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CPW Report No. 19 -- COMMUNIST CHINA

(Apr. 21 - 27, 1952)

SUMMARY

A determined effort was apparent to stress gains from the anticorruption drive and minimize the losses, but evidences of dislocations in the economy still existed. State trading companies went out of their way to place orders with private firms "to revive business," workers were urged to put increased production above tiger-hunting, and inefficiency of newly promoted workers was admitted. An engineer trained in America, depending on textbook theories and overlooking facts, was pictured as the symbol of reaction, while an old worker was the progressive element, insisting that superior Soviet methods be adopted. All industrial gains were represented as synonymous with workers' direction of business, and acceptance of this by the owners. One revealing broadcast told of a worker-manager agreement allowing factory operations to resume, with the workers promising to get to work on time, stay on the job, and not "hang around the front office talking and reading newspapers," which might give an accurate picture of conditions that have existed in many business houses.

Boasts of reduced costs and lower prices mentioned a cut of 11 percent in flour prices and of 21 in Szechwan charcoal. The Shanghai market quotations showed no such reductions, while Chungking quoted actual rises in flour, rice, yellow beans, millet, and eggs, with pork and wheat reduced and charcoal unchanged. Lower wheat and higher flour prices indicate that the farmer rather than the consumer might be feeling the effects of lower prices. Northeast officials demanded improvement in transport, though a Peking broadcast credited Soviet technicians on the Chinese-Changchun Railway with building a model for all China in transport operations; fishermen had to be supplied with food and funds before they could proceed with operations; State trading companies were asked to reduce prices for famine sufferers; and warehouse losses through defective management were reported.

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Kiangsi complaints said cadres gave too much attention to spring farming, allowing landlords to cause trouble, while from Yunnan cadres were criticized for placing land reform ahead of spring farming, ignoring shortages of food, seed, and tools. The confused farmers, condemned by cadres for indifference toward land reform, were represented as becoming even less enthusiastic. Sian complained that in the old revolutionary bases the antidrought fight had lagged because of poor leadership, while East China reported considerable concern over the combined menace of drought and insects.

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ANTIWASTE, ANTICORRUPTION, ANTIBUREAUCRACY

Continuation of Drive. Anshan announced (Apr. 21) that the local Youth Corps on Apr. 20 held initiation in Chungshan Hall for 58 who "demonstrated their ability" in the anticorruption drive. Tsinan reported (Apr. 24) that the local Austerity Committee sponsored an anticorruption exhibit "demonstrating the powerful attacks against the working class by capitalist elements," with 47 organizations participating. Shanghai stated (Apr. 25) that workers in Hofei held an anticorruption rally Apr. 17, when 6,000 persons heard workers praised for their enthusiasm in the drive, and model workers called upon their fellows to increase production. In Pengpu 80 percent of the Youth Corps membership took part in propaganda work for the anticorruption drive. In Tsinan 100 percent took part in the drive and made accusations, while Youth Corpsman Tung Yuen of the Takang Pharmacy, Shanghai, "bravely accused" his employers of selling false drugs to the Chinese Volunteers.

Nantung reported (Apr. 24) that the local press carried an article by the Nantung Party Committee calling upon city authorities to fully implement the drive by rounding up all major corrupt elements, pointing out that "known corrupt merchants still walk the streets untouched." Yangchow said (Apr. 26) that 14,000 shop clerks in Nantung participated in the anticorruption drive, making brilliant achievements in exposing corrupt merchants and Government officials. Wuhsi reported (Apr. 22) that local workers held a rally Apr. 17 to review achievements in the anticorruption drive and welcome May Day by increasing the effort to catch tigers and to increase production. Wuhsi stated (Apr. 23) that 253 textile workers completed a 5-day indoctrination course, and with their increased political consciousness soon made 456 accusations. A 60-year-old worker, Hsu Lan-seng, announced that he would willingly support the drive, and accountant Wang Ching-kao of the Liseng Cloth Factory made accusations against his employer.

Wuhan announced (Apr. 22) that the local Austerity Committee had issued a directive calling for organization of groups to see the anticorruption newsreels in Wuhan's seven theaters. Wuhan said (Apr. 23) that at a gala meeting Kuan Hsin-chung of the Austerity Committee presented medals to members of the Chinese Volunteer delegation

for their work in the drive. Liu Lao-seng was so affected that he confessed immediately and handed over 100 ounces of gold. Wuhan added (Apr. 26) that the exposure of corrupt merchants by the Chinese Volunteers and Korean soldiers during their promotion of the anticorruption drive in Central and South China led one clerk to accuse a merchant of embezzling 400 million yuan; that their visit to the Pinghsiang Colliery resulted in new production records; and that their presence in Huangpei caused power plant workers to adopt progressive Soviet techniques.

Kunming announced (Apr. 23) that the second training course for 280 shop employees, including senior clerks and accountants, had been completed with organization of new tiger-hunting teams to take part in the five-anti's drive. The clerks, as a result of their increased political consciousness, exposed 87 cases of mutual alliances between clerks and employers, and agreed to "push the anticorruption drive to a victorious finish." Kunming said (Apr. 25) that workers in the Minchung Ironworks and the Hungfu Cigarette Factory enthusiastically welcomed the Kunming Austerity Committee, gathered information for the Committee, and adopted a new slogan: "Increase production to welcome May Day."

Adjudication and Settlement. Anshan reported (Apr. 21) that the local Austerity Committee Apr. 16 disposed of 11 corruption cases, pardoning five corrupt elements who confessed to corruption of less than 5 million yuan. Anshan added (Apr. 24) that the Anshan People's Tribunal tried 21 cases, including that of Wang Yu-chai, pardoning those who confessed and arresting several who refused to confess. Anshan said (Apr. 27) that the People's Tribunal had given lenient treatment to 28 corrupt elements in return for confessions, but had arrested Wang Kuo-ching, Wang I-chao, Liu Wan-hsin, and Lo Hao. Tsinan stated (Apr. 27) that many corrupt elements had come to the 10 People's Tribunals to confess and make restitution, and had received lenient treatment, while others who refused to confess had been arrested even though their corruption was minor.

Shanghai announced (Apr. 23) that 27,906 more firms in the city had received notices classing them as law-abiding, while 12,489 had been classified as basically law-abiding. Shanghai said (Apr. 25) that in the third stage of the drive in Shanghai 4,500 confessions had been received by Apr. 24, with 54,600 of the 55,100 corrupt firms classified as basically law-abiding and joining in the attack on nonconfessors. Yangchow reported (Apr. 27) that cadres in First Class Government offices of northern Kiangsu had arranged restitution rallies, with corrupt elements who confessed and made restitution pardoned and the others arrested. Families of corrupt elements had proved a great help in forcing the return of stolen funds and goods. Hofei stated (Apr. 27) that in Pengpu, Anhwei, 4,170 firms had been given lenient treatment following adjudication of their cases, with only a few top grafters held for trial. Huainan reported (Apr. 21) that the local People's Tribunal on Apr. 18 pardoned 12 persons who confessed and made restitution, and arrested three others.

Wuhan announced (Apr. 21) that local workers and shop clerks had organized to promote the return of stolen funds and property. In Changsha, Hunan, corruption cases had been adjudicated among 91 percent of the city's business firms. Wuhan (Apr. 25) reported a workers' meeting at which the Wuhan Austerity Committee urged that consultative worker-employer meetings be held to impress corrupt merchants with the need to confess and receive leniency, asked that workers supervise firms processing goods for the Government, and accepted restitution of embezzled property from 230 corrupt elements. The Austerity Committee of Canton recently arranged 125 worker-manager consultation meetings to obtain confessions, and adjudicated 52 cases.

Chungking announced (Apr. 21) that the local Austerity Committee had disposed of 36,000 corruption cases involving 95 percent of the city's firms by Apr. 14, granting leniency to all violators who confessed, and leaving only the most serious cases to be adjudicated. Kunming announced (Apr. 21) that the local Austerity Committee had issued a directive restricting the right of search, seizure, and trial in connection with corruption cases to the Austerity Committee and the People's Tribunal. In Mengtzu Hsien, Yunnan, corrupt elements returned embezzled funds and paid evaded taxes at a

rally, when Chiang Chin-shan and Chao Chi-ko confessed and were pardoned, while Chao Shui-liang refused to confess and was arrested. Kunming added (Apr. 22) that corrupt elements from the Yunnan Department of Industry, Department of Agriculture and People's Bank made confessions and offers of restitution. Kunming announced (Apr. 24) that 10 People's Tribunals had been set up for Yunnan Province, and another 10 for Kunming, with a People's Tribunal Committee of 11 persons with Chou Pao-chung as chairman and Liu Hung and Tao Yu-tseng as vice chairmen. Kunming said (Apr. 26) that the Southwest branch of the China Insurance Company had been very successful in regaining stolen property and funds through working closely with dependents of corrupt elements. Kunming reported (Apr. 27) that Chairman Ma Hsi-hung of the Kunming Austerity Committee told a rally Apr. 26 that 300 cases of corruption had just been adjudicated with leniency, but that 400 firms still had not made satisfactory confessions. May Day was set as a deadline for many firms.

Cases of Corruption. Chinchow announced (Apr. 26) that at a meeting Apr. 22 the Shanhaikuan Austerity Committee exposed the corruption of 11 business firms out of 31 accused. Hofei reported (Apr. 26) the arrest of Tso Feng-chen and Tso Feng-hsien, jute bag merchants of Pengpu, Anhwei, and quoted the HUAN NAN HUAN PEI JIH PAO in telling how they broke up a worker-management meeting by beating up five workers. Nantung said (Apr. 25) that Chang Chi-jen, owner of a local drug store, had been arrested by the Austerity Committee on charges of selling 20 million yuan worth of fake drugs and causing the death of several people. Nantung drug dealers had been accused of selling 190 kinds of fake drugs. Kunming announced (Apr. 26) that local merchant Fen Tzu-tan had been arrested Apr. 11 on charges of making 5 billion yuan in illegal profits and defrauding the People's Liberation Army on processing contracts.

Peking in numeral code (Apr. 21) transmitted an article by Chang Chia-chi, "Shanghai Speculators Who Fear that the World Will Not Be in Confusion." Shanghai was described as the former bastion of bureaucratic capitalists and imperialists, where a speculator with nothing but a telephone line could "snatch millions of jen min piao in one night," and where, even after the Liberation 220,000, persons relied on speculation for a living. These speculators utilized every wild rumor to cause gyrations in the market, manipulating a jump in rice prices in 1950 because floods disrupted transportation on the Chekiang-Kiangsi Railway, and spreading rumors of a third World War in October 1950 to cause anthracite coal prices to jump from 410,000 to 800,000 yuan a ton. Part of the time people could not even buy coal. State trading companies, welcomed by the masses because they stabilize prices, have been "bitterly opposed" by the Shanghai speculators, who infiltrated these companies to undermine them, at the same time crying that they had destroyed their freedom of business. Nine State-owned companies discovered that their main business departments had been usurped or undermined by Shanghai speculators.

When American imperialists declared a blockade of the China coast in 1950 the speculators raised prices on hardware and drugs, and when American-Chiang planes bombed Shanghai they hoarded kerosene, candles, lamps, and even sand, so that adequate protection against enemy aircraft could not be provided.

In the Shanghai Coal Company and Shanghai Mining Equipment Company 51 cadres were found to be agents of Lita, Chenye, and other private coal dealers. The live hog section of the East China office of the China Native Products Company was found to have been completely usurped by Chientahsin, Chengta, and Yangshunho hog firms, who set up six buying stations close to the State company's one in northern Kiangsu, making it impossible for the State company to buy hogs. Then pork prices were raised to 16,000 yuan a catty, while the State price was only 7,800 yuan. These speculators have received hard blows in the past 2 years, but "the speculative nature of the capitalist class of Shanghai is very stubborn." Among the criminal merchants were Tsou Shao-lin of the Hsintai Yarn Company; Cheng Shun-kang and Chi Mei-chuan of the Shanghai Food Guild; Weng Min-ju of the Shanghai Hardware Guild; and Hsia Ying-kuei of the Tachunghua Electric Appliance Company, the "tungsten wire king," arrested recently for hoarding 3 million meters of tungsten wire with no book accounts. Much of the speculative capital had gone underground, as was

demonstrated when a checkup showed the Yungcheng Hardware Shop, a small store, had 3 billion yuan worth of supplies hidden in a secret warehouse.

Rules for Punishment. Peking reported in numeral code (Apr. 21) that the Central Government Administrative Council had approved the following schedule of punishment for corruption: Corruption of 100 million yuan or more, 10 years or more in prison, death if the crime was of a serious nature; 50-100 million yuan, prison term of 5-10 years; 10-50 million yuan, prison term of 1-4 years, penal servitude 1-4 years, or surveillance of 1-2 years; and under 10 million yuan, penal servitude or surveillance of one year, administrative punishment, or warning. Money and articles obtained illegally should be reclaimed, and a person's property should be subject to confiscation in whole or in part if the crime was of a serious nature. Heavier punishment might be imposed in special cases, such as the stealing of economic intelligence, group corruption, incomplete confession, or attempt to hide evidence by destruction of Government property. Lighter punishment might be assessed if there was complete confession, repentance, return of funds, and "achievement of merit through accusation." Confiscation of property, in whole or in part, was approved when bribery of Government officials was involved. Payment of commissions in business deals because of "bad social custom" should not be considered as bribery if the act was committed in the past, but in the future should be considered as bribery.

Anshan (Apr. 24) asserted that workers had expressed their "enthusiastic support" of the Central Government regulations, and cited them as another example "of the brilliant leadership of the Communist Party." Some quotes from the regulations follow:

Chairman Mao has said in the past: "Be lenient toward the past, but severe toward the future; be predominantly lenient and seldom severe; grant leniency to confessors, but treat noneconfessors with severity; be lenient with non-Government officials except in cases of flagrant violation, but severe with Government officials." These are the summations made by Chairman Mao from a study of collected cases of the Three-anti's and Five-anti's drive Therefore this directive cannot but contain a great deal of leeway. This leeway means that the small group of flagrant violators, obstructionists, and those "refusing to recant unto death," or those guilty of corruption or theft during or after the three-anti's or five-anti's drive, must be handled with severity, or even extreme severity In minor cases of bribery there should be no fines or prison sentences; a warning is enough. But after this violators will be severely punished Our principle is to overlook the past and punish future violations with severity. (Peking, numeral code, Apr. 21)

COMMERCE AND INDUSTRY

Gains from Anticorruption Drive. Shanghai asserted (Apr. 21) that the economy of Shantung Province had been greatly strengthened by the anticorruption drive. Bank deposits in January showed an increase of 2.28 percent, in February 6.85 percent, and in March 36.25 percent. In 10 Tsingtao companies retail sales increased 52 percent in March over February. Huainan claimed (Apr. 27) that as a result of the anticorruption drive workers in the Huainan mines increased their political consciousness to the extent of accepting the idea of division of labor, with a marked increase in production.

Peking stated in numeral code (Apr. 24) that in the Yachua Glass Works of Chinuangtao, Hopei, the making of glass from mountain sand rather than sea sand increased production to an index of 157 for 1949, taking 1948 as 100. However, with the elimination of graft and bureaucracy through the anticorruption drive, the index now stood at 297. Chief Engineer Wang En-ming of the melting and refining section, who was trained in America, and engineer Wang Hsing-i, refused to listen to old worker Chou

Chen-ming when he advised calling in Soviet experts. This attitude was corrected by the drive, Soviet technicians were asked to help solve production difficulties, and plant engineers now work closely with the workers rather than depending upon theories from books. Peking claimed in numeral code (Apr. 25) that the increased political consciousness of workers on the Chengtu-Chungking Railway construction project during the anticorruption drive led to the replacement of outmoded bridge construction techniques with progressive Soviet methods at a saving of 7,600 yan per cubic meter under the old figure of 33,600. Adoption of the Soviet Kovalev technique increased production of nuts from 240 per hour to 670, and instead of wasting material the workers now collect and reclaim waste during their spare time. Engineers no longer depend upon textbook theories, but consult the workers, who already have helped them repair a collapsed roadbed and enlarge a wharf.

Peking asserted in numeral code (Apr. 23) that workers in Wuhan ironworks have participated in implementation of Government contracts since the anticorruption drive, with the result that the Government has saved 13.3 percent, and not one of the 100,000 items made for the Chinchiang flood control project was below standard. Workers now go to work early and stay late, so that between Mar. 10 - Apr. 20 the 800 ironworks of Wuhan produced 105,234 units of tools and parts of standard quality. "During the 3 years since the Liberation this is the first time such an achievement was reported." When the Jih Shun Chi Ironworks made 30 substandard hoes the case immediately was reported by a worker, and the Ho Sheng Chang team helped employers buy angle iron for 4,000 yuan a catty instead of the contract price of 12,000, permitting a revision of the contract that saved the Government 65 million yuan.

Peking claimed in numeral code (Apr. 24) that the Sian Federation of Labor discovered through the anticorruption drive that cadres in the low-level unions were weak in their class ideology, corrupt, or agents of capitalists. Most cadres in the workers union of the Chienhua Transportation Company were agents of capitalists, and in the Teheng Canvas Factory the head of the factory union and other cadres became capitalist agents when Manager Liu Kuei-yuan promoted them to administrative positions. With the success of the anticorruption drive these elements were purged and the unions reorganized with an increase in membership. Peking stated in numeral code (Apr. 27) that the same capitalist dominance had been discovered among low-level unions in Shanghai private industries, especially in the Hua Hsin Educational Supply Company, the Nanyang Electric Cord Factory, the Hua Fu Dyeing and Weaving Company, and the Cheng Chung Rubberworks. In a certain rubber factory on North Szechuan Road the union deputy head, Huang Wen-yuan, a capitalist agent, used his position to prepare a list of progressive elements in the union for dismissal, and "helped the management in buying over senior workers." As a result of the anticorruption drive Huang was dismissed and the union reorganized.

Other claims that the anticorruption drive increased production and improved working conditions through increasing the political consciousness of the workers, eliminating corrupt cadres, and promoting "progressive elements" were monitored from Anshan (Apr. 24), Chinchow (Apr. 21, 23), Dairen (Apr. 22), Tsinan (Apr. 21), Shanghai (Apr. 21, 23), Hangchow (Apr. 26), Wuhsi (Apr. 22), Hofei (Apr. 24), Wuhan (Apr. 22, 23), and Chungking (Apr. 25).

Problems Arising from Drive. Anshan reported (Apr. 24) that the local Austerity Committee had met with workers to urge that they cooperate with manufacturers to increase production and cut costs in fulfillment of processing contracts by private businessmen. Chinchow said (Apr. 23) that the Chinchow Austerity Committee had urged workers to pay attention both to tiger-hunting and production. Tsinan stated (Apr. 27) that 45 cadres in the Tsinan Industrial Company had been promoted, while "progressive elements" of the anticorruption drive had been promoted to responsible positions in Tsingtao State trading enterprises.

Hangchow announced (Apr. 26) that the Chekiang Government had organized a committee of 11 persons with Shi Chi-yuan as chairman to supervise all Government orders with private firms, fixing wages, prices, and processing contract terms, and that contracts already had been let with silk, colth, daily necessity and food manufacturers.

Yangchow reported (Apr. 21) that the Yangchow branch of the North Kiangsu General Merchandise Company had called a meeting to discuss normal business operations and instructed cadres to carry on normal buying and selling during the anticorruption drive. Nantung stated (Apr. 24) that cooperatives recently placed large orders for goods and banks increased their production loans "to strengthen the people's economy and revive industry," and that State trading companies had lowered retail prices and increased the number of processing orders with private businessmen.

Hofei announced (Apr. 24) that clerks in local native herbs shops had called a meeting to promote the anticorruption drive and "revive production." Clerks agreed to make investigations of shops to eliminate fake drugs, while worker-employer consultative conferences would be organized to "find ways of conducting normal business operations." Hofei said (Apr. 27) that after the owner of the Chingpu Drug Company had been induced by his clerks to confess his tax evasions and make restitution he received lenient treatment, and in appreciation added 41 million yuan to his working capital and produced 22 million yuan worth of hidden goods "to reopen his business." Huainan admitted (Apr. 27) that in the Chiulung Colliery many workers holding technical positions were found deficient in their knowledge of the work required, and failed to produce the desired results. "In some cases workers using new techniques did not equal the production records of the regular old-time workers."

Wuhan announced (Apr. 26) that workers and managers in 10 private firms which had been given Government processing contracts were holding meetings "to resume normal business operations." Under this arrangement the Chienkang Factory had taken a new lease on life with an increase in capital investment, and the Chungho Factory had proposed changes which would reduce the cost to the Government. Sian reported (Apr. 23) that local shop clerks held a rally Apr. 19 when Party Secretary Ma Han-san advised them "to return to their places and engage in production," as this was the best way to gain from the anticorruption drive.

Peking stated in numeral code (Apr. 25) that workers in the privately-owned Hsinglung Ironworks persuaded its owners to confess their corruption and gain leniency, through worker-manager consultations "were able to overcome the defeatist attitude of the management toward production," and urged that capital investment be increased "so that workers would not stand around idle." Workers agreed to arrive and leave at designated hours; not to be absent without cause or leave their jobs during working hours; to inform the management on personal circumstances; and not to hang around the front office and talk or read newspapers without good reason for doing so. As a result of these agreements the factory fulfilled a contract with the Mukden office of the China Equipment Company at a reduction of 18 percent in cost and with no defects among the 30 items processed.

Reduced Costs and Prices. Shanghai asserted (Apr. 24) that as a result of the anti-corruption drive the Nanking Power Plant had been able to reduce costs 12-18 percent, while in the Chishuyen Railway Shops 1.5 billion yuan was saved during the first quarter of 1952. Yangchow claimed (Apr. 21) that because of the willingness of workers to reduce costs the prices for goods processed by private business for State companies had been greatly reduced.

Tsinan stated (Apr. 27) that as a result of the anticorruption drive the Shantung Department of Commerce had ordered a reduction in flour prices averaging 10.16 percent, and had cut Pa-i brand flour from 14,000 to 11,000 yuan a bag in Tsinan, and from 18,500 to 15,500 yuan in Tsingtao. Wuhan announced (Apr. 26) that all department stores in Wuhan had offered a 5 percent discount on sales for 4 days starting Apr. 27. Chungking stated (Apr. 23) that in eastern Szechwan the drive had brought charcoal prices down 21 percent, leading to a drop in other prices. Chungking said (Apr. 24) that the China Medicine Company, Southwest branch, had cut prices on 230 kinds of medicine 3-57 percent.

Peking reported in numeral code (Apr. 21) that Huang Yen-pei told the Central Government Administrative Council Apr. 19 that the "impact of the three-anti's and five-anti's drives on the Nation will have a lasting affect," and stated that not only had the Nation's price structure been stabilized, but it also had started a downward trend. Peking stated (Apr. 23) that all China General Merchandise stores had been instructed to cut prices 5 percent for 4 days starting Apr. 27. Peking reported (Apr. 27) that the German press had carried considerable comment on price reductions in China.

Shanghai's market quotations (Apr. 24) showed a reduction in the past week of 2.7 percent in the price of flour at Tsinan, and 3.7 percent in Hangchow. Yellow beans dropped 0.6 percent in Nanking, while newsprint dropped about 5 percent in Tsinan, Nanking and Hangchow. No other quotations showed any change, and no reports were given from Foochow. Market quotations broadcast by Chungking (Apr. 25) showed flour 68,000 yuan per bag, an increase of 1,500 yuan since Apr. 15; medium grade rice 94,000 yuan per 100 catties, an increase of 8,000 yuan; yellow beans 97,000 yuan, an increase of 3,000; wheat 80,000, a decrease of 3,000; first grade millet 83,000, an increase of 4,500; pork 340,000 yuan per 100 catties, a decrease of 20,000 yuan; eggs 25,000 per 100, an increase of 1,000 yuan; and salt, vegetable oil, sugar, cotton, cotton yarn, and charcoal showed no change in price since Apr. 15.

Production Gains and Aims. Chinchow announced (Apr. 27) that workers in the Chinchow Power Equipment Bureau would use waste materials to construct a transformer as their gift to the Nation on May Day. Sian claimed (Apr. 23) that workers in the Lanchow Power Plant had produced an electric pump that would irrigate 3 mou of land per day. Peking said in numeral code (Apr. 21) that Li Chi-lin, technician at the Fukuo Mine of the Hsian Colliery, Northeast China, had invented an aerodynamic mine shaft ventilator weighing only 20 kilograms, and a powered rock sprayer to prevent mine shaft explosions.

Mukden announced (Apr. 25) that the Northeast Department of Industry would start a surveying training class with 70 students Apr. 11 under the direction of Soviet technician (Shubakov), who would teach them progressive Soviet industrial engineering techniques. Shanghai asserted (Apr. 27) that 339,000 workers in 720 Shanghai factories now were covered by insurance, were provided with health, sanitation, and hospital facilities, including new worker sanatoria at Hsihu and Chingtao, and enjoyed new worker housing in West Shanghai.

Mukden reported (Apr. 27) that in mid-April the "Northeast Conference on the Coordination and Equalization of Labor" met and decided to call up 140,000 laborers to work on National defense and industrial projects in 1952, with 20,000 laborers to be enlisted by the Northeast Government and 120,000 by local construction offices. Peking in numeral code (Apr. 25) quoted Kao Kang as telling the Northeast Conference the 140,000 laborers would be divided into three groups, to work on National defense and heavy industry projects; on light industry projects; and on all other types of projects. He called upon workers and administrators to make the work "fast, good, and cheap," to eliminate graft and shoddy work, and to cut costs on all projects 10-15 percent. He also urged careful planning on all projects and attacked the "gang leader system" which exists among workers.

Losses and Failures. Anshan reported (Apr. 22) that the KUNG JEN SENG HO PAO had demanded an immediate tightening of security measures at the Anshan Steel Works, where woman worker Ah Wei-li recently was killed in an accident; a worker named Ho was killed and others injured in an explosion Apr. 14; an explosion Apr. 13 held up production 7 hours; and a huge fire Apr. 15 in the plant and workers' quarters held up production and caused material damage. Mukden announced (Apr. 21) that the Northeast People's Economic Planning Commission had demanded improvements in the railway transport of the area, especially in the transport of lumber. Tsinan said (Apr. 27) that at Changwei, Shantung, cadres implementing the work relief program had been charged with bureaucracy and indifference to the needs of the people, while State trading companies had been asked to sell goods at reduced prices to famine sufferers.

Shanghai announced (Apr. 23) that Mao Shang-chi and Mao Hsi-seng of Kuanglu Hsiang, Paoan Chu, Hsiaooshan Hsien, Chekiang, were arrested for setting mountain fires Apr. 17 which burned over 10 mou of timberland, destroying 23,000 trees worth 300 million yuan. Shanghai reported (Apr. 27) that 1,000 fishing boats left Shenchiamen to bring in the annual catch after economic organizations had helped the fishermen tide over their difficulties by advancing 30,000 catties of rice, salt, and money. Yangchow revealed (Apr. 23) that in the Nantung Textile Factory a shortage of materials had held up production, so substitutes were used in the making of canvas belts.

Peking said in numeral code (Apr. 23) that the bureaucratic attitude of warehouse cadres caused considerable loss last year, so steps had been taken this year by the Chungking branches of the China Grain Company and the China General Merchandise Company to clean the warehouses of weevils, air the grain, and organize special sales forces to move perishable goods. Wuhsi announced (Apr. 23) that in the Changchou, Kiangsu, branch of the China Food Company a "protect the grain" movement had been launched, with grain now aired 8-9 times a month instead of the former 5-6. Chungking reported (Apr. 27) that warehouse cadres in Chengtu and Huayang Hsien, Szechwan, and Yaan Hsien, Sikang, had been charged with gross negligence in care of Government property when grain in four Szechwan warehouses was found rat-infested, mildewed, and full of weevils, while wheat, rice, and barley in Yaan was badly infested and germinating.

AGRICULTURAL PROBLEMS

Spring Production. Shanghai asserted (Apr. 22) that cadres in Machang Chu, Ssuyang Hsien, Kiangsu, were dissatisfied with their farm production quota of 4.8 million catties, had it raised to 10 million, and then to 38 million when a check disclosed bumper crop conditions. Wuhan announced (Apr. 27) that 27,000 men of the conservancy and civilian labor corps had been mobilized to push conservancy work in Hunan Province, where they were organized into work teams and were challenging each other.

Chungking announced (Apr. 21) that the Sikang Party Committee had issued a directive calling upon the people of all nationalities to promote the spring farming program by repairing irrigation systems, expanding acreage, and increasing flocks and herds. Chungking reported (Apr. 23) that the Production and Drought Fighting Office of southern Szechwan was planning a Production and Drought Fighting Day, when 2,500 teachers and students would assist the peasants. Peasants in Wanhsien, Szechwan, were reported busy carrying out the preferential treatment program by doing farm work for dependents of Army men. Chungking said (Apr. 25) that a special program would be broadcast Apr. 26 by the Southwest Production and Drought Control Office, with Government officials discussing irrigation, work relief, and spring production. Farmers in Sikang had been instructed to carry out the preferential treatment program on the farms, with local Government offices instructed to implement and check the program.

Land Reform. Nanchang reported (Apr. 22) that cadres in Kuangfeng Hsien, Kiangsi, had "lapsed into indifference" after land reform, with two Militia leaders resigning and liberated peasants falling under the sway of the landlords, who continued their activities against the people. In Linchuan Hsien cadres relaxed their vigilance and spent too much time promoting spring farming, with the result that landlords refused to farm the land, and damaged Government property by destroying trees and waterwheels. Nanchang said (Apr. 27) that in Tungchin Hsiang, Yunkan Hsien, Kiangsi, landlords still were trying to sabotage production, and had put fertilizer in peasants' drinking water to make them sick.

Chungking reported (Apr. 25) that in eastern Szechwan hsien many peasants had solved their spring production problems by selling the assets received from land reform to buy farm equipment and fertilizer, but that some had used these assets for wining and dining, a practice the cadres should stop. Peking reported in numeral code (Apr. 22) that as a result of land reform Han farmers in Wutang Chu,

Kueichu Hsien, Kweichow, assisted Miao tribesmen in Mao Tsao Tsun with gifts of clothing, tools, oxen, and 24 million yuan which they obtained from confiscated assets, and helped them to plow and irrigate their land.

Kunming asserted (Apr. 22) that in Yuchi Hsien, Yunnan, the landlords had been exterminated and the confiscated assets used by the peasants to buy oxen and implements for spring farming. Kunming added (Apr. 25) that the Yuchi Hsien Party Committee had organized an indoctrination class for women so that they might understand the importance of land reform and hear talks on mutual aid teams, the People's Militia, and the marriage law. After indoctrination 183 progressive women joined rural work programs. In Luliang and Lunan Hsien, Yunnan, new cadres were not sure of their position and failed to completely liquidate the landlords, who continued to prey upon the ignorance of the peasants and say the land distribution was unjust. As a result the leadership had to be strengthened so the landlords could be exterminated and their assets confiscated.

Weaknesses and Failures. Chinchow reported (Apr. 23) that peasants in Ihsien Hsien, Liaosi, were 400 mou short in their cotton planting, while those in Heishan Hsien were 80 mou short. Therefore cadres were ordered to strengthen their leadership and "overcome the indifference of the farmers." Yangchow announced (Apr. 24) that in one hsiang of Huaian Hsien, Kiangsu, the Party Committee mobilized 800 peasants to catch locusts which were damaging farm crops. Yangchow said (Apr. 27) that rural cadres in northern Kiangsu had been ordered to take more positive steps in directing the farm program, as "farmers are doing very much as they please and not promoting the farm production program."

Wuhsi announced (Apr. 24) that cadres in Chiangyin Hsien, Kiangsu, had been instructed to fight the plague of red spiders, which had attacked 21,165 mou of wheatland. Shanghai said (Apr. 27) that the wheat crop in 11 hsien of East China was endangered by the red spider attack, and quoted the CHIEH FANG JIH PAO as warning that "East China's double catastrophe of drought and insect plague have greatly endangered this year's crops, and emergency measures must be taken at once to save the situation." Serious drought conditions had been reported from Tungyang, Sheng, and Linhai Hsien, Chekiang, with farmlands rapidly drying up and crops withering, and 70 percent of the farmland in 52 hsiang of Sheng Hsien without water, half of it already caked.

Nanchang reported (Apr. 24) that in Tuanhuang Hsiang, Yingkan Chu, Yuchiang Hsien, Kiangsi, farmers had been urged to lend grain to "destitute and hired peasants to help them tide over the spring famine." Dependents of martyrs and military personnel also had been criticized "for not endeavoring to rescue themselves and for awaiting Government relief." A farmer named Wang Shui-feng was singled out as a typical example of the complacency "representative of the backward thoughts of petty agricultural producers," who emphasized production and neglected the study of politics, minded his own personal interests and neglected the integral benefits of the State, and made cadres realize the necessity of continuing the class struggle in rural areas. Nanchang said (Apr. 27) that the Kanchou District Commissioner, Kiangsi, had ordered rural cadres to improve their construction and inspection of conservancy projects, as a checkup in Tsuncheng Chu, Tayu Hsien, and in Hsinfeng Hsien, had shown a large number of projects destroyed by spring rains.

Sian complained (Apr. 23) that in the old revolutionary bases the work of increasing production and fighting drought had not been carried out successfully because of poor leadership. Sian said (Apr. 26) that the Northwest Department of Agriculture and Forestry had called upon rural cadres to train peasants in the use of insect sprayers, as farmers in Sanyuan Hsien, Shensi, were reported to have discarded their sprayers because they were damaged and never repaired. Chungking reported (Apr. 25) that cadres in Pan, Yinchiang, and Tushan Hsien, Kweichow, had been ordered to "correct their erroneous attitude of concentrating on the struggle against feudalism at the expense of the spring production drive." Chungking said

(Apr. 27) that in southern Szechwan various hsien Governments were distributing relief grain and People's Banks were making food loans, as hailstorms had destroyed rice seedlings and brought on spring famine.

Kunming stated (Apr. 22) that in Huihsi Hsien, Yunnan, cadres had sent 1,000 families to engage in supplementary production "instead of distributing relief food," but were overcoming their indifference to spring production and famine relief. Kunming said (Apr. 23) that in Kuchiu Hsien, Yunnan, cadres had been ordered to correct their thinking, as they had placed land reform above production, stopping farmers who were busy on their farms and accusing them of backwardness for not paying sufficient attention to land reform. In Hsiang No. 1, Liushun Hsien, and in Yuchi Hsien, cadres neglected the "basic concept of production" and the necessary coordination of land reform with production. They paid no attention to peasants' difficulties, such as shortage of food, seed, and tools, with the result that "the struggle against the landlords achieved only preliminary results because of the peasants' low enthusiasm for fighting the landlord class."

MISCELLANEOUS

National Minorities. Wuhan announced (Apr. 24) that 170 students of 11 nationalities from the Central and South China branch of the Institute of Nationalities left for Peking under the leadership of Chang Ling-han for a tour of the Nation. Chungking reported (Apr. 23) that 500 students, 97 of whom already were Youth Corps members, graduated Apr. 15 from the Szechwan branch of the College of Nationalities after thorough indoctrination in Marxism-Leninism, the theories of Mao Tse-tung, and the concord of nationalities. Peking stated in numeral code (Apr. 24) that the Central Ministry of Health had organized 117 health centers in minority areas, and had dispatched more than 45 medical and epidemic control teams to such places as Kangting, Kantzu, and Patang, Sikang; Chuehlo, Tsinghai; and the plains of eastern Szechwan. Peking reported in numeral code (Apr. 27) that more than 15,000 Han and Mongols of Ikechou League recently commemorated the death of Genghis Khan.

Counterrevolutionaries. Nanchang announced (Apr. 23) that eight counterrevolutionaries, including Chen Cheng-peng and Chen Chu-cho, were executed following a public trial in Chu 5 of the city Apr. 4. Chen Cheng-peng was supervisor of the Nanchang Committee of the Kuomintang, killed more than 10 persons while operating underground against the Communist Party, secretly carried arms, and refused to register as a Kuomintang member. Kunming reported (Apr. 23) that the Yunnan Department of Safety had arrested several "running dogs of the imperialists," and would expel at once French imperialists Wu Chi-chun and Tai Yu-kuang of the Kunming St. Paul's Orphanage, and Italian imperialist Peng Te-chu of the Catholic Orphanage in Tali Hsien, accused of causing the death of 200 Chinese orphans while serving American imperialists. Chinese lay workers Chen Chin-hua, Chao Yu-liang, Liu Kun, and Chou Chi-tan were imprisoned.

Russian Friendship. Peking reported in numeral code (Apr. 27) that on the second anniversary of the founding of the Chinese-Changchun Railway, Minister of Railways Teng Tai-yuan praised the united efforts of Soviet and Chinese workers in completing transportation norms 23 days ahead of schedule, and declared that the "Soviet comrades have faithfully and gradually put into practice the Soviet system of railway administration." He declared that the Chinese staff had "systematically and collectively" learned from their Soviet comrades, and in turn taught these techniques to "comrades of other railways who were assigned to train with the Chinese-Changchun Railway." Hofei announced (Apr. 24) that a model coal miner from the Tatung Mines was given an ovation as he left for the USSR to participate in May Day celebrations.

War and the Military. Sian reported (Apr. 26) that workers and public organizations in Lanchow, Kansu, held a celebration in honor of Chang Tao-jen and 96 workers who left for the Korean front. Veterans of the Korean war recuperating in Sian hospitals were recently awarded Resist-America, Aid-Korea medals. Kunming

announced (Apr. 23) that the local Garrison Command Headquarters had scheduled air-raid practice from 11 a.m. to 12:30 p.m., when one plane would make a test flight. Residents were warned not to become frightened. Wuhan announced (Apr. 21) that soldiers of the People's Liberation Army were working on the Chinchiang Conservancy Project. A Peking home service broadcast said (Apr. 24) that according to a TASS report from Tokyo a virulent diarrhea was spreading in Japan as a result of the use of bacteriological warfare in Korea.

Marriage Law. Kunming reported (Apr. 21) that Chang Chin-fa and Lu Han-seng, Yuchi Hsien cadres, had been ordered arrested for interfering in the marriage of Li Chin-san, woman delegate, and forcing her to commit suicide. Several women delegates and cadres had been involved in marital mixups which led to tragedy.