employed the enthusiasm they used in purchasing grain to concentrate on purchasing, processing, and transporting agricultural products during October, centering their energies on cotton and oil-bearing crops.

After the party and the State Council issued directives on purchasing agricultural products, high tide was formed throughout the province for mass purchase of agricultural products. By the end of September 1959, the annual state plans for purchasing hemp had been fulfilled. Ramie purchases were completed 90.7 percent and cured tobacco 93.91 percent. There was an increase over the same period in 1958 in the volume of purchases for most agricultural products. Cotton and tea leaf purchases increased over 40 percent, and peanuts, natural varnish, and resin purchases increased about 150 percent. According to incomplete statistics, there were six special districts and municipalities and 74 hsiens that fulfilled the annual grain purchasing quotas, and there were 48 hsiens that fulfilled the purchasing quotas, for agricultural products for the third quarter one half month or a month ahead of schedule. During the period of time off for the national celebration, the majority of the commercial employees throughout the province continued to work and further expanded the results of the purchasing struggle. By 3 October, the city of Chungking had fulfilled the annual plan for purchasing agricultural products. Tea leaf purchases throughout the province fulfilled the quotas 95.8 percent; cotton, 42 percent; jute, 62.5 percent; resin, 89.2 percent; natural varnish, 86.5 percent; and the distribution of live pigs, 77 percent. By 5 October, the annual quotas for purchasing grain was fulfilled over 90 percent.

6. HOPEI STRIVES TO FULFILL ANNUAL PURCHASING PLANS 2 MONTHS AHEAD OF TIME -- Peiping, Ta Kung Pao, 9 Oct 59, p 2

The Hopei provincial commercial department held a broadcast conference on 6 October 1959 and called on all the commercial employees throughout the province to strive during October to guarantee one to 2 months preschedule fulfillment of the annual plan for purchasing subsidiary agricultural and native local products. The commercial employees of all areas answered the call and expressed their determination to bring about a greater, faster, better, and more economical fulfillment of the annual purchasing quotas during October 1959.

From August through September, the commercial employees of Hopei Province fulfilled all items in the targets for the third quarter. The purchase plan for agricultural and subsidiary products was exceeded by 22.7 percent and the marketing plan, 107 percent. They also greatly improved and raised operations, management, and service quality. The rapid progress in the purchase of agricultural, subsidiary and native local products was unprecendented. In September 1959, 200 million chin of ginned cotton were purchased, which was double the amount originally planned and nearly 4.5 times that during the same period in 1958.

III. TRANSPORTATION

1. THE K'UN-MING--I-P'ING-LANG RAILWAY IS REBUILT -- K'un-ming, Yunnan Jih-pao, 6 Jul 59, p 1

On 30 June, after 4 months of work by unit No 8501 of the railway troops and civilian laborers, and following official inspection and acceptance, the rebuilding of the K'un-ming--I-p'ing-lang railway was finished and formally turned over for use. The project involved 1,022,000 cubic meters of earth and rock work, the laying of 132.93 kilometers of track, the building of 59 bridges of various sizes, 480 culverts, and 10 tunnels.

Special arrangements were made for the transport of freight while the rebuilding operations were in progress. In this way, between 6 March and 29 June, 422,360 metric tons of freight was handled, of which amount, 79,600 metric tons was coal and ore for the K'un-ming iron and steel mill.

2. WORK ON SHA-MU-LAI-TA TUNNEL BEGINS -- Ch'eng-tu, Szechwan Jih-pao, 29 May 59, p 1

Work on the Sha-mu-lai-ta Tunnel in the Ta-liang Shan has started. This is a major project of the Ch'eng-tu--K'un-ming railway. The total length of this tunnel will be 6.4 kilometers. This tunnel will be 2.2 kilometers longer than the Liang-feng-ya Tunnel of the Szechwan--Kweichow railway line, presently the longest tunnel in China. At present, some 100 meters have been dug into the southern opening and over 100 meters into the north opening.

3. ANHWEI HIGHWAYS NEED MAINTENANCE -- Ho-fei, Anhwei Jih-pao, 2 Jun 59 p 2

There are some 8,000 kilometers of highways in Anhwei. The capacity for vehicle travel on these highways has been greatly increased. To meet the increased demands of motor vehicle transport, especially automobile trains and double shift transport, emphasis must be given to the maintenance of roads.

In Anhwei Province, motor vehicles can travel 40 kilometers or more an hour on the better highways. On those of lower standards, they can travel around 20 kilometers an hour. If these highways were better maintained, their standards could be brought up to those which can be traveled at 40 kilometers an hour. In that case, that would be equivalent to almost doubling in the transport capacity. At the same time in comparing the poor roads and the good roads, there is a 30- to 40-percent difference in fuel consumption and around 50 percent difference in the wearing out of tires.

4. JOINT SHORT-HAUL TRANSPORT OFFICE ESTABLISHED -- Peiping, Ta Kung Pao, 10 Oct 59, p 2

To increase the effectiveness of the short-haul transport mass movement launched by a directive promulgated by the Central Committee of the Party and the State Council, on 6 October, the Central Committee's Transport Command opened a special office to be known as the Joint Short-Haul Transport Office. Joined together in the work of this office are representatives of 11 ministries, namely, the ministries of Coal, Forestry, Food, Metallurgical Industry, Chemical Industry, Light Industry, Commerce, Building, Agriculture, Railways, and Communications.

Under the direction of the Transport Command, the functions of this office are to foster and guide the activities of the short haul transport mass movement throughout the nation, to expedite the solution of problems, to determine when and where critical transport situations have arisen or are foreseen, to make such adjustments in transport facilities when deemed necessary, and to serve as a clearing house for the dissemination of helpful experience that grows out of the movement.

5. CARGO TURNOVER CAPACITY AT HUANG-PU IS INCREASED -- Canton, Kuangchow Jih-pao, 2 Jul 59, p 1

By putting into practice at the port of Hung-pu, a plan of hitherto unequaled close cooperation between ships, harbor authorities, stevedores,, the railway, and shippers, the turnover capacity of the port since May has been markedly increased; 18 percent in cargo handling capacity and 24 percent in general operating capability. In January, the average amount of cargo handled by one gang of stevedores in one shift was 7.35 metric tons, while in the first 20 days of June, the rate was 12 metric tons. The average layover time of ships in port in May was 43 percent less than in January; the layover time of freight cars at the port station was reduced from an average of 12.4 hours in April to 9 hours May. In May, 276 cars were loaded directly from ship to cars.

6. YELLOW RIVER CRAFT BEING BUILT AT NINGHSIA -- K'un-ming, Yunnan Jih-pao, 12 Jun 59, p 4

A shipyard, newly established in the Ninghsia Hui Nationality Autonomous Region, has begun production of river craft for transportation on the upper reaches of the Yellow River. At present, it is building, according to a new and improved design, a 130-ton wooden barge. Most of the machinery with which this shipyard is to be equipped is arriving and all of the equipment will be put into use by the end of the year. The old and clumsy craft now being used will gradually be replaced by the product of the new shipyard.

7. THE PORT OF LU-CHOU IS MECHANIZED -- Ch'eng-tu, Szechwan Jih-pao, 7 Jun 59, p 2

The city of Lu-chou is situated on the Yangtze River, above Chungking, at the confluence of the T'o Chiang, and a number of important highways converge at this point, including a Szechwan--Kweichow interprovincial highway; all of this makes it an important land and water transportation center.

Formerly more than 3,000 stevedores, working day and night, were unable to keep up with transhipment tasks; freight accumulated and blocked the port. Realizing that something drastic must be done about it, in April, a 30-day drive was organized to reconstruct the wharves, warehouses, and transport depots and to mechanize the freight handling facilities through both native and foreign methods. The task was tackled with zest according to a well-planned division of labor and was successfully completed.

Among the innovations introduced were 16 inclined cable railways totaling 2,055 meters in length, 43 other tracks totaling 8,795 meters, and 11 aerial conveyers totaling 680 meters, some of which were electrically operated. Twenty native-type hoists were constructed and 323 cars and carts of various descriptions. Thus, chiefly by native means, the port facilities at Lu-chou were entirely transformed and their capacity multiplied. At present, the daily cargo turnover at Lu-chou averages over 7,000 metric tons. There are now no unproductive delays in transhipment; the turnaround times of vehicles, boats, and goods has been reduced by more than 50 percent; and all this with a reduction of 1,000 in the number of stevedores.

8. CHINA'S AIRWAYS -- Moscow, Pravda, 8 Dec 59, p 3

Today, the length of airways in China exceed 36,000 kilometers, in comparison with the 11,000 kilometers in 1950. Peiping is now connected with 30 cities in China by airways.

Recently, an "IL-18" turboprop transport plane made a flight from Peiping airport, over the Yangtse River, crossing over the Tropic of Cancer, and returning, flew to Shanghai in 6½ hours. The distance covered was 4,387 kilometers.

IV. POSTS AND TELECOMMUNICATIONS

1. RAPID GROWTH IN THE NUMBER OF CHINA's POST AND TELECOMMUNICATION WORKERS -- Peiping, Jen-min Yu-tien, 7 Oct 59, p 3

During the past 10 years, there has been a rapid growth in the number and strength of China's post and telecommunications workers. At present, there is a post and telecommunications work force of some 300,000. In comparison with 1949, this is a two fold increase. There is a onefold increase in the post and telecommunication leadership cadres of various levels, and an even greater increase in the engineering and technical cadres. In comparing the end of 1958 with 1949, there was a 2.7-fold increase.

During this period, emphasis was given to the training of post and telecommunications cadres among the minority nationalities and females. For example, at present, in Sinkiang, the number of nationality workers has increased to 30 percent of the total; nationality leadership cadres, to 20 percent; and the number of female workers has increased greatly. In 1949, there was only a total of 8,000 female [post and telecommunications] workers [throughout China], but by the end of 1958, ther number increased to almost 50,000.

During the past 10 years, to increase the political levels and the technical and operational capabilities of posts and telecommunications cadres and workers, workers' education work was pushed in various areas. According to incomplete statistics, in 21 provinces and shihs, there are some 700 leisure-time schools with some 100,000 workers enrolled. In 1956, post and telecommunications correspondence education on the higher-school and secondary-school levels was established. Following this, post and telecommunications control bureaus of various provinces and shihs have been organizing basic level cadre training classes. Some 6,000 individuals on the level of hsien bureau chiefs and above have been sent to these classes for training. Some 1,000 individuals have been sent to cultural classes established by schools of various levels. Of the operational personnel, some 30,000 have received some training. In 1955, the Peiping Post and Telecommunications Institute established a class to which cadres on the level of section chief or above went to study.

As to institutional education, since the liberation, some 100,000 lower level operational and technical workers have been trained. Since 1953, eight specialized post and telecommunications schools on the secondary-education level have been established. Since then some 6,000 individuals have graduated from these schools. In 1955, the Peiping Post and Telecommunications Institute was established to train specialized post and telecommunications technical cadres of the higher level. Since the great leap forward in industrial and agricultural production in 1958, there has been a new spurt in post and telecommunications educational institutions.

To date, there are five post and telecommunications institutes, 31 specialized post and telecommunications schools on the secondary-education level, and 113 post and telecommunications schools on the primary-school level.

2. POST AND TELECOMMUNICATIONS WORKERS' SALARY CONTINUES TO INCREASE -- Peiping, Jen-min Yu-tien, 10 Oct 59, p 4

Since the Liberation, the living standards of the post and telecommunications workers have continued to rise. In 1952, preliminary changes were made in the illogical wage standards on the principle of receiving salary according to work performed and on the basis of increasing the remunerations. From 1949 to 1954, the basic salary of the post and telecommunications worker gradually increased. In comparison with the 1949 cash salary, by 1955, the basic remuneration level was increased 23.14 percent. In 1956, there was another salary reform and there was a 15.3-percent salary increase. According to incomplete statistics from 29 provinces and shihs, the average monthly salary per post and telecommunications worker in China was 54.9 yuan. After the 1956 wage reform this was increased to 63.35 yuan. On this basis, if 1950 represents 100 percent, in 1956, the increase was to 143.29 percent. At the same time, to encourage workers to raise their production technique and work quality, in addition to the increase in salaries, awards were given. In the 6 years between 1951 and 1956, a total of 34,500,000 yuan went for awards. It must be especially emphasized that since the liberation, commodity prices have been stablized. This protects the actual salary from decreasing in value because of fluctuation in commodity prices.

1.

mill
elec
The
durin

2. A
J

trem
incre
power
with
out b
dustr
durin
stati
some
shut
incre
publi
kilow

3. T
J

T
is 6,0
been b
consum
5,000

S
wood d
furnac
mined
by 297

T
kilog
with t
second
metric

V. ELECTRIC POWER

1. CHINA'S POWER CAPACITY -- Moscow, Pravda, 7 Dec 59, p 3

In China, electric power stations having a total capacity of 2.2 million kilowatts began operation in 1959. By the end of November, the electric power output amounted to more than 37 billion kilowatt-hours. The electric power output during the last 2 months was double that produced during the corresponding period in 1958.

2. ANHWEI POWER SUPPLY CAN NOT KEEP UP WITH CONSUMPTION -- Ho-fei, Anhwei, Jih-pao, 8 Aug 59, p 1

During the past few years, the Anhwei power industry has expanded tremendously. In comparison with 1957, the Anhwei 1958 power capacity was increased 112 percent; in comparison with the first half of 1958, the power capacity of the first half of 1959 was increased 130 percent. Even with the great increase in power capacity, the amount of electric power put out by the existing generators is not sufficient to meet the demands of industry, which has expanded by leaps and bounds. This is especially true during the most recent drought. The power put out by hydroelectric power stations dropped. This condition can worsen. In thermal-electric stations, some generators have reached the time when they have to be inspected and shut down for repairs. The power needed to combat drought by irrigation increased 10,000 kilowatts. The supply of power has become critical. The public is being reminded that it supports industrial production in each kilowatt-hour of electricity it saves.

3. TU-YUN POWER PLANT REDUCES FUEL CONSUMPTION -- Kuei-yang, Kweichow Jih-pao, 30 Jun 59, p 2

The Tu-yun Power Plant started operations in 1959. Its capacity is 6,000 kilowatts. Because of poor management, its coal consumption had been higher than that of other power plants. In May, the average coal consumption was 3.26 /kilograms per kilowatt?/. In addition, an additional 6,000 kilograms of firewood was needed to supplement the coal.

Steps were taken to conserve fuel. As a result, the use of firewood dropped from 6,000 kilograms to 400 kilograms and 20 kilograms. The furnace temperature, operation of equipment, and the power transmitted remained normal. By 20 June, firewood consumption for the month was reduced by 297 metric tons valued at 8,910 yuan.

The average coal consumption of this plant has been reduced to 1.91 /kilograms per kilowatt?/. This is a 41-percent reduction in comparison with the coal consumption in May of 3.26. According to plans for the second half year of 1959, the consumption of coal will be reduced by 5,864 metric tons, which is equivalent to 123,000 yuan.

Part

1.

head
clude
and t
Forei

2. T

a 10-
the T
Octob

Revol
Octob

ship,

Centre
a talk

3. HE

U
heatin
tions.

Part 2. OUTER MONGOLIA

1. USSR-MONGOLIAN TRADE -- Izvestiya, Moscow, 3 Nov 59, p 2

O. Delgerjab, Minister of Foreign Trade, Mongolian People's Republic, heads the State Trade Delegation currently in Moscow to prepare and conclude protocol on a reciprocal trade agreement for 1960 between the USSR and the Mongolian People's Republic. D. Dugarjab, Deputy Minister of Foreign Trade, Mongolian People's Republic also attended.

2. TURKMEN SSR HOLIDAY -- Turkmenskaya Iskra, Ashkhabad, 4 Nov 59, p 2

The Central Council for the Society for Mongol-Soviet Friendship organized a 10-day Turkmenistan festival in connection with the 35th anniversary of the Turkmen SSR and in preparation for the 42d anniversary of the Great October Revolution.

Ts. Dugersuren, secretary of the Central Committee, Mongolian People's Revolutionary Party, attended a meeting of Ulan Bator workers held on 27 October in honor of the Turkmen holiday.

B. Lkhamsuren, deputy chairman of the Society for Mongol-Soviet Friendship, delivered the opening address.

Comrade Sharavnyambul, director of the pedagogical section in the Central Committee for the Society for Mongol-Soviet Friendship, presented a talk on Turkmenistan's historical path during the years of Soviet rule.

3. HEAT AND WATER POWER -- Izvestiya, Moscow, 18 Nov 59, p 5

Ulan Bator -- The first series of the city's water lines and district heating network, erected with USSR financial and technical aid, began operations.

Part 3. - ILLUSTRATIONS

Caption: Exploitation of Petroleum Region of Ya-erh-hsia, Kansu, Continues on Large Scale.

Description: Photo shows large area of level valley floor flanked by low hills with roadways around and across the area. In the foreground is a drilling derrick and in the background, various one-story buildings. Trucks are moving over the roads.

Source: Bucharest, Petrol Si Gaze, No 10, 4 Oct 59, p 420

Caption: Large Refinery in Industrial City of Lan-chou.

Description: Photo shows large battery of storage tanks in foreground and buildings and towers of petroleum refinery in background.

Source: Bucharest, Petrol Si Gaze, No 10, 4 Oct 59, p 421

Caption: A Crude Petroleum Processing Center Is Being Constructed at Mao-ming Kwangtung.

Description: Photo shows what appear to be refinery towers under construction in foreground, with tanks and low buildings in center and background.

Source: Bucharest, Petrol Si Gaze, No 10, 4 Oct 59 p 422

Caption: High-grade Petroleum Distillation Installion at Lan-chou

Description: Photo shows close-up of main buildings of the installation and row of five large pipes on supports extending the total length of the installation

Source: Bucharest, Petrol Si Gaze, No 10, 4 Oct 59, p 458

Name

Yuan-

Ling-

Chia-

Canto

Canto

APPENDIX

Name of Plants	Chinese Characters
Yuan-tung Chemical Plant	達東化工廠
Ling-nan Chemical Plant	嶺南化工廠
Chia-pang Chemical Plant	嘉邦化工廠
Canton School of Chemical Technology	廣州市化工技術學校
Canton Chemical Research Institute	廣州市化工研究所

* * *

WEEKLY REPORT ON

COMMUNIST CHINA

Number 9

15 January 1960

Prepared by

Foreign Documents Division
CENTRAL INTELLIGENCE AGENCY
2430 E. St., N. W., Washington 25, D.C.

PLEASE NOTE

This report presents unevaluated information selected from foreign-language publications as indicated. It is produced and disseminated as an aid to United States government research.

WEEKLY REPORT ON COMMUNIST CHINA

Table of Contents

SOURCES

The information contained in this summary is taken from the following sources. Titles are given in the modified Wade-Giles transliteration, followed by the P'in-yin romanization system in parentheses, which was newly adopted by the Chinese Communists.

Newspapers	Place of Publication
Anhwei Jih-pao (Anhui Ribao)	Ho-fei
Bao Tan Viet Hoa	Hanoi
Fukien Jih-pao (Fujian Ribao)	Foochow
Heilungkiang Jih-pao (Heilongjiang Ribao)	Harbin
Hsin-hua Jih-pao (Xinhua Ribao)	Nanking
Hsin Hunan Pao (Xin Hunan Bao)	Ch'ang-sha
Jen-min Yu-tien (Renmin Youdian)	Peiping
Kansu Jih-pao (Gan Su Ribao)	Lanchou
Kuang-chou Jih-pao (Guangzhou Ribao)	Canton
Nan-fang Jih-pao (Nanfang Ribao)	Canton
Promyshlenno-Ekonomicheskaya Gazeta	Moscow
Shansi Jih-pao (Shanxi Ribao)	T'ai-yuan
Sinkiang Jih-pao (Xinjiang Ribao)	Urumchi
Szechwan Jih-pao (Sichuan Ribao)	Ch'eng'tu
Tsinghai Jih-pao (Qinghai Ribao)	Hsi-ning
Yunnan Jih-pao (Yunnan Ribao)	K'un-ming

Periodicals	
Chung-kuo Lin-yeh (Zongguo Linye)	Peiping
Chung-kuo Nung-k'en (Zongguo Nongken)	Peiping
Hua-hsueh Kung-yeh (Huaxue Gongye)	Peiping
Kang-tieh (Gaugtie)	Peiping
Mainichi	Tokyo
Nung-yeh Chi-hsieh (Nongye Jixie)	Peiping
Ts'ai-cheng (Cai Zheng)	Peiping
Tsao-chih Kung-yeh (Zaozhi Gongye)	Peiping

Par

1.

Jan
acc
pro
pro
hig
a f
30-
40.
not
[co
sig
wer
ple
ple
yea

out
has
bec
pro
by
adj
ing
ing
opp
pro

2.
Kar

Ger

und
exp
hav
gre

Part 1. ECONOMIC

I. INDUSTRY AND MATERIALS

1. CHEMICAL PRODUCTION SITUATION -- Peiping, Hua-hsueh Kung-yeh, Special Edition, 9 Nov 59, pp 2-4

In light of the production situation in the chemical industry from January through October 1959, we believe that the second "chang" [literally, account] of the 1959 production plan can be completed, and for some products, even the third "chang" will be completed. The total value of production for the chemical industry in 1959 will, therefore, be 40 percent higher than in 1958. The [estimated] percent increase in production of a few major products are as follows: sulfuric acid, 48-51; caustic soda, 30-34.2; soda ash, 33-34.2; nitric acid, 35.5-38; synthetic ammonia, 40-42.5; chemical fertilizer, 37-45; and antibiotics, 126-140. This is a notably high rate of development. By completing the second "chang," the [completion of the] Second Five-Year Plan for eight major products is in sight. The 1962 targets for caustic soda, soda ash, and antibiotics, which were set at the First Session of the Eighth Party Congress, will be completed 3 years ahead of schedule, and the foundation will be laid for completing the 1962 targets for the other five products ahead of schedule next year.

The production situation this year is extremely good, each month's output being higher than the same month in 1958. However, production has not risen each successive month since the beginning of the year; because of a rightist trend among some cadres, there was a small dip in production during June and July. The drop in production was not caused by any change in objective conditions, nor was it caused by any major adjustment in production. It was caused primarily by problems in thinking. While production targets were being put on a more realistic footing, some cadres became lax, and rightist thinking appeared. Since the opposition to the rightists by the central government began in August, production has risen. -- Hsiao Kuei-ch'ang*

2. CHINA'S FIRST STEP IN ESTABLISHING A NEW ALLOY STEEL SYSTEM -- Peiping, Kang-t'ieh, No 14, 27 Jul 59, pp 602-608

General Review of the New Alloy Steel System

Since the liberation, China's output of alloy steel increased rapidly under the correct guidance of the party leadership. By learning the advanced experiences of and adopting the kind of steel used by the Soviet Union, we have grasped the smelting and reprocessing techniques of alloy steel and greatly expanded our variety of alloy steel.

In 1952, the former Ministry of Heavy Industry officially announced the Seven Sets of Standards pertaining to 159 kinds of alloy steel. Thus, the foundation of the kind of alloy steel was settled, and the technical regulations and specifications of alloy steel were unified. As a result of the announcement, there was an expansion in the variety, an improvement in the quality, and an acceleration in the production of alloy steel. By 1957, China was producing 372 kinds of steel and self-supplying 86 percent of her steel materials.

The 1952 standards established by the Ministry [of Heavy Industry] were based on the standards of the Soviet Union, and the list of alloy steel was based on nickel and chrome. In the early stages of construction in China, it was conveninet to accept the whole set of technical experiences of the Soviet Union for expediting and developing our industrial production. This direction was completely correct. Meanwhile, as our industries advanced another step forward and the production volume and variety of alloy steel increased, we were conscious of the necessity of establishing an alloy steel system which would suit the natural resource conditions in China. By 1957, although there was a multifold increase in the output of nickel and chrome steel to satisfy the rapid industrial development, the demand for nickel and chrome continued to grow strongly. Thus, it was extremely urgent that the kind of steel we produced conform with the natural resource conditions of China.

In the past few years, China has been adopting from the Soviet Union and the German Democratic Republic the kinds of steel which are suitable to her natural resource conditions. The various steel and machinery plants in China have begun trial-producing alloy steels containing no nickel or little chromium, have been promoting their experience in mastering the smelting and reprocessing techniques of many new kinds of steel, and have been acquiring a thorough knowledge of the properties of the new kinds of steel. The new kinds of steel include low-alloy, high-tensile manganese steel 16 Mn and 16 MnAl; manganese-vanadium steel, chromium-manganese-titanium steel, chrome-molybdenum-vanadium steel, and boron steel of structural steel; manganese steel, manganese-vanadium steel, and silicon-manganese steel of alloy tool steel; ferritic chromium steel of acid-resisting steel; austenitic chromium-manganese-nitrogen steel; and various kinds of chromium-aluminum steel and chromium-aluminum-silicon steel.

The 12-year plan for scientific and technical development promulgated by the state in 1956 proclaims the alloy steel system as an important task which conforms with the natural resource conditions of China. This has become particularly significant because, since the 1958 great leap forward, many scientific research units, higher-level educational institutions, iron and steel plants, and machinery plants have begun to develop research work

on
of
and

Mac
oth
ste
pro
the
spe
for
pos
The
low
sta
ste
bea

ado
ces
eff
tri
Chi

sup
tri
out
Man
by
no
was
but
nic
ste
tore
chr
dia

tin
chr

on the various new kinds of steel, in consideration of the natural resources of China. They have even created some new kinds of steel, such as 20MnMoB and 20CrMnMoVB structural steel and 60SiMn tool steel.

From July to October 1958, the Iron and Steel Research Institute, the Machine Manufacturing and Industrial Science Research Institute, and other related organs held 12 small-group conferences on the use of steel. The conferences summarized the experience on and research of the production and uses of the new alloy steel in the past few years, took the first step to establish a system for the use of steel for various specialized industries, and compiled a new alloy steel system suitable for the natural resource conditions of China. The conferences also proposed a draft of nine sets of state provisional standards on alloy steel. The nine sets of standards are concerned with: alloy structural steel, low-alloy high-tensile steel, alloy tool steel, high-speed tool steel, stainless acid-resisting steel, heat-resisting nonscaling (pu chi pi) steel and electrothermal alloys, low-alloy steel rails, ball and roller bearing steel, and spring steel.

The draft on the new standards for the new alloy steel system was adopted at the An-shan meeting [of what?] on 17 July [1959?]. The processes of establishing the system and the standards have had positive effects on the development of the machine and the metallurgical industries and on the elevation of the scientific and technical levels [in China]. These are the main effects:

First, to a certain degree, they have eased the tension in the supply of nickel and chromium. They have enabled some machine industries which are in need of nickel and chrome alloy steel to grow without restraint. For example, the automobile production of the Automobile Manufacturing Plant No 1 was not affected when nickel steel was replaced by low-chromium steel containing no nickel; by using steels containing no nickel or containing no chrome, the Shen-yang Pneumatic Tools Plant was not only free from restraint by shortage of steel material supply, but also was able to increase its production. Large quantities of nickel were also conserved by the use of chromium-molybdenum-vanadium steel for chromium-molybdenum-nickel steel in parts of the turbogenerators of less than 50,000 kilowatts and by the use of austentitic manganese-chromium steel for austentitic steel containing 8 percent nickel for diamagnetic protective rings (fan tzu hu huan) of generators.

Second, they have enabled the alloy steel production to continue to grow without being restrained by the supply of nickel and chromium during the great leap forward of the iron and steel industry.

Third, they have created a situation for the logical use of steel material and for the conservation of a large quantity of steel materials and alloying elements. For example, a third of the steel material may be conserved by the use of the new system's low-alloy, high-tensile 16Mn for 大 3 in building bridges, ships, and cars; and imported steel plates containing nickel and chrome can be conserved by the use of 16Mn, with the addition of aluminum and titanium.

Fourth, they have raised the scientific and technical levels of research on the new kinds of steel and have developed cadres who know how to use steel materials logically.

The establishment of the new alloy steel system can be hailed as an important technical revolution in the production and use of alloy steel in China. The new system, nevertheless, is in its early stages, and it will need further supplements and revisions to make it perfect.

The characteristics of the new alloy steel systems include:

One, the variety of nickel and chrome steel is greatly reduced; the proportion of chrome steel is much less in structural steel; and the variety of steel-containing elements which are abundantly produced in China, such as silicon, manganese, vanadium, molybdenum, titanium, wolfram, and boron, is increased. Of the 246 kinds of alloy steel announced in the draft of nine sets of standards, only 21 contain nickel, 8.54 percent of the total; whereas in the original standards of 159 kinds of steel, 49 contain nickel, 30.8 percent of the total. The following table gives a comparison of the types of steel containing nickel as set by the standards of the Ministry [of Heavy Industry in 1952] and the new standards of the draft [adopted in An-shan on 17 July, possibly 1959]:

	Ministry's Standards		New Drafted Standards	
	Steel Variety	No of Steel Types Containing Nickel	Steel Variety	No of Steel Types Containing Nickel
Alloy structural steel	67	25	82	--
Low-alloy, high-tensile steel	--	--	13	--
Low-alloy steel rails	--	--	4	--
Alloy tool steel	31	2	56	1
High-speed tool steel	2**	--	4	--

	Ministry's Standards		New Drafted Standards	
	Steel Variety	No of Steel Types Containing Nickel	Steel Variety	No of Steel Types Containing Nickel
Spring steel	11	1	17*	--
Ball-bearing steel	5	--	5*	--
Stainless acid-resisting steel			36*	16
Heat-resisting, non-peeling steel and thermoelectric alloys	43	21	29	4
Total	159	49	246	21

* Excepting carbon steel and reprocessed (ch'ung fu) steel

** Not including high-speed tool steel containing molybdenum

Two, the increased variety of steel fully develops the usefulness of alloying elements. It widens the selection and use of alloying elements. In addition, based on the requirements of some new machinery products, a variety of steel with some special characteristics is listed [in the system] to satisfy the demand of industrial development. Of the 246 varieties, 105 of the 159 varieties of the original standards were retained, 126 were adopted from the mature variety of foreign countries, and 15 were created in China.

Three, the 15 varieties created by China include 10 kinds of boron steel of alloy structural steels, 2 kinds of low-alloy steel rails, the 60SiMnV alloy tool steel, the GCr9 Si Mn ball bearing steel, etc.

The characteristics of these steels are: the alloy structural steel contains no nickel; some contain very little or no chromium, such as the 60 SiMnV and GCr9SiMn; and some have high yield strength, such as 16MnAlTi and low-alloy rail steel.

Research on the New Kinds of Steel

During the establishment of the alloy steel system, the various plants and research units, not only supplied many new kinds of steel to the new system through their successful experiments and research, but also continued to conduct much research work pertaining to the development of the new kinds of steel, the conservation of nickel and chromium in alloys, and the

improvement in steel properties. For example, in structural steel, one of the new curriculum (k'o t'i) for the scientific workers is to find a structural steel of higher strength and better quality. Since the great leap forward of 1958, the Iron and Steel Research Institute, the Pei-ching Iron and Steel Institute, and the Institute of Metal Research of the Academia Sinica have successfully produced several kinds of high strength steel experimentally. These units are continuing their research work along this line. The Iron and Steel Research Institute is experimenting and making nitriding steel for the conservation of chromium and molybdenum.

In 1958, great strides were made in the research work on low-alloy high-tensile steel. Many units have experimented on the new kinds of steel of yielding points greater than 40 kilograms per square millimeter; for instance, the Iron and Steel Research Institute has successfully produced in the laboratory the "Steel Marshal No 80" (kang shuai), which has a yielding point greater than 60 kilograms per square millimeter.

In alloy tool steel, the Iron and Steel Research Institute, the Railroad Research Insititue, and the Nan-kou Locomotive Parts and Equipment Plant have jointly produced forging die steels such as 60 SiMnV, 50 SiMnCrV, and 55 SiMnMoCrV. Of these, 60 SiMnV has been entered into the list of the standards of the provisional state draft. The other two steels have relatively high-temperature, impact-resistant and high-temperature, high-strength, and high hardenability properties. They can be used for relatively large forging dies.

In ball-bearing steel, the Chiao-t'ung University in Shanghai has done detailed research on high-carbon manganese-chromium and high-carbon manganese-chromium-molybdenum steels and found them almost like ball-bearing chromium (15 percent) steel. The Pei-ching Iron and Steel Industrial Institute conducted research on high-carbon manganese-silicon-molybdenum steel and found it superior to ball-bearing chromium (15 percent) steel in hardenability, ductility, and fatigue strength and just as tough as ball-bearing chromium (15%) steel in wearability. The institute is continuing tests on its lasting quality; the question of whether ball-bearing steel containing molybdenum is economical to use requires further consideration.

Concerning stainless steel, the Iron and Steel Research Institute in 1957 conducted experiments on the corrosion-resisting ability of chromium-, nickel-and manganese-stainless steel containing nitrogen. In 1958, the Pen-ch'i Iron and Steel Works and the Pei-ching Iron and Steel Industrial Institute made corrosion-resistant studies of the effects of molybdenum, copper, titanium, and boron on stainless steel. In the summer of 1958, the Institute of Metal Research trial-produced an austentite stainless steel of chromium-manganese-nitrogen containing no nickel. Many units have been experimenting with the production of "fu ho" /complex?/ steel

plates, using stainless steel for a cover layer. The Iron and Steel Research Institute has had successful experiments on the pouring of "fo ho" steel ingots and the welding of "fu ho" steel billets. By the end of 1958, besides the Iron and Steel Research Institute, other units have mastered these techniques.

Concerning the heat-resisting steel used in boilers, the Iron and Steel Research Institute, the Institute of Metal Research, and the Pen-ch'i Iron and Steel Works have been conducting experiments on further improving the behavior of the ferritic heat-resisting steel. The Kirin University, in 1956, began exploration work on the iron-wolfram-silicon system and, in conjunction with the Shanghai Material Research Bureau, conducted research work on this system. On the austentic heat-resisting steel, the Pei-ching Iron and Steel Industrial Institute, the Institute of Metal Research, the Pen-ch'i Iron and Steel Works have been studying the composition of the chromium-manganese-carbon-nitrogen austentic heat-resisting steels and their heat resisting behavior with the addition of other elements.

On electrothermal (tien jo) alloys, in the past 2 years, the Ta-lien Steelworks, in cooperation with the Pei-ching Iron and Steel Industrial Institute, the Institute of Metal Research, and the Machine Research Bureau, have conducted a series of experiments on steel reprocessing and refining behaviors. Their conclusions have greatly helped to increase the output of up-to-standard products. The Iron and Steel Institute and the Ta-lien Steelworks also jointly conducted experiments on the possibility of adjusting aluminum and chrome in this [electrothermal alloy?] system and studied methods to improve their [alloys?] workability and wearability.

The aforementioned information is an introduction to the conditions of the newly established alloy steel system of China. As mentioned before, the establishment of the new alloy steel system has a positive effect on raising the scientific and technical levels of the machine industry and the metallurgical industry. However, most of the new kinds of steel in the new system are being produced or used by only some factories; moreover, some of the new steels are still in the experimental stages. For this reason, the vigorous promotion of the kinds of steel in the new system, particularly the promotion and use of the new kinds of steel, is an urgent task of today. -- Ch'iu Yu-ch'ih of the Iron and Steel Research Institute of the Ministry of Metallurgical Industry

3. NEWS BRIEFS ON PAPER INDUSTRY IN SHANGHAI -- Peiping, Tsao-chih Kung-yeh, No 7, 7 July 59, pp 34, 47

P. 34. The so-called Liberation type, hand-cranked paper machine being manufactured at present produces about 5-8 kilograms of paper per hour. It is expected that this rate can be increased to 300 kilograms capacity per day.

P 47. The Shanghai paper industry, in cooperation with party leadership, has sent buyers into the country districts in Chekiang, Kiangsu, and Kweichow to buy rice and wheat straw for pulp-making materials. In some areas, they are helping the communes to start pulp-making operations, thus creating industry for the communes and effecting a saving on transport costs of the raw materials. Under this program, the Shanghai paper industry expects to have a pulp supply sufficient to provide for the production of 200-300 metric tons of paper daily.

4. KIRIN HAS TWENTY-THREE PAPER MILLS -- Peiping, Tsao-chih Kung-yeh, No 6, 7 Jun 59, p 46

During April 25-29, there was convened a conference of all four levels of cadres in the paper industry of Kirin Province. Present were 254 delegates representing the 23 paper mills in Kirin, as well as Kirin government light industry organs and trade organs. Of the total, 124 were workers' delegates. Workers' delegates consisted of cadres and workers on the shop level and below.

II. TRADE AND FINANCE

1. PRICES OF SCRAP GOODS IN ANHWEI -- Ho-fei, Anhwei Jih-pao, 13 Jul 59, p 3

Operations for purchasing and utilizing "old and scrap goods" have been extended throughout Anhwei because they are useful as industrial raw materials and as export materials. Specifications, quality, and price have been centrally fixed, and commercial departments throughout the province will calculate the relative costs of purchases on the basis of these stipulations. The table listing the purchase price of various scrap goods, as promulgated on 10 July 1959, is as follows:

Item	Unit	Specification & Quality	Price (in yuan)
Old newspapers	Tan	Twofold and fourfold, can be torn	28.00
New paper trim	Tan	Trim of any color or size from newspapers, circulars, posters, etc.	14.00
New paper trim	Tan	Same as above, except white color	20.00
Yellow cardboard	Tan	Assorted, e.g., cigarette cartons	5.00
Old magazines	Tan	16- and 32-fold; 8-fold tabloids, etc.	14.00
Scrap paper	Tan	All documents, letters, old books, etc.	7.00
Sacks	Ea	Grade A: cement and 666 insecticide, intact, free of mildew, cement, etc.	0.20
Sacks	Ea	Grade B: same as above, except torn 25 percent or less	0.15
Sacks	Tan	Grade C: same as above, except torn more than 25 percent	12.00
Cock feathers	Shih tan	All kinds, but dry and nonmildewed	120.00
Human hair	Shih tan	(If longer than 2 shih ts'un, it has more value)	15.00
Assorted hair	Shih tan	Cattle, horse, donkey, dog, etc.	72.00
Mixed chicken feathers	Shih tan	Dry, nonmildewed	14-16.00
Rags	Shih tan	At least 1.5 x 4 shih ts'un, any color or quality, nonmildewed	22.00
Rags	Shih tan	Any not meeting the above spec.	12.00
New torn cloth	Shih tan	At least 1.5 x 4 shih ts'un in size, any color or quality, nonmildewed	40.00
New torn cloth	Shih tan	Any not meeting the above spec.	22.00
Shoe soles	Shih tan	Leather, rubber, nails, and glue	5.00
Cotton shoes	Shih tan	With soles, if not included above	8.00
Single shoe	Shih tan	Same as above	6.00
Old socks	Shih tan	Any color or size; also undershirts	28.00

Old C

Old C

Old C

Scrap

Beer

Vine

Vine

Vine

Oil

Powd
bot

Salt

Salt

Salt

Aure

Aure

Peni

Ink

Ink

Ink

Ink

Ink

Ink

Ass

Item	Unit	Specification & Quality	Price (in yuan)
Old cotton	Shih tan	Grade I: white, no impurities, strong	37.00
Old cotton	Shih tan	Grade II: almost white, few impurities	26.00
Old cotton	Shih tan	Grade III: gray, no elasticity, etc.	17.00
Scrap batteries	Shih tan	Telephone, flashlight	12.00
Beer bottles	Ea	20 liang capacity	0.18
Wine bottles	Ea	16 liang capacity	0.14
Wine bottles	Ea	8 liang capacity	0.08
Wine bottles	Ea	4 liang capacity	0.05
Oil bottles	Ea	Capacity of 3 chin or more	0.60
Powdered milk bottles	Ea	Capacity of one English pound	0.20
Salt water bottles	Ea	250 cc capacity	0.10
Salt water bottles	Ea	500 cc capacity	0.25
Salt water bottles	Ea	1,000 cc capacity	0.50
Aureomycin bottles	Ea	20 cc capacity	0.03
Aureomycin bottles	Ea	5-10 cc, with aluminum cover	0.02
Penicillin bottles	Shih chin	Other than above, including imported	0.20
Ink bottles	Ea	2 liang capacity, any brand	0.03
Ink bottles	Ea	1 liang capacity, any brand	0.02
Ink bottles	Ea	16 liang capacity, with stopper (minus stopper, deduct 0.04 yuan)	0.20
Ink bottles	Ea	32 liang capacity, with stopper (minus stopper, deduct 0.04 yuan)	0.30
Ink bottles	Ea	16 liang capacity, Ai-tzu brand	0.12
Ink bottles	Ea	32 liang capacity, Ai-tzu brand	0.22
Asst. glass bottles	Shih chin	Any kind or size, but intact	0.14

Scra

Scra

Old

Old

Fish

Fish

Asst

Hide

Raw

Rat

Scra

Scra

Old

Hard

Soft

X-ra

X-ra

X-ra

Mot

Mot
wh

Mot
gra

Phc

ITEM	UNIT	SPECIFICATION & QUALITY	PRICE (IN YUAN)
SCRAP COIR PRODUCTS	TAN	RAINCOATS, ROPE, ETC., ANY CONDITION	17.00
SCRAP BAST PRODUCTS	TAN	FISH NETS, HEMP, RAMIE, GRASSES, ETC.	16.00
OLD BURLAP BAGS	EA	3.2 x 2.2 CH'IH, 60 % NEW MATERIAL	1.60
OLD BURLAP BAGS	EA	3.2 x 2.2 CH'IH, 40 % NEW MATERIAL	1.20
FISH SCALES	TAN	DRY, ANY QUALITY	40.00
FISH SCRAPS	TAN	HEADS, BONES, ENTRAILS, ETC.	10.00
ASST. BONES	TAN	ALL TYPES OF ANIMAL BONES	5.50
HIDES	TAN	FRAGMENTS FROM SHOEMAKING, ETC.	5.00
RAW GLUE	SHIH TAN	REMAINS FROM MAKING RAWHIDE GOODS	16.00
RAT HIDES	EA	DRY, COMPLETE, CAN HAVE HOLES	0.01
SCRAP GLASS	SHIH TAN	CLEAR PANES	6.00
SCRAP GLASS	SHIH TAN	ANY COLOR, ANY FRAGMENTS	5.00
OLD LIGHT BULBS	EA	CAN BE BROKEN, BUT MUST HAVE COPPER OR LEAD CORE	0.01
HARD PLASTICS	SHIH TAN	SUCH AS BUTTONS, CHOPSTICKS, TOOTHBRUSHES, ANY SIZE OR COLOR	400.00
SOFT PLASTICS	SHIH TAN	SUCH AS BELTS, WATCH BANDS, ETC., TRANSPARENT OR NOT	240.00
X-RAY FILM	SHIH TAN	GRADE A: 8 TS'UN OR MORE, FILM AND NEGATIVES, INTACT	1,056.00
X-RAY FILM	SHIH TAN	GRADE B: 4-6 TS'UN, INTACT	680.00
X-RAY FILM	SHIH TAN	GRADE C: 1-3 TS'UN, INTACT OR BURNED	210.00
MOTION-PICTURE FILM	SHIH TAN	16MM, 10 METERS OR MORE LONG	227.00
MOTION-PICTURE FILM, WHITE	SHIH TAN	35MM, 5 METERS OR MORE LONG	280.00
MOTION-PICTURE FILM, GRAY	SHIH TAN	35MM, 5 METERS OR MORE LONG	210.00
PHONOGRAPH RECORDS	SHIH TAN	BLACK, ANY CONDITION	26.00

ORGA

RUBB

RUBB

RUBB
BOT

LEAT
BOT

RESI

TRAN

SCRA

OLD

OLD

IRON

IRON

IRON

IRON

STEE
CAR

STEE
VEH

CRAB
SHE

ASST
HOR

TOOT

Item	Unit	Specification & Quality	Price (in yuan)
Organic glass	Shih tan	2 shih ts'un thick (2" x 2")	456.00
Rubber fragments	Shih tan	Such as bottle stoppers, toys, etc.	6.00
Rubber tires	Shih tan	From trucks, airplanes, carts, bikes	43.00
Rubber shoe sottoms	Shih tan	From gym, rain, Korean, etc. shoes	27.00
Leather shoe bottoms	Shih tan	Made from tires, any kind	18.00
Resilient fibers	Shih tan	As in tires, balls, toys, etc.	11.00
Transparent rubber	Shih tan	As in gloves, soles, tubes, etc.	50.00
Scrap coated wire	Shih tan	Becomes copper wire after burning	50.00
Old foreign nails	Shih tan	Grade I: little rust, sharp, etc.	30.00
Old foreign nails	Shih tan	Grade II: 70 % rusted, any size	20.00
Iron wire	Shih tan	6 shih ch'ih or more long, no rust, No 8-16.	35.00
Iron wire	Shih tan	3 shih ch'ih or more long, little or no rust, No 8-16	25.00
Iron wire	Shih tan	1 shih ch'ih or more long, little or no rust, No 8-16	14.00
Iron wire	Shih tan	more than 6 shih ch'ih long, No 18 or above	25.00
Steel wire from carts	Shih tan	As from pedicabs & bicycles	25.00
Steel wire from vehicles	Shih tan	As from truck tires, no rust	58.00
Crab & shrimp shells	Shih tan	Dry, clean, any quality	4.00
Asst. hoofs & horns	Shih tan	Pigs, horses, cattle, sheep, etc.	14.00
Toothbrush handles	Ea	Bone, intact, 4.6-5 shih ts'un long, 0.5 centimeters thick	0.05

Toothe

Toothe

Umbrel

Umbrel

Cigare

Cattle

Ox hor

Stainl

Iron B

Iron B

Iron B

Iron B

Scrap

Scrap

Chemic

Scrap

Scrap

Scrap

Scrap

Scrap

Copper

Item	Unit	Specification & Quality	Price (in yuan)
Toothbrush handles	Ea	Intact, 4 shih ts'un or more long, 0.4 centimeter thick	0.03
Toothbrush handles	Ea	Any not in above 2 categories	0.02
Umbrellas	Ea	Handle 2 shih ts'un or more long, unbroken handle & framework	0.15
Umbrellas	Ea	Handle 2 shih ts'un or more long, handle & framework can be broken	0.10
Cigarette butts	Shih tan	Any brand, but free of dirt	40.00
Cattle hoofs	Shih tan	Dried, unbroken	25.00
Ox horns	Shih tan	Most pipes, asst. sheets	300.00
Stainless steel	Shih tan	More than 2 square Eng. inches	240.00
Iron bands	Shih tan	Grade A: thick, 0.7-1.2 ts'un wide, more than 5 shih ch'ih long	40.00
Iron bands	Shih tan	Grade B: thick, 0.5-1.2 ts'un wide, more than 4 shih ch'ih long	35.00
Iron bands	Shih tan	Grade C: thick, 0.5-1.2 ts'un wide, more than 3 shih ch'ih long	30.00
Iron bands	Shih tan	Grade D: with nail holes, any thickness, 2 shih ch'ih long	20.00
Scrap tin	Shih tan	Impurities under 99 percent	90.00
Scrap tin	Shih tan	At least 55 % pure tin	160.00
Chemical lead	Shih tan	Storage batteries from trucks, planes, boats, etc.	43.00
Scrap lead	Shih tan	92-95 % or more of lead content	68.00
Scrap copper	Shih tan	Special kinds of copper	240.00
Scrap copper	Shih tan	Ordinary copper	210.00
Scrap copper	Shih tan	Shell casings, brass coins	170.00
Scrap copper	Shih tan	Ordinary brass	150.00
Copper utensils	Shih tan	Special copper plates, pots, etc.	330.00

Copper

Copper

Copper

Nickel

Nickel

Tooth

Wrou

Wrou

Wrou

Scra

Scra

Niag
iro

Whi

2.

purc
of t
shee

chi

3.

No
195

ITEM	UNIT	SPECIFICATION & QUALITY	PRICE (IN YUAN)
COPPER UTENSILS	SHIH TAN	ORDINARY COPPER PLATES, POTS	296.00
COPPER UTENSILS	SHIH TAN	SPECIAL BRASS PLATES, POTS, ETC.	240.00
COPPER UTENSILS	SHIH TAN	ORDINARY BRASS PLATES, POTS	220.00
NICKEL COINS (OLD)	SHIH TAN	90 % OR MORE NICKEL CONTENT	2,600.00
NICKEL COINS (NEW)	SHIH TAN	10 % OR MORE NICKEL, NO IRON	325.00
TOOTHPASTE TUBES	EA	WHOLE, IN GOOD CONDITION	0.03
WROUGHT IRON	SHIH TAN	GRADE A: ROUND, FLAT, AND CORNER IRON; OLD RAILS, ETC.	20.00
WROUGHT IRON	SHIH TAN	GRADE B: HOES, SICKLES, GRASS KNIVES, CHISELS, ETC.	14.00
WROUGHT IRON	SHIH TAN	IRON WIRE, IRON SHAVINGS, ETC.	5.00
SCRAP PIG IRON	SHIH TAN	GRADE A: MACHINE IRON, SHELL CASINGS, ETC.	10.00
SCRAP PIG IRON	SHIH TAN	GRADE B: WHITE KETTLE IRON, PLOW SHARES, ETC.	6.00
NIAO-K'OU BOILER IRON	SHIH TAN	NIAO PIG IRON	9.00
WHITE IRON BOXES	SHIH TAN	ALL KINDS OF CANS & BOXES	25.00

2. PURCHASES OF EXPORT GOODS IN SHANSI -- T'ai-yuan, Shansi Jih-pao, 7 Aug 59, p 2

In the first 6 months of 1959, the total value of export goods purchases in Ho-shun Hsien reached upward of 185,000 yuan, or 65 percent of the annual purchase plan. Purchases of hogs, sheep, cowhides, and sheep skins have already exceeded the annual plan.

In mid-June, Ching-ch'eng Commune sold 75 fattened hogs and 3,000 chin of eggs, for which they received more than 4,600 yuan.

3. COST CONTROL SUCCESSES OF TWO PEIPING PLANTS SCORED -- Peiping, Ts'ai-cheng, No 17, 9 Sep 59, p 10

The Peiping Crane Plant and the General Machinery and Equipment Plant No 1 both completed their production targets for the first 6 months of 1959. They also exceeded their cost, profits, and working capital turnover

plans and completed targets for state remittances on time. Consequently, they were designated red flag units of the Peiping machinery and electrical equipment industry system during the first part of August.

The Peiping Crane Plant mobilized the masses for cost control and distributed targets among workshops, where local controls were instituted. Team business accounting was widely initiated, and ten financial cost control systems were drawn up and adjusted so that, during the second quarter alone, costs were lowered more than 920,000 yuan and there was a saving of 138 metric tons of steel materials. During May alone, there was a saving of 38,376 yuan in workshop expenditures, equivalent to 9 percent of the workshop expenditures for the whole plant. In addition, accumulated goods worth 790,000 yuan were moved out, loans were reduced by 2 million yuan, and there was a saving in office expenditures of 2,500 yuan. To bring into full play the active spirit of financial and accounting personnel, this plant also organized emulation drives for these people. Consequently, total costs for the first 6 months were down 5.63 percent from what the plans called for, profits exceeded plans by 930,000 yuan, and the turnover time for working capital was 7 days shorter than stipulated in the plans.

The Peiping General Machinery and Equipment Plant No 1 instituted team accounting on a grand scale, set up man-hour control methods, and carried out estimates of new techniques that lowered second quarter costs 13 percent below the first quarter. Financial departments regularly reported on the conditions of turnover capital and also set up monthly plans for financial receipts and expenditures. Within the second quarter alone, more than 200 metric tons of accumulated materials were put into use, and the amount of capital tied up in commodities was cut by 280,000 yuan. In the area of property control, this factory established control systems for materials, fixed assets, and tools. A rather comprehensive analysis of economic activities was also made during the second quarter. Consequently, the total costs cf this plant were 6.1 percent lower than plans, profits exceeded plans by 320,000 yuan, and the turnover of working capital was better than the plans had called for.

In July, these two plants also exceeded plan targets for costs, profits, and working capital turnover, and they met targets for remittances to upper levels on time. After studying the editorial "Overcoming Rightist Sentiments, Increase Production, and Practice Economy" in Jen-min Jih-pao, the staff members and employees of these two plants became very energetic. They want to achieve even better results during August and September to welcome the Tenth Anniversary. The Crane Plant wants to tighten capital controls, establish capital flow charts, devise better methods for economic balancing, and set up section office business accounting. The General Machinery and Equipment Plant No 1 wants to further strengthen business accounting and analysis and slash turnover capital. -- Peiping Machinery and Electrical Equipment Industry Bureau

III. AGRICULTURAL STATISTICS

The following tables present statistics on agricultural area, yields, and production of various crops and on animal husbandry. Letters following tabular entries refer to items in the source list at the end of each table. [Figures given under the column headings "Planned Production" and "Actual Production" for livestock, tractor stations, state farms, and population refer to the net number of the particular item in a planned or actual category unless otherwise stated.]

CHINA

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Forestry					
Afforestation	1958	260,000,000 mou[a]			
Lumber production	1958	35,000,000 cu m[a]			
Minority population	1959				35,000,000[b]

Sources:

a. Peiping, Chung-kuo Lin-yeh, No 20, 21 Oct 59, p 1

b. Ibid, No 19, 6 Oct 59, p 20

FUKIEN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Early rice	1959	Harvested 4,620,000 mou by end of Jul 59 or 64.7% of total area[a]			
Single crop middle late rice	1959	7,100,000 mou planted or 1,630,000 mou more than original goal[b]			
Late rice	1957	12,730,000 mou[c]			
	1959	Goal must equal 1957 acreage[c]			
Single crop and inter-planted	1959	7,790,000 mou already planted[c]			
Successive	1959	3,780,000 mou[c]			
Total	1959	Must increase late rice planting by another 1,200,000 mou[c]			
Sweet potatoes	1959	Original goal: 3,880,000 mou[b]			

FUKIEN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Peanuts	1959	1,220,000 mou (140,000 mou over 1958)[b]			
Cattle	1959				Over 920,000 net[d]
Poultry (chickens and ducks)	1959				15,000,000 net by Jul 59 (increase of 50% over 1958)[b]
Fishery					
Aquatic products	1958				9,000,000 ton (50% over 1957)[e]
	1959				4,100,000 ton by 10 Jul 59[f]
Fishing boats	1959				8,300[g]
Fishermen	1959				69,000[g]
Forestry					
Lumber production	1959				2,190,000 cu m by mid Jun 59 (56.2% of 1959 goal)[d]

FUKIEN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Lumber delivery	1959			3,000,000 cu m[h]	
	1959				1,060,000 cu m exported from Fukien Jan-Jul 59[h]
	1959			Third qtr goal: 1,200,000 cu m[i]	
Bamboo delivery	1959				3,300,000 pieces during 1st half of 1959[f]
State-operated logging centers	1959				235 centers employing 60,000 workmen[d]
Population	Jul 1959				15,000,000[b]

Source: Foochow, Fukien Jih-pao, unless otherwise stated

a. 31 Jul 59, p 1
b. 12 Jul 59, p 1
c. 20 Jul 59, p 1
d. 18 Jul 59, p 1
e. 28 Jul 59, p 3
f. Harbin, Heilungkiang Jih-pao, 20 Jul 59, p 4
g. 14 Jul 59, p 1
h. 7 Aug 59, p 1
i. 30 Jul 59, p 1
j. 27 Jul 59, p 1

HEILUNGKIANG

Item	Year	Area	Unit Yield	Planned Production	[illegible]
Grain	1958				55% over 195[illegible]
Wheat	1959	Area nearly 40% over 1958[b]			[illegible]: [illegible] 1958[c]
Castor beans	1959	75,000 mou planted (sufficient to raise 100,000 ho [boxes] of Ricnus silk cocoons)[d]			
Hogs	1959				4,500,000 [illegible] [illegible] 1959 ([illegible] of 1959)
Poultry	1959				24,000,000 [illegible] ing 1st [illegible] (2-fold [illegible] over end of 19[illegible])
Forestry					
Autumn afforestation	1959	Original goal: 2,295,000 mou[f]			
	1959	New goal: 2,670,000 mou[f]			

HEILUNGKIANG

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Forest reserve reserves	1959				About one fourth of all forests in China is in Heilungkiang[g]
Timber reserves	1959				1.6 billion cu m[h]
Timber production	1958				10,000,000 cu m (40% over 1957)[g]
	--				Annual timber production about one third of China's production[g]
Lumber production	1959				1,000,000 cu m of pit props produced by 61 forestry chu [offices] by early Jul 59[i]
Lumber accumulation	1959				Over 2,400,000 cu m accumulated during first half 1959 due to lack of railway transportation)[g]
Logging mechanization	1959				60% mechanized and semi-mechanized in 1959 as compared with 30% in 1958[g]

HEILUNGKIANG

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Agricultural mechanization ratio	1958				Animal-drawn machines averaged 35 chin of grain per man day as compared to 100 chin by tractor drawn machines[j]

Source: Harbin, Heilungkiang Jih-pao, unless otherwise stated

a. 1 Jul 59, p 1
b. 15 Jul 59, p 1
c. 30 Jul 59, p 1
d. 10 Jul 59, p 1
e. 23 Jul 59, p 1
f. Peiping, Chung-kuo Lin-yeh, No 19, 6 Oct 59, p 8
g. 25 Jun 59, p 1
h. 3 Jul 59, p 1
i. 16 Jul 59, p 2
j. Peiping, Nung-yeh Chi-hsieh, No 18, 30 Sep 59, p 7

HONAN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Early autumn crops	1959	18,000,000 mou[a]			
Cotton	1959	12,650,000 mou[b]			

Sources:

a. Canton, Nan-fang Jih-pao, 5 Oct 59, p 4
b. Hanoi, Bao Tan Viet Hoa, 24 Oct 59, p 4

HOPEH

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Early autumn crops	1959	25,000,000 mou harvested			Est: 10-20% over 1958

Source: Canton, Nan-fang Jih-pao, 5 Oct 59, p 4

HUNAN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Mid-season rice	1959	17,000,000 mou			

Source: Canton, Nan-fang Jih-pao, 5 Oct 59, p 4

KANSU

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Unopened land	1959	97,000,000 mou (equivalent to about present cultivated area)			

Source: Peiping, Chung-kuo Nung-k'en, No 19, 5 Oct 59, p 10

KIANGSU

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Early autumn crops	1959	16,000,000 mou			Output estimated 70% over 1958

Source: Canton, Nan-fang Jih-pao, 5 Oct 59, p 4

KIRIN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Soybeans	1959	13,000,000 mou			

Source: Hanoi, Bao Tan Viet Hoa, 30 Oct 59, p 4

KWANGTUNG

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Miscellaneous grains	1959	Planted 1,030,000 mou as of 9 Aug 59			
Sweet potatoes	1959	Plan: 10,000,000 mou	3,000 chin/mou	20 billion chin or 5 billion chin grain equivalent	
	1959	Planted 5,000,000 mou as of 9 Aug 59			

Source: Canton, Nan-fang Jih-pao, 15 Aug 59, p 1

HAINAN ISLAND

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Grain	1936				1.07 billion chin
	1949		100 chin/mou		810 million chin
	1952				1.19 billion chin
	1957				1.75 billion chin
	1958				2.45 billion chin

Source: Canton, Nan-fang Jih-pao, 15 Oct 59, p 5

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Grain	1943		140 chin/mou[a]		8.04 billion chin[a]
	1949		125 chin/mou[a]		7.14 billion chin[a]
	1950		164 chin/mou[b]		9.13 billion chin[b]
	1952				9.77 billion chin[b]
	1953		178 chin/mou[a]		10.01 billion chin[a]
	1955				11.22 billion chin[b]
	1956				7,600,000 MT[c]
	1957				10.21 billion chin[b]
	1957				6,700,000 MT[c]
	1958		238 chin/mou[a]		12.38 billion chin[a]
	1958				8.5-9 million MT (30% over 1957)[c]
	1958				12.38 billion chin plus 140 billion chin soy-beans [sic][b]
	1958				17 billion chin (30% over 1957)[d]

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
	1958			10,000,000 MT[e]	
	1958			13,000,000 MT "Struggle for"[e]	
	1958				21.3% over 1957[f]
	1959			17-20 million MT[c]	
Grain and corn	1958	3,600,000 ha (two thirds total crop area)[e]			
Corn	1958	1,500,000 ha 500,000 ha over 1956)[e]	1,000 chin/mou[e]	7,500,000 MT[e]	
Paddy rice	1958	600,000 ha[e]	Calculated at 10,000 chin/ha[e] =	3,000,000 MT[e]	
Total	1958			10,000,000 MT[e]	
Superior type food crops	1957	500,000 ha[g]			

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
	1958	2,176,998 ha[g]		Can increase total grain production by 473,325 MT[g]	
Spring planting as of 20 Apr 59					
Grain	1959	519,942 ha[h]			
Soybeans	1959	4,454 ha[h]			
Industrial crops	1959	93,758 ha[h]			
Others	1959	47,832 ha[h]			
Total		665,986 ha (14% of plan)[h]			
Autumn harvest	1959	70,000,000[i]			
Spring wheat	1958	39,200 ha (28,000 ha less than 1957)[j]	1,674 chin/ha[j]		32,829 MT (17.7% over 1957)[j]
	1959	60,282 ha planted as of 5 Apr 59 or 50% over 1958 actual area of 39,595 ha[k]			

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Winter wheat	1959	1,060,000 mou[i] (78% over 1958)[i,f]	110 chin/mou[i] (50% over 1958)[i,f]		Double 1958 yield[f]
Corn	1958	1,600,000 ha planted as of mid-Apr 58 (1.3-fold increase over 1957)[m]	Calculated at 10,000 chin/ha[m]	= 8,000,000 MT[m]	
	1958	1,700,000 ha (39% of grain area)[n]			
Paddy rice	1955		6,882 chin/ha[o]		
	1956	290,000 ha[o]	6,348 chin/ha[o]		
	1957		5,012 chin/ha[o]		
	1958	600,000 ha already planted (double the 1957 area; 16.7% of grain area)[p]	10,000 chin/ha[p]	3,000,000 MT (30% of total grain production)[p]	

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
	1958	340,000 ha[o]	5,794 chin/ha[o]		
Oil and fats	1958			25,800 MT[q]	
Soybeans	1958				30% over 1957[p]
	1958				5.9% over 1957
	1959	High-yielding area increased to 300,000 ha or 40% total soybean area[r]	4,500 chin/ha[r]	1,650,000 MT[r]	
	1959	Area less than in 1958[i]	320 chin/mou equivalent to grain (double 1958 unit yield)[i]		Output should be 80% over 1958[i]
Peanuts	1958		186 chin/mou[o]		
	1959	Plan: 2,800,000 mou[o]			

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Tubers	1958	Plan: 220,000 ha[s]		400,000 MT[s]	
	1958	Plan: 270,000 ha ("Struggle for"; 50% over 1957)[s]			
Tubers (Sweet and Irish potatoes)	1958	Plan: 277,000 ha[t]	35,000 chin/ha[t]	1,200,000 MT (grain equivalent; 10% of total grain output)[t]	
Irish potatoes	1957	200,000 ha[g]			140,000 MT[g]
	1958	154,100 ha[j]	16,000 chin/ha (17.9% over 1957)[j]		Est: 1,233,256 MT (53.3% over 1957)[j]
	1959	Area less than in 1958[f]	Unit yield double 1958[f]		Output 80% over 1958[f]
Summer vegetables	1959	Area 16.7% over 1958[f]	Unit yield 80% over 1958[f]		Output estimated at double 1958[f]

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Autumn vegetables	1959	200,331 ha as of 14 Aug 59 (70% over 1958)[u]			
	1959	218,000 ha (60% over 1958)[i]			
Fruit (apples, pears, grapes)	1957				274,000 MT[v]
	1958			310,000 MT[v]	
	1967			2,100,000 MT[v]	
Apples	1949				24,500 MT[w]
	1958				217,000 MT[c,w] (30.2% over 1957)[c]
	1959				Est: 250,000 MT[w]
Summer	1959				30,000,000 chin (10% over 1958)[i]
Cotton index	1949		100[a]		100[a]
	1953		216.2[a]		475[a]
	1958		295.9[a]		496.3[a]

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Cotton	1949				273,000 tan[b]
	1958	3,097,000 mou[x]	44 chin/mou (or 66 chin per Northeast mou; 58.9% over 1957; 4.3% over 1956)[x]		Est: 1,355,000 tan (68% over 1957)[x]
	1958				67,700 MT (58.9% over 1957)[c]
	1958				200,000 MT (68% over 1957)[y]
	1958		44 chin/mou[z]		1,350,00 tan (68% over 1957; did not complete plan for 2,410,000 tan)[z]
	1958				1,600,000 tan (68% over 1957)[d]
	1958				1,355,000 tan (68.1% over 1957)[b]
	1959		60-80 chin/mou[z]	2,400,000 tan (80% over 1958)[z]	

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
	1959	Planted 161,867 ha as of 30 Apr 59, or 80.9% of plan[aa]			
Tobacco	1949	2,238 ha[w]			
	1958	17,706 ha[w]	2,836 chin/ha (double 1949)[w]		
	1958				33.9% over 1957[f]
Mixed fodder	1958			190,000 MT[q]	
Aquatic products	1958			220,000 MT[bb]	
	1958			260,000 MT "Struggle for"[bb]	
	1959				82,000 MT for 1st 6 mo 1959 (3.4% over corresponding period 1958)[i]
	1959				Est: 250,000 MT (4.1-fold increase over 1948)[b]

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Horses and mules	1959				457,000 net as of early Aug 59[i]
Cattle	1959				1,174,000 net as of early Aug 59 (9.3% over Dec 58)
Sheep	1959				1,542,000 net as of early Aug 59 (36.5% over Dec 58)[i]
Goats	1959				926,000 net as of early Aug 59 (34.4% over 1958)[i]
Hogs	1957				Averaged one hog per 3.3 persons in 1957[cc]
	1958			10,000,000 net (double 1957 number; to average one hog per 1.3 person in 1958)[cc]	
	1959			16,000,000 net[J]	

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
	1959				4,000,000 net as of Jun 59 (equal to total net number 1953)[dd]
	1959				4,000,000 net as of Jun 59 (750,000 over 1958)[i]
	1959			6,000,000 net[ee]	
	1960			10-12 million net[dd]	
Poultry	1959				18,000,000 net as of Aug 59 (2-fold increase over Dec 58)[i]
Animal Index (1949 = 100)	1959				133.6[b]
Horses	1959				171.3[b]
Mules	1959				109.4[b]
Cattle	1959				162[b]
Milk cows	1959				923[b]
Sheep	1959				438.1[b]
Goats	1959				348.1[b]
Hogs	1959				190.1[b]

LIAONING

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Tussah silk cocoons	Highest prewar				1,110,000 tan[ff]
	1949				189,000 tan[w]
	1955				1,000,000 tan earned 25,000,000 yuan[ff]
	1958				883,000 tan[w]
	1958				34.4% over 1957[f]
	1959			1,250,000 tan[ff]	
	1959				80,000 tan Summer harvest (20% over corresponding period 1958)[i]
Mulberry silk cocoons	1959			12,000 tan (double 1958)[ff]	
Herbs	1959	61,411 mou planted as of end of May 59 (10-fold increase over 1958)[gg]			

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Spirits (alcohol)	1958			14,000 MT[g]	
Marine salt	1958			2,000,000 MT (41.8% of national plan)[hh]	
Area					
Irrigated	1957	Total: 730,000 ha[ii]			
	1958	New as of end of Mar 58 737,000 ha[ii]			
	1958	New total: 1,470,000 ha or 30% of cultivated area[ii]			
	1958	1,000,000 ha or 17% cultivated area[c]			

LIAONING

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Paddy	1958	330,000 ha[c]			
Planted	1959	71,000,000 mou[i]			
Afforestation	1949-1959	1,625,095 ha[jj]			
	1958	Plan: 600,000 ha[kk]			
	1958	833,000 ha (12-fold increase over 1957)[c]			
	1959	Plan: 1,013,335 ha[c]			
Spring	1959	3,430,000 mou[mm]			
Population	1958				24,000,000[c]

Source: Mukden, Liaoning Jih-pao

a. 28 Sep 59, p 5
b. 1 Oct 59, p 10
c. 3 Dec 58, p 2
d. 21 Apr 59, p 2
e. 2 Apr 58, p 1
f. 26 Sep 59, p 2
g. 12 Jul 58, p 2
h. 27 Apr 59, p 1
i. 23 Aug 59, p 1
j. 19 Aug 58, p 1
k. 12 Apr 59, p 1
m. 20 Apr 58, p 2
n. 3 Jul 58, p 2
o. 6 May 59, pp 1-2
p. 13 May 58, p 2
q. 10 Mar 58, p 2
r. 20 Apr 59, p 3
s. 8 Apr 58, p 2
t. 5 Jul 58, p 2
u. 26 Aug 59, p 1
v. 4 Mar 58, p 1
w. 20 Sep 59, p 5
x. 26 Nov 58, p 1
y. 7 Dec 58, p 6
z. 19 Apr 59, p 6
aa. 9 Jun 59, p 1
bb. 13 Apr 58, p 2
cc. 29 Apr 58, p 1
dd. 14 Aug 59, p 1
ee. 18 Aug 59, p 2
ff. 17 Apr 59, p 3
gg. 14 Jul 59, p 3
hh. 13 Mar 58, p 2
ii. 4 Apr 58, p 1
jj. 21 Sep 59, p 7
kk. 24 Mar 58, p 1
mm. 13 Jun 59, p 2

SHANSI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Wheat	1954	19,640,000 mou (highest year)[a]			
	1957	18,280,000 mou[a]			
	1958	16,720,000 mou[a]			
	1959	15,830,000 mou (890,000 mou less than 1958; 2,450,000 mou less than 1957; 3,810,000 mou less than 1954)[a]	Unit yield should have been an increase of 30% but actually only 10% [over 1958][a]		
	1960	Plan: 18,010,000 mou (including spring wheat; 6,000,000 mou being high yielding area)[a]	200 chin/mou[a] 400 chin/mou (high yielding)[a]	3.6 billion chin[a]	
Winter			20% over 1958[b]		10% over 1958[b]
Summer planted autumn crops	1959	39,000,000 mou[c]			

SHANSI

Item	Year	Area	Unit Yield	Planned Production	Actual
Cotton	1959	4,500,000 mou[d]			
Vegetables (summer and autumn)	1959	Plan: 2,000,000 mou[e]			

Source: T'ai-yuan, Shansi Jih-pao

a. 28 Jul 59, p 1
b. 8 Aug 59, p 1
c. 10 Jul 59, p 1
d. 13 Jul 59, p 1
e. 7 Jun 59, p 1

SHANTUNG

Item	Year	Area	Unit Yield	Planned Production	Actual
Early autumn crops	1959	30,000,000 mou			

Source: Canton, Nan-fang Jih-pao, 5 Oct 59, p 4

SINKIANG

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Grain	1949				2 billion chin[a]
	1958				6.4 billion chin[a]
	1959	23,000,000 mou[d]			
Wheat	1959	13,000,000 mou[e]			
Cotton	1949				90,000 tan[a]
	1958				1,470,000 tan[a]
	1959	2,240,000 mou[d]			
Oil-bearing crops	1959	2,440,000 mou[d]			
Silk cocoons	1950				154 tan[b]
	1957				30,031 tan[b]
	1958				26,000 tan (due to unseasonable weather)[b]
Farm animals	1949				11,830,000[a]
	1958				22,230,000[a]

SINKIANG

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Crop area	1959	30,660,000 mou by end of Jun 59 (increase of 4,100,000 mou over actual acreage in 1958; grain acreage increased 2,730,000 mou) cotton acreage increased 510,000 mou; oil-bearing crops area increased 590,000 mou)[c]			
Planted area	1959	30,780,000 mou[d]			
	1959	Over 31,000,000 mou (2,000,000 mou increase over 1958)[e]			
Multiple crop area	1959	2,000,000 mou[e]			
Population	1959				6,000,000[f]

Source: Urumchi, Sinkiang Jih-pao

a. 30 Jul 59, p 1
b. 21 Jul 59, p 2
c. 18 Jul 59, p 1
d. 23 Jul 59, p 1
e. 24 Jul 59, p 1
f. 19 Jul 59, p 1

SZECHWAN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Grain	1958				90 billion chin (93.5% or 43.5 billion chin over 1957)[a]
	1959			Revised goal: 126 billion chin (36 billion chin or 40% over 1958)[a]	
Spring	1959				Est: 10.5 billion chin (30% over 1958)[a]
Wheat	1959				6.7 billion chin (60% over 1958)[a]
Early rice	1959	4,700,000 mou[b]			
Double crop late rice	1958				5 billion chin[c]
Peanuts	1959	2,200,000 mou (500,000 mou more than 1958)[d]			
Rapeseed	1959				Est: 6,800,000 tan (40% over 1958)[a]

SZECHWAN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Cotton	1958				2,500,000 tan (78.6% over 1957)[a]
	1959	5,310,000 mou[e]		3,300,000 tan (32% over 1958)[d]	
Unboiled varnish	1959				90% over 1958[f]
Gall nuts	1959				70% over 1958[f]
Forestry					
Area	1959	9,910,000 ha[g]			
Lumber production	1949-1959				11,000,000 cu m[g]
	1959			28% over 1958[g]	
Timber reserves	1959				740,000,000 cu m[g]
Communalization	1958				By end of Sep 58, 160,000 agricultural collectives formed 5,000 communes with 13,800,000 households or 99% of all peasant households[a]

SZECHWAN

Source: Cheng-tu, Szechwan Jih-pao, unless otherwise noted

a. 24 Jun 59, pp 1-2
b. Nanking, Hsin-hua Jih-pao, 10 Jul 59, p 4
c. 13 Jul 59, p 1
d. 25 Jun 59, pp 1-2
e. Hanoi, Bao Tan Viet Hoa, 30 Oct 59, p 4
f. 4 Jul 59, p 1
g. Peiping, Chung-kuo Lin-yeh, No 19, 6 Oct 59, pp 18-19

TSINGHAI

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Grain	1958				71.9% over 1957
Irrigated area	1958	Increased by 3,870,000 mou			
Afforestation	1958	2,030,000 mou			

Source: Hsi-ning, Tsinghai Jih-pao, 21 May 59, p 1

YUNNAN

Item	Year	Area	Unit Yield	Planned Production	Actual Production
Mid-season rice	1959	15,000,000 mou			Est: 30% over 1958

Source: Canton, Nan-fang Jih-pao, 5 Oct 59, p 4

1.

tic
tot
the
in
fil
con
met
inc
coa
cap
spi
roa

51
ti

2.

fo
fl
Ch
Ch
of
bo
er
th

bl
li
es
al
me
bi
no
cr
wh
so
ca
in
re

IV. CAPITAL CONSTRUCTION

1. CAPITAL CONSTRUCTION ACHIEVEMENTS IN SHANSI -- T'ai-yuan, Shansi Jih-pao 3 Aug 59, p 1

In the first half of 1959, completed investments in capital construction in Shansi reached upward of 430 million yuan, or 35.1 percent of the total investment for the entire year and 9 percent above the amount for the corresponding period of 1958. The annual plan of capital construction in such industrial departments as coal, metallurgy, and machinery has been filled, on the average, 40 percent or more. In this first half of 1959, construction on 607 projects was under way, and an area of 310,000 square meters has been completed. During 1959, the iron smelting capacity will increase 210,000 metric tons, coking will increase by 40,000 metric tons, coal extraction will increase 290,000 metric tons, the electrical output capacity will increase 5,880 kilowatts, and weaving will increase by 33,000 spindles, and there will be 422 more looms, 24.58 kilometers more of railroad, and 218 kilometers more of highways.

Units outside Shansi Province assisted in handling 70 percent of the 510,000-ton/kilometer transportation quota necessary for capital construction during these first 6 months of 1959.

2. CONTROL OF CAPITAL IN CAPITAL CONSTRUCTION -- Peiping, Ts'ai-cheng, No 19, 9 Oct 59, pp 7-10

It has been 10 years since the splendid five-star red flag was hoisted for the first time in front of the T'ien An Men. Ten years is a short time, fleeting and emphemeral, in human history. However, during this short time, China has brought forth earth-shaking changes. Under the leadership of the Chinese Communist Party and our great leader Comrade Mao Tse-tung, whom all of the people revere, exceedingly glorious achievements were obtained in both the rebuilding of society and the transformation of nature. Our Motherland is in the process of hastening towards a more beautiful future at the rate of "1,000 li in one day."

Old China was a "poor and blank" country. To change this "poor and blank" countenance, construct our socialist Motherland and build a happy livelihood, the state has been carrying out economic recovery since the establishment of the People's Republic of China and, on this basis, has also implemented large-scale capital construction. The amount of investment by the state for capital construction from 1950 to 1959 reached 114.3 billion yuan. We know that the industrial fixed assets of old China did not amount to 13.1 billion yuan; during 10 years of the new China, the increase in the industrial fixed assets was equal to more than three times what they were during the last 100 years of the old China, amounting to some 45 billion yuan. This rapid development of China's economy graphically proves the incomparable excellence of the socialist system. This is an irrefutable fact that is impervious to the smears and slanders of reactionary groups at home and abroad.

Chi
lar
per
top
sta
for
mac
equ
it
of
ele
dor
der
age
and
ing
met
pec
cia
ger
on

tal
the
a s
tal
con
tic
thi
ple
str

con
the
sup
the
cap

str
to
ple
duc
typ

Large-scale capital construction has produced tremendous changes in China's countenance. Many new cities appeared on the vast and boundless land. Railway, highway, and water transportation networks were added that penetrated in all directions. Large well frames arose on barren mountain tops, bridges were built across many rivers and streams, and factory smokestacks arose in all areas of China. Originally, China had no industries for making planes, automobiles, high-grade steam locomotives, new-style machine tools, metallurgical and mining equipment, electric generating equipment, high-grade alloy steel, and important nonferrous metals. Now, it has all of these industries. Compared to 1949, China's 1959 production of steel will be 75 times greater; coal, more than 9 times greater; and electricity generated, more than 8 times greater. As a result of work done in water conservation during the past 10 years, the area of land under irrigation was expanded more than 760 million mou. By 1958, the mileage of railway through trains had increased more than 9,000 kilometers, and highways increased 320,000 kilometers. During the past 10 years, housing of staff members and workers increased more than 163 million square meters, which meant great improvement of the living conditions of these peoples. The diligence and daring of the Chinese people in building socialism "more, quicker, better, and more economically" under the glorious general line of the party must obtain even greater victories in the future on the basis of what has been accomplished.

Large amounts of capital are required to carry out large-scale capital construction. China accumulates money for capital construction on the basis of rapidly developing production, especially the development of a socialist economy. The proper distribution and use of capital for capital construction and obtaining the greatest effectiveness from investment constitute an extremely important problem in national economic construction. The party and the state have adopted a series of measures to solve this problem, of which an important one was the establishment of the People's Construction Bank of China to concentrate controls for capital construction allocations.

The tasks in financial appropriations for capital construction are the construction tasks determined on the basis of national economic plans, the proper distribution of construction capital, the assurance of capital supply, and the carrying out of checks to see that it is used properly so that there is "more, quicker, better, and more economical" development of capital construction operations.

The primary task in the work of making appropriations for capital construction is to see that capital construction is carried out smoothly and to complete capital construction plans ahead of time. Consequently, completing capital construction projects ahead of time means increasing productive capacities ahead of time, which, in turn, means producing various types of commodities to accumulate even more capital for state construction.

Therefore, the production outlook in the work of making appropriations for capital construction is manifest in the thinking which has arisen to serve capital construction. During the past several years, we have continuously simplified procedures and implemented systems in the work of supplying capital for capital construction so that the supply of capital corresponded to the needs of carrying out capital construction projects. This was especially the case during the big leap forward when very many localities analyzed capital construction projects being carried out and the use of capital. Understanding capital needs in projects, making prompt and effective preparations, and assuring capital supply greatly enhanced smooth implementation of capital construction.

China's capital construction is carried out according to plans. If capital is used for projects outside of state plans, then the implementation of capital construction projects stipulated by state plans is affected. Therefore, during the past several years, we have carried out the principle of making allocations on the basis of approved capital construction plans, and capital construction units had to use capital according to the plans. This was especially true when capital construction items were becoming more numerous and projects more extensive. We promptly supplied capital for capital construction projects that had been arranged to assure key-point construction and further the realization of capital construction plans.

The work of making financial allocations for capital construction consists in controlling money and not in spending it. In making investment allocations, construction banks at all levels, under the leadership of the local party committee, had to coordinate construction units and building enterprises to check on capital construction estimates, which played a definite role in economizing on construction capital. Following these checks, reductions were affected in the excessive use of labor and materials and in material prices, wage standards, and indirect expenditure standards that were too high. On the basis of incomplete statistics, reductions totaling 1,430,000,000 yuan were made during the period of First Five-Year Plan alone. This capital could build more than one hundred and forty 50,000-spindle textile mills. At the same time, 450 million yuan worth of expenditures were removed from capital construction estimates, which ensured smooth implementation of capital construction projects. As a result of these checks, capital construction estimates accurately reflected project building costs. This provided a dependable basis for balancing high and low capital construction costs and afforded a proper foundation for the coordination of construction units and building enterprises.

On the basis of fully developing the enthusiasm of the broad masses, a continuous drop in capital construction project costs was effected. During the past several years, construction work departments under the Ministry of Construction and Engineering had an annual average cost reduction of about 7 percent. Because of the rapid construction work during 1958, project costs dropped some 20 percent across the board. The scope of capital construction project costs was reduced, and a large amount of capital was saved which could be used to arrange new construction items and step up the development of construction operations for production.

The investment contract method carried out in capital construction was really an important measure for thoroughly implementing the policy of "spending less, accomplishing much." This method, which was used during the big leap forward of 1958, turned investment over to the construction units for contract use under the conditions of assuring that there would be no drop in production capability, no delays, no exceeding of investment totals, and no increase in nonproductive construction, but an increase in project quality. Contract units first, had to assure completion of state-set plans. The capital that was economized remained with the construction unit and was used according to approved plans. This method unified the responsibilities for completing construction tasks and the responsibilities of utilizing budget capital.

V. TRANSPORTATION

1. PROGRESS ON NEI-CHIANG--K'UN-MING RAILWAY -- K'un-ming, Yunnan Jih-pao, 3 Jun 59, p 2

Officers and men of unit No 8505 of the railway troops and civilian laborers are hard at work on the Wei-ning--Yung-feng section of the Nei-chiang--K'un-ming railway. By 13 May, after 10 days of work at four points, an aggregate depth of 133.71 meters of tunnel had been executed, namely, at both portals of the Ch'ieh-wu tunnel and at the entering portals of the P'a-na-k'uai tunnel and the Ting-chia-ts'un tunnel. This was double (201.5 percent) the quota of work planned for that period. Of late, there have been heavy rains that washed out many of the roads used by the railway construction workers. Day after day, troops of the "Tiger Company" (Lao-hu lien) have exceeded their work quota at the Ch'ieh-wu tunnel, despite having to work in knee-deep mud.

At the P'a-na-k'uai tunnel, troops of the "Spear Company" (Chien tao lien), unfortunately, encountered layers of coal and sandstone that yielded a large flow of water. The rate of progress in excavation of these tunnels is 122 man-days of labor for each meter advance of the whole cross-section of the tunnel; and the quantity of explosives used is only 50 percent of the anticipated amount.

2. PAI-SHA-T'O YANGTZE RIVER RAILWAY BRIDGE -- Ch'eng-tu, Szechuan Jih-pao, 11 Jun 59, p 1

The construction of the bridge piers for the railway bridge across the Yangtze River at Pai-sha-t'o, a short distance upstream from Chungking, has been completed one month ahead of schedule.

The responsibility for this project, the second large bridge across the Yangtze, has been entrusted to the fourth section of the Ministry of Railway's Large Bridge Engineering Bureau. The steel superstructure is the product of the Shan-hai-kuan Bridge Works; the bridge building materials have already been delivered to the work site. Over 1,000 workers at the site and in the supporting services are working day and night for the early completion of the project, which is expected before the end of this year.

Seven of the bridge's 12 steel plate girder spans have been assembled, and the riveting on 3 of the spans is finished. The erection of the superstructure will commence as soon as work on the approaches to the bridge abutments is finished, which is expected before the end of this month.

3. IMPORTANT BRIDGE ON THE YUNNAN -- KWEICHOW HIGHWAY OPEN -- K'un-ming, Yunnan Jih-pao, 29 Jun 59, p 2

On 6 June, the newly built 136-meter-long Ch'ang-ti bridge, near Lo-p'ing and Mei-i, on the Yunnan--Kweichow highway was formally opened for traffic. The old wooden bridge, built on stone piers, could carry only about 10 metric tons at a time, and it had become utterly inadequate for the growing traffic on this interprovincial highway. The new bridge is built with stone arches and will be able to bear much heavier loads, as well as accommodate a much larger number of vehicles.

4. EXPANDING VOLUME OF HIGHWAY TRAFFIC BEING HANDLED BY THE HSIA-KUAN TRANSPORTATION CENTER -- K'un-ming, Yunnan Jih-pao, 22 Jun 59, p 2

The highway transportation center at Hsia-kuan, on the Burma Road in Yunnan, besides fully discharging its paramount duty of transporting iron- and steel-making materials, is transporting an increasing volume of commercial goods and commodities for foreign trade. Its quota is 1,011 metric tons per day. Between 1 and 9 of June, 2,230 odd metric tons of mine timbers were delivered to the I-p'ing-lang coal mines. The daily averages of other freight were 550 metric tons of grain for K'un-ming, 105 metric tons of agricultural chemicals hauled from K'un-ming to Pin-ch'uan, and 100 metric tons of coke hauled on the return journey from Pin-ch'uan. In addition, 700 metric tons of goods have been brought out to market from places like Chung-tung, Lan-ts'ang, and Ta-yao.

A branch service and repair station has been established at Ch'u-hsing. Some of the trucks are working two shifts per day.

5. SHORT HAUL TRANSPORT PUSHED IN HUNAN -- Ch'ang-sha, Hsin Hunan Pao, 3 Jun 59, p 2

On 28 May, the Hunan Province Chinese Communist Party held a telephonic conference on communications and transportation activities to study the conditions dealing with short haul of materials, especially provisions, coal raw iron, and lime. According to statistics from seven special districts, from 1 through 25 May within the province, 6,092 transport units were organized totaling some 300,000 persons. Of this figure, 3,094 were specialized transport units totaling some 97,000 individuals; and 2,998, secondary or shock units for transport totaling 212,300 individuals. Joining the activities were various types of transport vehicles: animal carts, 7,768; manual labor carts, 254,175; vessels not used promarily for the present purpose, 34,065; camels and donkeys, 584; and, tractors, 21. During this period, 1,358,996 metric tons of materials were transported in Heng-yang, Ch'en-hsien, Shao-yang, Hsiang-t'an, administrative chou and such districts, and Ch'ang-sha. Of this amount, 155,932 metric tons were provisions; 188,966 metric tons, coal; 29,875 metric tons, raw iron; and, 104,021 metric tons, lime.

6. FREIGHT HANDLING EXPEDITED AT CANTON SOUTH RAILWAY STATION -- Canton, Kuang-chou Jih-pao, 2 Jul 59, p 1

Methods of closer cooperation recently put into practice at the Canton South station have expedited the handling of freight. For example, in March, the average layover time of freight cars in the station was 11.8 hours, while in April, it was 9.7 hours, and in May, only 8.3 hours.

7. CANTON EXPANDS PORT FACILITIES -- Moscow, Promyshlenno-Ekonomicheskaya Gazeta, 27 Sep 59, p 4

Canton is the largest city in south China. The tonnage handled in its port increased from 1.8 million metric tons in 1949 to 4,750,000 metric tons in 1958. The port is now being expanded to permit simultaneous passage of four ocean-going vessels (with 10,000-ton water displacement) and two vessels (with 5,000-ton water displacement).

The passenger landing pier is being expanded so that it may become the hub for passenger traffic for the 36 rivers in Kwangtung Province.

VI. POSTS AND TELECOMMUNICATIONS

1. LABOR REFORMS IN POSTS AND TELECOMMUNICATIONS -- Peiping, Jen-min Yu-tien, 10 Oct 59, p 4

In the 10 years since the liberation, there have been many labor reforms in the posts and telecommunications enterprises. In 1953, the Ministry of Posts and Telecommunications promulgated the "Provisional Regulations Pertaining to Protective Material for Workers and Winter and Rain Clothings." From 1952 to 1956, some 7,370,000 yuan was spent on such items. Since the pronouncement in 1955 of the work protection and safety regulations, accidents decreased greatly.

Female workers in the posts and telecommunications organs comprise 17.7 percent of the total number of workers. During the past 10 years, some practices have been adopted to meet their needs. For example, after 6 months of pregnancy, a female worker is taken off night duty. During the menstruation period, a female is relieved of outside duty and put on inside duty. A female worker is given 56 days of leave with pay during the period before and after childbirth. For the health of the children, there are the nursing rooms and the nurseries.

In August 1950, China posts and telecommunications enterprises put into effect labor insurance. Each year, the state has put a large sum into the labor insurance fund. The total for the years from 1950 to 1957 is some 23 million yuan. In addition, the enterprises direct support to the labor insurance fund, such as for sicknesses, maternity leaves, and hospitalizations, totaled some 82 million yuan.

Before the liberation, there were only eight health institutions with a total of 19 beds. After the liberation by the end of 1957, there were 7 posts and telecommunications hospitals, 6 sanatoriums, 29 rest homes, and some 120 clinics and health centers. The total number of beds amounted to 2,234.

From 1949 to the end of 1956, the posts and telecommunications invested in the construction of some 770,000 square meters of new housings. In addition, 200,000 square meters of homes were rented for housing purposes.

2. RAPID EXPANSION OF NANKING POSTS AND TELECOMMUNICATIONS INSTITUTE -- Peiping, Jen-min Yu-tien, 7 Oct 59, p 3

In 1949, the cadre training class of the Shantung war [time] central postal bureau moved to Nanking and became the Nanking Posts and Telecommunications Institute. During the past 10 years, it has given to the posts and telecommunications industry 3,800 technical workers of various types. At the time of the liberation, there were ten teachers and workers; at present, there are some 800 (including some 400 workers in the industrial plant). The number of students has increased from some 200 to over 1,700.

At present, this institute has two departments: the wireless telecommunications engineering department and wire telecommunications engineering department. There is a 5-year [general] course and a 3-year specialized course.

In order that during training there are production work and scientific research, the institute has established a telecommunications equipment manufacturing plant.

VII. ELECTRIC POWER

FOOCHOW POWER PLANT INSTALLED 6,000-KILOWATT GENERATING UNIT -- Foochow, Fukien Jih-pao, 30 Jun 59, p 1

The Foochow Electric Power Plant completed the first phase of its expansion program. On 29 June, at 2055 hours, the newly installed 6,000-kilowatt turbo-power generating unit was put into action, and at 2230, power began to flow out.

Work on this program started on 24 November 1958. Within 7 months, the construction of the major structure for 12,000-kilowatt power generating unit(s) was completed. A 6,000-kilowatt power generating unit and a boiler unit with an output capacity of 60 tons of steam per hour have been installed. At the same time, the pump room and a 35,000-volt power step-up transformer station were built. When completed, this plant will be a thermal electric power station with a unit of the greatest generating capacity in Fukien Province. When regularly operating, this project can generate 130,000 to 140,000 kilowatt hours of electricity and will supply the newly constructed Foochow Chemical Industrial Plant No 2 and the Pa-i Iron and Steel Mill. The present use of power by the people which is being reduced because of power shortage will return to normalcy.

In the meantime, the installation of a 35-00-volt, high-tension power transmission line between the Foochow Electric Power Plant and the Foochow Chemical Industrial Plant No 2 has been completed, and the installation of the one between this power plant and the Pa-i Iron and Steel Mill is now in progress.

Part 2. POLITICAL

1. RESTRICTION ON EXPORT OF NEWSPAPERS AND PERIODICALS TO HAMPER JAPAN'S RESEARCH ON COMMUNIST CHINA -- Tokyo, Mainichi, 25 Nov 59

The state-operated Kuo-chi Shu-tien (International Bookstore) in Peiping recently notified the Japanese book dealers that "there will be a major restriction imposed on export of documents, newspapers, and magazines in 1960." Various Japanese research organs which depend on the import of such materials are fearful that research on Communist China might become very difficult in the future.

On 21 November, Gendai Chugoku Gakkai (Modern China Institute), consisting of about 400 researchers on China, sent a letter to President Ch'u Tu-nan of the Chinese People's Association for Cultural Exchanges with Foreign Countries. The letter read: "Reconsideration is requested so that various documents may be procured as heretofore for the conduct of scientific research." On the same day, the managing director of Daian Shoten (Daian Bookstore), Koike Yoichi, left for Peiping on business.

This restriction on exports seems to contradict the stipulation that "close liaison shall be maintained and talks shall be conducted in the future by means of friendly visits and cultural-scientific exchanges," which had been included in the joint communique on Japan-Communist China exchange announced on 8 June [1959] and signed by Yang Han-sheng, Deputy President, Chinese People's Association for Cultural Exchanges with Foreign Countries, and Nakajima Kenzo, who represented the Nitchu Yuko Kyokai (Japan-China Friendship Society). Future developments are, therefore, being watched with interest because the export restriction is expected to cast a dark shadow over the academic world and over the promotion of future Japan-Communist China exchanges as a whole.

The exchange of documents between Japan and Communist China has been conducted between Peiping's International Bookstore and the Japanese [book] dealers (the big ones are Daian, Kyokuto, and Uchiyama) via Hongkong by means of pound sterling settlement through the Bank of England. Despite such indirect trading, the documents exported to Japan have been handled in the same manner as the documents [destined] for Europe and America.

Up to now, there have been about 370 types of documents, newspapers, and magazines exported to Japan from Communist China. These have been ordered in June and December each year by means of the prepayment of estimated prices of monographs and by subscriptions to periodicals. When Japan's book dealers placed orders in June of this year, the International Bookstore sent a reply stating that "only 37 titles could be exported in 1960." The letter did not state the reasons for this restriction. Those which can continue to be exported have such titles as Jen-min Jih-pao

(People's Daily), Hung-ch'i (Red Flag), Jen-min Wen-hsueh (People's Literature), and Chung-kuo Ch'ing-nien (Chinese Youth). They do not include titles needed for research, such as Hsin-hua Pan-yueh Kan (New China Semimonthly) (which compiles articles in local newspapers and magazines under different subjects), scientific magazines, and specialized books and documents on politics, economic, history and philosophy.

Research on Communist China following the war has not been conducted as it was before the war. Then, it was possible to make on-the-spot surveys and to conduct direct exchange. After the war, reliance has been solely on documents. Consequently, if the documents are not available, a severe blow to the point of complete disruption to research will be dealt.

Four Reasons Considered

The real reasons for the restriction are not known since no reason has been given by the International Bookstore. The following, however, are the composite views of some China researchers in Japan:

1. Domestic Situation -- Because of the Chinese Communist program for complete elimination of illiteracy, the sudden increase in the reading population has brought about a paper shortage. Since the Chinese have their hands full trying to fulfill the domestic demand, there is no capacity for export.

2. Political -- The worsening of Japan-Communist China relations since May 1958 has prompted the imposition of the restriction. Since before the war, Japan has been importing many Chinese Communist documents to conduct research on China. Despite this, worthwhile results in Chinese research have not been obtained. In short, a true picture of Communist China has not been really grasped in Japan. Discontent over the way Japan has been conducting research on China has probably coincided with the political tension existing between Japan and Communist China.

3. Antiespionage -- Japan's purchase of Communist Chinese documents and books has made Communist China suspect that Japan is being used as a base for the collection of intelligence.

4. Exchange of Views Between the Chinese People's Association for Cultural Exchange With Foreign Countries and the International Bookstore-- The former is trying to promote Japan-Communist China cultural exchange, while the latter wants to conduct the trade of documents and to act as their distributor. A lack of liaison was probably discovered by the Chinese Communist government and prompted its blast against bureaucratism in the lower echelon organs.

Views of the Japanese Specialists

Irrespective of the truth or falsehood of the above views, the restriction on the export of documents by the Chinese Communists will bring about immediate havoc among the China researchers in Japan. Therefore, what are the views of the Japanese specialists and the persons concerned and what countermeasures are they considering?

Kuraishi Takeshiro (Honorary Professor, Tokyo University), president of Nitchu Gakujutsu Yuko Senta (Japan-Communist China Scientific Friendship Center), which formed the Zenrin Chugoku Bunko (The Good Neighbor China Library) on 15 August for the promotion of exchanging documents with Communist China, said "Of course, it is necessary to continue requesting a facilitation of exports. Perhaps the libraries and research institutes could exchange documents with Communist China by means of a barter system and the imported documents placed in a centralized location where they could be made available to the general public. The Good Neighbor China Library now has about 2,500 books on China. The headache involved in the exchange is, of course, money. The other side is a country, while this side is like an individual. We could not, therefore, procure in large volume. I hope to visit Communist China next year (1960) and fully explain China research. I also want to effect an exchange of books with the Kuo-li Peiping T'u-shu-kuan (State-Operated Peiping Library)."

Nakajima Kenzo's comment was: "This does not mean that they will stop exports completely. It means that it has become impossible to purchase, as heretofore, without restriction. Therefore, we should try to effect exchanges of necessary documents on a mutual basis. We should ask the Nihon Gakiyutsu Kaigi (Japan Science Council) to make a study of how much and what kind of Chinese documents we actually need, and distribution should be made on this basis."

As an emergency measure, both Kuraishi and Nakajima considered the methods of effectively coping with problem of the documents restrictions.

Reconsideration of Research Methods

"The export restriction has given us an opportunity to re-examine China research methods now being conducted in Japan," according to Yogata (or Osakata) Naokichi, one of the directors at the Chugoku Kenkyujo (China Research Institute). He also stated: "Asking for a relaxation of exports because it imposes difficulties on China research is a type of 'thief-ism' and [puts it on the same basis as] 'receiving lacquer-wares.' Japan is the biggest importer of Chinese documents, but we cannot say that Japan has gotten good results in China research. For example, when the 'people's communes' issue emerged, we concentrated on obtaining documents on that particular subject only. This is not a systematic way of doing things. At present, no university in Japan conducts lectures on modern China. The

problem lies in the dislocated state of China research in Japan. It is necessary that we put unproductive methods of research on a productive basis. In addition, we should pursue this in conjunction with advancing the cultural exchanges based on the program stipulated in the joint communique. With such a basis, we could concretely seek to change the Kishi administration's 'hostile policy' and then request the relaxation on exports at the same time."

Communist China Government Should Be Asked to Cope With the Situation

Ando Hikotaro (professor, Waseda University), who is a researcher on the history of modern China, is of the same opinion as Yogata. Touching on the history of China research in Japan, Ando said: "Before the war, we were tied up with the continental policy and also burdened by Confucian traditions of Sinology. Therefore, China research in Japan does not have an [modern] academic tradition. There are many China researchers, but within the academic world they are 'localists'." Researchers and research organs are isolated. Scholastically, China research can be described as being in a state of nonspecialization. Thus, because we have been importing more than enough documents, we may have invited misunderstanding. Immediately after the war, the China researchers began to import documents for research. This activity centered around such institutes as the China Research Institute. Recently, their researchers have finally begun to digest the research conducted by the Chinese scholars and have begun to introduce them by including them with the views of the Japanese scholars. In other words, when the time finally came for the conduct of scientific research on a nonpolitical basis, the stoppage of the import of professional magazines and documents has been tantamount to the shutting off the avenues of research for such scholars.

Looking at it from this viewpoint, it seems that the export restriction on documents, newspapers, and magazines by the Chinese Communists has dealt a very serious blow to the academic world. Needless to say, the export restrictions, without quoting the reasons why it was done, can become a stumbling-block in the promotion of future Japan-Communist China cultural exchange. Japanese interested in China research are, therefore, hoping that the Chinese Communist Government and the organs concerned will cope with the situation appropriately "without the remedy worsening the evil."

2. COMMUNE ACTIVITIES IN TSINGHAI AND KANSU -- JUNE-AUGUST 1959

[The following are summaries of articles appearing in the papers cited.]

Tsinghai Jih-pao, 6 Jun 59

The study of Chairman Mao's Labor Methods has been organized in Tsinghai as of 6 June 1959, and the administration has called a conference to set up a system of mobilization of the masses, to improve cadre leadership,

an
se
is
or
th
to
an
ma
ca
ab

be
le
ha
it
a
th
co
in
is
re
of
ho

Ts

cr
me
ci
in
id
ca
od
wa
La
in
Th
be
cl
su

Ts

on
on

and to promote increased production in all areas. After considerable research, the cadres are now mobilizing manpower in the communes. The administration directive is being studied by party cadres and secretaries to organize work groups for carrying out its principles. The work of both the Party Conference and the Leadership Cadre Conference has been assigned to various groups. The operation has been put in motion, and both study and discussion have been encouraged. Many Cultural Cadres have published material which advocates more detailed research programs, greater political consciousness, reformed labor methods, and greater attention to valuable innovations.

At present, individual organizations are being formed in the communes based on the Tsinghai Administration directive and on research, organized leadership, and basic training. For example, the Office for Outside Trade has set up detachments for enrolling responsible comrades in units under its command. Technicians have organized special study offices to develop a sense of technical responsibility. Leadership groups are trained under their direction. The rules and regulations include the study of objective conditions, the solution of important problems, and organization for training purposes, schedules, and progress reports. The Tsinghai Party Administration has adopted a detailed method of instruction based on objective research. Their findings and decisions are published for the general use of the public. Instruction is to be carried on in all villages, no matter how small. Organization is necessary for improving labor methods.

Tsinghai Jih-pao, 11 Jun 59

For the most part, the Tsinghai Administration has noted that the Increase Production and Economy Movement, as well as the Labor Methods Movement, has been strongly supported. It is well to remember that party policies form the front line of the people's livelihood, and they can be put into practice only through proper management. Moreover, if Marxist-Leninist ideology is not fully supported, then even the party's policies cannot be carried out successfully. Therefore, it is obvious that correct labor methods are essential and that production must proceed without extravagance or waste. Hence, one's attention should be directed toward Chairman Mao's Labor Methods. The only way to increase production and economize with maximum effect in the communes is to be thoroughly familiar with labor methods. The policy follows a straight line in this respect. The procedure is to be applied to all economic activities in both agriculture and industry, including coal and petroleum. Tsinghai socialism and the national economy supplement each other.

Tsinghai Jih-pao, 18 Jul 59

On 18 July, Wang Ming-yuan of the Tsinghai Labor Bureau commented on the necessity of labor reorganization to increase production and economize. He emphasized the fact that economy required greater productivity with less

manpower. The latter could be accomplished only through greater technical skill. Hence, more attention should be paid to technical innovations, cultural training, and the improvement of political consciousness.

All communes should observe the following:

1. Improvement in the use of tools.

2. Further progress in planning.

3. Improvement in manual labor.

4. Higher rate of labor production by means of better management and organization.

5. Reduction of wasted effort on the part of workers.

Tsinghai Jih-pao, 30 Jul 59

On 29 July, more than 1,200 Department Executives and Party Cadres attended a conference to report on the Three-Stage Increase Production Movement among the communes. T'an Sheng-sha, Administration Party Secretary, commented upon the successful results of the movement. He pointed out the chief requirements necessary to make the movement successful and suggested the following:

1. Under the Party Cadres, the Three-Stage Method is to be applied to improve production through past experience.

2. Various groups responsible for reorganization are to handle problems arising from "contend and bloom" procedures. This applies to all phases of production.

3. Members of the present conference are to circulate among the masses, arouse their enthusiasm, and supervise their work projects. Political instruction is to be planned on an organized basis. Savings and surplus funds are to be placed at the disposal of banks to improve the welfare of the people and further the aims of socialism.

Tsinghai Jih-pao, 8 Aug 59

On 8 August, further comments were made with regard to the Three-Stage Plan in the increase production movement. However, a new emphasis was placed upon the necessity for removing rightist views in the practice of political economy.

Lanchou, Kansu Jih-pao, 9 Jul 59

The party committee Tiao-t'an Commune, Ho-cheng Hsien, has put into effect the "8 character constitution" in agriculture. In the struggle for a larger harvest, it summoned all cadres to consult old-time farmers as teachers to use their knowledge and practice on a regular basis. Each month, the old-time farmers are requested to give lectures and explain their views. In this manner, agricultural production cadres are able to improve their methods of leadership and arrive at closer contact with the masses. At present, 273 members of the production brigades in the commune have consulted 336 old-time farmers who serve as their instructors. The old-time farmers' knowledge and skill have reached a high level. The cadres have increased their knowledge and experience for leadership, and during the last few months, they have demonstrated the results of their experience.

On the subject of planting and sowing, several cadres suggested the sowing of 60 chin of seed more or less on each mou, but the old-time farmers suggested that, conditions being what they were, about 38 chin would be better. The Party Committee studied the situation carefully and decided that most mou required little more than 30 chin of seed. The results prove that their deductions were right. Whenever problems arise concerning the nature of the soil, they are brought to the old-time farmers for examination and discussion. Medical power 666 is used to destroy harmful insects and worms. The old-time farmers are also consulted on problems connected with seasonal changes.

From the instruction offered by the old-time farmers, we arrive at comprehension: first as students, and then as teachers. The students will set up the framework for cadres and conscientiously pass on their enthusiasm to the masses, and the masses will communicate their enthusiasm to us. The results are more than satisfactory.

During this time, Ching-ch'uan Hsien mobilized more than 404,000 commune members and more than 35,000 organization cadres, citizens, and students for the summer harvest. They all received sickles and took part in the mowing.

Kansu Jih-pao, 1 Jul 59

During the year, party membership increased by 86,600. The new members have passed the test of experience in the field, in historical consciousness, and in Communist perception. They have promoted the growth of party membership in remote areas. This year, 15,400 women and 4,100 members of minority groups have become party members. By the end of March 1959, there were more than 347,000 party members in the province.

Party organization has been greatly strengthened for front-line leadership. At the same time, during this period, the Movement for Socialist Adjustment and Coordination Among Villages has been reorganized to conform to the basic structure of the party organization. As a result, agricultural party members held a conference on solutions to problems of the people's communes; it defined the aim of the communes already in operation, as well as the responsibilities connected with policy and party. They stimulated the revolutionary positiveness of the cadres and masses. More than 4,000 village detachments were organized in the special districts. The basic party organization is set up to lead the working masses to develop technical innovations which are a basic need for the Increase Production and Economy Movement and to speed up production and construction. The party is taking the lead in maintaining the great leap forward in agriculture and industry. This is necessary to accomplish this year's production plans.

* * *