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# China's Sixth National People's Congress

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September 1983*

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# China's Sixth National People's Congress




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This paper was prepared by 

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 Office of East Asian Analysis.

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## China's Sixth National People's Congress

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### Overview

*Information available  
as of 15 August 1983  
was used in this report.*

China's Sixth National People's Congress (NPC), which was held from 6 through 21 June, reaffirmed the policies of Deng Xiaoping's reform leadership and produced no surprises. The NPC, though billed as China's parliament, is essentially a rubberstamp body for decisions taken by the party leadership. The meeting emphasized stability, moderation, and the rule of law, continuing the reformers' attack on radical leftism such as characterized the Cultural Revolution. As is usual with NPCs, economic matters were the central focus. The overall tone of the Congress was, of course, upbeat, but the speeches showed a sober realization of the problems China still faces. The atmosphere was more constrained, the mood more conservative than the freewheeling exuberance displayed at some meetings last year.

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The NPC confirmed or announced several new appointments (see appendix D). Among the most important:

- Deng Xiaoping as chairman of the new Central Military Commission.
- Li Xiannian as President of China—a post vacant since Liu Shaoqi was purged during the Cultural Revolution.
- Peng Zhen as Chairman of the Sixth NPC.

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In addition, two new vice premiers were named, bringing the total to four. The two new men, Li Peng and Tian Jiyun, are both relatively young and have backgrounds in energy and finance. We believe they are proteges of Zhao Ziyang (see appendix G).

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Six ministers, including the economic planning chief, were replaced. The Congress created a new Ministry of State Security and a new ministerial-level body, the Auditing Administration. The creation of the new security ministry reflects the leadership's dissatisfaction with the previous security organs and concern over the increased incidence of espionage, hijackings and defections, and a rising crime rate. The Auditing Administration may be involved in investigations of economic crimes.

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Major speeches at the Congress, while praising China's economic achievements, were frank in assessing problems (appendixes A through C). Chief among these are revenue shortfalls, poor planning and coordination, excessive capital construction, and too-rapid heavy industrial growth—at the expense of light industry and agriculture. There was some retreat from the policies of the recent past, which favored increased autonomy of localities and enterprises, in the direction of greater central control.

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United front activity occupied a prominent place at the session. Beijing stressed the diverse makeup of the delegates, with greater representation of minority peoples—13.5 percent of the delegates. Non-Communist Party members accounted for 37.5 percent of the total, a 10-percent increase. The united front theme was played largely for the benefit of Hong Kong and Taiwan, both of which were rerepresented by PRC-picked delegations at the Congress. [redacted]

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In foreign affairs, the leadership stressed China's opposition to hegemonism, blamed the United States and the USSR for problems in their relations with China, and played up China's connections to the Third World. The Congress reiterated China's calls for Vietnamese withdrawal from Kampuchea and Soviet withdrawal from Afghanistan. [redacted]

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Statements on military matters emphasized increased professionalization and organizational streamlining. Most of the members named to the new state military commission are associated with Deng Xiaoping's reform policies, which have been opposed by some conservatives in the party and Army. The People's Liberation Army had a slightly smaller percentage of delegates than in previous congresses, which some observers saw as symptomatic of reduced PLA influence. [redacted]

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Premier Zhao repeated the message that China's intellectuals have an important role to play in modernization and admonished localities to improve their status. Zhao echoed recent statements, however, emphasizing the responsibility of intellectuals and workers in art and literature to remember their duties to the people and to socialism, indicating continued tightening of artistic and ideological standards. Education was assigned a high priority, especially secondary vocational schools. [redacted]

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The Sixth Chinese People's Political Consultative Conference (CPPCC) also met from 3 through 22 June, overlapping—as has become the custom—the NPC session. The CPPCC is a united front conclave designed to provide a forum for discussion of national issues outside official party and state arenas. The CPPCC always has heavier representation of nonparty members and minority peoples, and from overseas Chinese, than the NPC. This year, only 40 percent of the CPPCC delegates were party members. The organization has no real policymaking or legislative power and not much influence. The fifth CPPCC was chaired by Deng Xiaoping; he resigned this year and was replaced by Politburo member Deng Yingchao, Zhou Enlai's widow and a longtime associate of Deng Xiaoping (see appendix F). [redacted]

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## Appendix A

### Excerpts From Premier Zhao's Work Report

#### Achievements

We have achieved and enhanced political stability and unity throughout the country and made more efforts to improve socialist democracy and legality. During the past five years our political life has steadily returned to normal. The National People's Congress and its Standing Committee adopted a number of laws, and the State Council promulgated a series of statutes. All this has helped strengthen democratic management in economic, political, and other activities of the country and has helped ensure public order and order in production and other work across the land. In particular, the promulgation of China's new Constitution marked a new stage in our effort to build up socialist democracy and legality.

China's economy has freed itself from the instability caused by serious imbalance among its major branches and has gradually moved onto a path of sound growth. The implementation of the principle of readjusting, restructuring, consolidating, and improving the national economy over the past few years has led to a radical change in the longstanding high rate of accumulation and serious backwardness of agriculture and light industry.

China's agriculture has extricated itself from protracted stagnation and achieved a sustained overall upsurge. The State Council has implemented a series of rural policies in the past few years to stimulate labor enthusiasm of the peasants. We have raised the purchase prices of farm and sideline products by a wide margin, increased the import of grain, and reduced the quotas of grain purchase by the state in some areas. All this has helped revitalize the countryside. As a solution to a fundamental problem that has long plagued China's socialist agriculture, it represents a step forward that is of profound and far-reaching historic significance.

#### Problems

Our government work still leaves much to be desired and we face many difficulties on the road ahead. As regards production, capital construction and circulation, and economic results, for example, productivity gains and lowered costs are still unsatisfactory and the waste of manpower and material and financial resources is appalling. Owing to inadequate control over the market and prices, open or disguised increases in the prices of certain commodities, particularly nonstaple foodstuffs, have occurred in quite a few places. The building of a socialist spiritual civilization that promotes socialist ethics has not yet received adequate attention in some localities, departments, and units. There are certain unwholesome things in the spheres of ideology, culture, and art. The unhealthy tendencies and practices in society have not been forcefully and completely checked, and there is no lack of economic crimes and some other serious crimes. Some government functionaries have not yet effectively corrected the reprehensible habit of bureaucratism and the unhealthy practice of seeking personal gain through abuse of government power.

**Confidential****Tasks Ahead**

Based on our analysis of the work done in the past five years, as well as on the current situation and problems, this State Council deems it necessary to make the following suggestions in regard to the work of the incoming administration for the Congress to examine.

The main tasks of the government for the coming five years should be to mobilize the people of all our nationalities to fulfill or overfulfill the Sixth Five-Year Plan, draw up and carry out the Seventh Five-Year Plan, continue to push ahead with work in various fields centering on economic development, bring about a fundamental turn for the better in the financial and economic situation and in standards of social conduct as put forward by the 12th National Congress of the Chinese Communist Party, and thus win a signal victory in the struggle to create a new situation in all fields of socialist modernization.

**Economic Priorities**

In the next five years, we must first of all ensure that agriculture and light and heavy industries grow in a balanced way . . . While promoting the steady growth of agricultural production, we should get heavy industry to better serve agriculture, light industry, and technical transformation. We should continue to apply the principle of giving light industry priority in the supply of energy and raw and semifinished materials, access to transport facilities, allocation of investment and loans, and use of foreign exchange.

**Centralization Versus  
Autonomy**

Some comrades now hold that reform simply means decentralization of power and interests. This view is both incorrect and harmful. It is wrong to exercise excessive and rigid control over specific economic activities of enterprises—this hampers their initiative. A proper measure of flexibility is entirely necessary. But major economic activities that concern overall interests should nevertheless be centralized. Any attempt to weaken such centralization means retrogression rather than progress and cannot ensure the growth of our economy along socialist lines. Powers and interests appropriate to enterprises must be respected. But it must first of all be made clear that as the reform gradually spreads, much higher demands and ever heavier responsibility will be placed on the enterprises. For the various forms of responsibility, systems characterized by the combination of responsibility, power, and interests, responsibility is of primary importance.

**Economic Law**

We shall continue to speed up economic and administrative legislation. The State Council will have a number of economic statutes enacted so as to serve the requirements of China's modernization. Leading members of government economic departments and other economic organizations should learn how to use legal means to supervise economic activities so as to close the loopholes and overcome weak points that criminals of different stripes may exploit and to safeguard socialist economic order.

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**Revenue Problems**

While working to accomplish these tasks, particularly of giving priority to key construction projects, we face the most urgent problem of inadequate central financial resources combined with serious decentralized use of funds. In the four years from 1979 through 1982, the total output value increased by 33.6 percent, which is not a small figure, but our state revenue in the same period dropped by 3.3 percent.

A major reason for the decline in state revenues over the past few years was poor economic results—as manifested in the continuing high cost of industrial production and transport—and the large amount of funds being tied up in commodity circulation.

Another important reason for the state's inadequate financial resources in recent years is excessive decentralization of funds, which means that too few funds are concentrated in the hands of the state. The proportion of financial revenue in the national income dropped from 37.2 percent in 1978 to 25.5 percent in 1982 . . . All departments, localities, and enterprises must bear firmly in mind the need for improving economic results and must never stress input to the neglect of output, or stress state investment to the neglect of making contributions to the state in return.

**Wages, Profits,  
Taxes**

The rate of increase for wages, bonuses, and welfare funds for workers and staff members must be less than that for profits and taxes turned over to the state by the enterprises. The practice of indiscriminately issuing bonuses must be stopped. The increase in peasant income must come mainly from expanded production and lower costs. The state provides 32 billion yuan in price subsidies for farm produce and other kinds of subsidies at present. If measures are not taken, this figure may continue to rise sharply in the future. This is beyond the state's financial capability and must be checked . . . Nevertheless, the state must be assured of the largest share of the increased profits of the enterprises, mainly through taxation and the fixing of a rational ratio between the after-tax profits to be kept by the enterprises and the amount to be turned over to the state . . . The State Council holds that, in the future, rational distribution of national income, prevention of excessive decentralization of funds, and appropriate increases in the proportion of financial revenue in the national income must be placed on the agenda as an extremely important task of our government work.

**Structural Reform**

It is imperative to speed up structural reform of the economy so as to meet the requirements of economic development. At its fifth session, the Fifth National People's Congress approved the measures submitted by the State Council to be taken in the last three years of the Sixth Five-Year Plan period to restructure the economy.

**Confidential*****Economic Reforms Under Way***

The first step in instituting a system of taxation instead of delivery of profits to the state has been taken in all state-owned industrial and commercial enterprises as of 1 June. In conjunction with the restructuring of government administration, we are expanding experiments in encouraging key cities to organize production and circulation better as a way to handle properly the contradictions between higher and lower levels and between departments and regions. The plan for reform of the system of rural commodity circulation has been put into effect on a trial basis throughout the country. These three reforms, being a breakthrough in the present organization of the economy, have already started, but much remains to be done and we should continue to push the work ahead.

***Planning***

First, to reform the planning system and strengthen the state's effective control over the national economy and guidance to it . . . Under the principle of ensuring the leading role of the planned economy supplemented by market regulation, we should adopt such methods of management as mandatory planning, guidance planning or market regulation with regard to different enterprises, products, and tasks. We should do a better job of economic forecasting and step by step devise scientific regulations for planning as regards decisionmaking, programing, overall balancing, appraising, and job responsibility so as to improve and refine the entire planning system. While making proper use of administrative and legislative means, the state should use more effectively such economic levers as pricing, taxation and credits, strengthen statistical work and supervision by statistical means, and guide the economic activities of localities, departments, and enterprises in the right direction, so as to ensure fulfillment of the state plan.

***Commodity Circulation***

Second, to organize production and circulation according to the requirements of large-scale socialized production and develop a single socialist market. The main points are as follows: take cities as centers and organize economic activities according to the inherent laws of economic growth, breaking down the barriers between regions, departments, and town and county. We must continue to reorganize or merge enterprises on the principle of achieving coordination among specialized departments and improving economic results, and gradually rationalize the organization of enterprises and their system of management. We must earnestly remove barriers and blockades, open up diverse channels of circulation and reduce intermediate links in circulation to ensure the free flow of commodities and gradually form intertrade and transregional economic zones and networks.

***Tax, Wage, and Labor Systems***

Third, to reform the financial system and the wage and labor systems. The system of taxation instead of the delivery of profits to the state should be improved, some new taxes introduced where necessary, and tax rates properly readjusted. Revenue going to the central and local authorities and that shared by both . . . should be clearly defined, with a view to improving and stabilizing the relations between the state and enterprises and between the central and local authorities in distribution

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of revenue. Reform the wage system step by step, carry out the principle of "to each according to his work," and overcome egalitarianism so as to link the income of the workers and staff members closely with economic results, the success or failure of enterprise operation, and their own contributions in work. Reform the personnel system step by step so that people can be transferred to other jobs or go to a higher or a lower post as required.

**Enterprise Management**

All departments, localities, enterprises, and institutions should unflinchingly cut down production costs and other expenses specified in the state plan. Any enterprise that fails to do so will incur a proportional deduction in the portion of profit retained for its own use. All units must . . . meet tax and profit quotas assigned them by the state . . . Any unit that fails to do so because of poor management is, in principle, not entitled to give wage increases to its workers and staff members. Appropriate quotas must be set according to the merits of each case for the amount of circulating funds used by enterprises, and any unauthorized increase is forbidden. All enterprises that run at a loss due to poor operation must reverse this trend within a given time limit.

**Capital Construction**

Because of the serious overdecentralization of funds, it has been impossible to control the overall scale of capital construction, resulting in overlapping or blind construction. It has also been difficult to check the growth of funds for consumption and, in particular, the rapid growth in the indiscriminate handing out of bonuses and subsidies in cash or in kind.

At present, waste in capital construction is appalling, and investment in many key projects is above budgetary estimates. In the future, a strict economic responsibility system must be practiced in capital construction and waste of all kinds eliminated. No locality, department, unit, or individual is allowed to collect fees arbitrarily or extort anything from the organizations charged with building the key construction projects. The State Council has decided to organize, after this session, necessary forces to conduct investigations at the key projects.

**Energy and Transport**

In the next five years, we must work harder to build key energy and transport projects and promote the technical transformation of existing enterprises . . . In tackling the energy problem it is essential to continue to apply the policy of laying equal stress on development and conservation. In every new project we should make rational use of energy by adopting new energy-saving techniques and technologies . . . We should step up expansion of the power industry by building hydroelectric, thermal, and nuclear power stations. A number of large hydroelectric stations should be gradually constructed along the upper reaches of the Huanghe River and the upper and middle reaches of the Changjiang River and its tributaries, and in the Hongshui River Basin. A number of electric power stations should be built one after another near the coal mines in Shanxi Province, Nei Monggol, Huainan and Huaibei regions in Anhui Province, and the Liupanshui region in Guizhou Province.

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With regard to railways, we should focus on augmenting their capacity to carry coal while actively transforming old lines and building new ones where necessary. To meet the needs of domestic economic development and foreign trade, we should increase the capacity of harbors, inland waterways, roads and air transport, and further improve post and telecommunications facilities.

**Foreign Policy**

We have adhered to an independent foreign policy and achieved new successes in foreign affairs. We have continued to expand relations with other countries on the basis of the five principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

Our socialist modernization requires a peaceful international environment. The preservation of peace is the common desire of the people of China and the rest of the world. The superpower contention for world hegemony is the main source of turmoil in the world today. It is imperative to oppose hegemonism in order to safeguard world peace. The Chinese Government takes opposing hegemonism and safeguarding world peace as the basic point of departure for its foreign policy and seeks to develop relations with other countries on the basis of the five principles of peaceful coexistence and to promote the progress of mankind.

**Sino-Soviet Relations**

The relations between China and the Soviet Union have been strained over a long period of time, and this is not to the advantage of either party. The people of China and the Soviet Union are all interested in the normalization of relations between the two countries. The Chinese side put forward positive proposals for normalization during the Sino-Soviet consultations, which started last October. We hold that to improve Sino-Soviet relations, the first step to be taken is for the Soviet side to remove the real threat to China's security. This is a major issue that cannot be evaded. We are waiting for the Soviet side to prove its good faith by deeds.

Vietnam and the Soviet Union must withdraw their troops immediately, unconditionally and totally from Kampuchea and Afghanistan, respectively, leaving the people of these countries to settle their own affairs.

**Eastern Europe**

There has been steady growth in the close solidarity and friendly cooperation between China and the Socialist Republic of Romania and the Socialist Federal Republic of Yugoslavia . . . The Chinese people also cherish friendly feelings toward the people of the other East European countries. We are interested in their accomplishments and experience in socialist construction. In recent years, our economic, cultural, and sports exchanges with these countries have been increasing. We believe that, through joint efforts, the relations between China and these countries will continue to improve.

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**Confidential****Vietnam and Other  
Asian States**

We are distressed by the fact that the once friendly Sino-Vietnamese relations have deteriorated to the point of serious confrontation in recent years as a result of the invasion and occupation of Kampuchea by the Vietnamese authorities who have pursued regional hegemony in Indochina and Southeast Asia, discriminated against Chinese residents, and opposed China. Nevertheless, we are ready to continue our efforts to improve Sino-Vietnamese relations.

We are happy to see that our relations with the ASEAN countries have developed in the struggle to safeguard peace and security in Southeast Asia. We also note with satisfaction that our traditional friendship and cooperation with Bangladesh, Burma, Nepal, Pakistan, and Sri Lanka are being constantly strengthened. There has also been some improvement in the relations between China and India in recent years. With 2,000 years of peaceful relations behind them, China and India ought to be able to get along well with each other. The Sino-Indian boundary question left over from the past can without doubt be settled through consultations in the spirit of mutual understanding and mutual accommodation. Even if it cannot be settled for the time being, it should not stand in the way of improving our relations. We are ready to strive for better Sino-Indian relations.

**Taiwan and Hong Kong**

Fellow deputies, the reunification of the country, and the unity of the people of all our nationalities provide the fundamental guarantee for the growing strength and prosperity of our motherland. The people of all our nationalities, including our compatriots in Taiwan, Xianggang (Hong Kong), and Aomen (Macao), and Chinese nationals residing abroad, eagerly look forward to the reunification of the motherland at an early date, and this is our most sacred task.

We must continue our efforts to remove as soon as possible this artificial barrier that separates the people on both sides of the Taiwan Strait. We shall, at an opportune moment, recover Chinese sovereignty over Xianggang and take appropriate measures to maintain its prosperity.

**Third World**

The Third World constitutes a powerful force against imperialism, colonialism, and hegemonism. China is part of the Third World. Our basic stand in foreign affairs is to strengthen solidarity and cooperation with other Third World countries. It is our sacred duty to support other Third World countries and people in their struggles to win and uphold their national rights. We firmly support the people of Kampuchea and Afghanistan in their struggle against aggression.

**New Economic Order**

Many Third World countries in Asia, Africa, and Latin America have entered the new historical stage of consolidating their political independence through expanding their national economies and have done very well in developing their economies. They are still faced with grave economic difficulties, however, due to prolonged rule and plunder by foreign powers in the past and to the shackles of present unfair and unequal international economic relationships. The Third World countries strongly demand that this irrational state of affairs be changed and that a new international economic order be established. The Chinese Government firmly supports this just stand.

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**Middle East**

We firmly support the Arab people, and particularly the Palestinian people, in their struggle against Israeli aggression and expansion. Israel must withdraw from the Arab territories it has occupied. The national rights of the Palestinian people must be restored to them.

**Africa**

We resolutely support the Namibian people in their struggle for national independence and the people of South Africa in their struggle against racial discrimination and apartheid and for national liberation.

**Central America**

We resolutely support the peoples of Central America, and particularly of the Caribbean region, in their struggle to uphold independence and sovereignty and to oppose foreign intervention.

**Intellectuals**

The persistent, erroneous tendency to belittle knowledge and discriminate against intellectuals has gradually been corrected, and education, science, and culture have improved. From now on we should stress the development of intellectual resources, giving priority to the development of culture, which focuses on the promotion of education and science and technology. This is a prerequisite for invigorating China's national economy.

The key to strengthening cultural work lies in implementing more fully our policies on intellectuals so as to bring their enthusiasm into full play. All departments and localities should, in the light of their own conditions, adopt measures to improve their work toward intellectuals in real earnest. Intellectuals should receive gradual and appropriate increases in remuneration for their work. Since the salaries of those middle-aged intellectuals, who play the backbone role, are far too low, the state will, despite financial difficulties, do its best to raise their salaries gradually to a level corresponding to their posts and titles.

In order to tap our intellectual resources and promote the advance of education, science, literature, art, physical culture, and public health, thus ensuring a balanced and proportionate economic and social development in our country, the State Council has decided to increase investment in these areas year by year.

**Education**

We must now give prominence to developing higher education and quickly training personnel for all trades and professions. The State Council recently approved the report submitted by the Ministry of Education and the State Planning Commission on speeding up the expansion of higher education in different forms. Enrollment in regular colleges and universities is to rise from 315,000 in 1982 to 550,000 in 1987, a 75-percent jump in those five years. We will also try to provide higher education through such forms as radio, TV, and correspondence university classes and evening colleges, and college for training managerial personnel and for advanced training of teachers so that their enrollment can grow from 290,000 in 1982 to 1.1 million in 1987, a 280-percent rise.

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China's specialized secondary school education has been slow in growing over the years, with the result that the ratio of intermediate and high-level specialists is seriously out of balance . . . Senior middle vocational school students should account for over 40 percent of the total senior middle school enrollment in the next five years . . . More secondary schools and institutes of political science and law should be established to provide regular training for in-service personnel so that the public security, procuratorial and judicial contingents become a well-trained force cherished by the people as the pillar of public order.

**Science and Technology**

The most pressing problem confronting us is the unified arrangement and proper use of scientific and technical personnel. In order to do this, we will take the following measures: (1) break down the barriers between departments and between regions and work out unified placement and appropriate use of scientific and technical personnel on a nationwide scale through the drawing up of the development program, the joint tackling of key scientific and technical projects, and establishment of technological development centers; (2) transfer in a planned way a number of scientific and technical personnel from heavy and defense industries to energy, transport, light industry, and agriculture where such personnel are few; transfer a number of personnel from institutions of higher education and scientific research that are well staffed to secondary schools or vocational schools to augment their teaching staff; (3) set up a system of rational interflow of scientific and technical personnel so that they can move from overstaffed to understaffed departments and to encourage them to go to small and medium-sized cities, the rural areas, national minority areas, and remote border regions; (4) create a system of dual control over the country's scientific and technical personnel, grading them according to whether they come under the management of the central or local authorities, and according to their trades or professions and specialties; and (5) improve the systems of appraisal, promotion, and awards and the conferring of academic titles on scientific and technical personnel so as to raise the professional competence of those who are young and middle age.

Efforts should be continued during the Sixth Five-Year Plan period to build the 38 key research projects and to disseminate and apply 40 major scientific and technological research achievements . . . In addition, the government is organizing the scientific and technical personnel concerned to make first-phase preparations and begin research on important construction subjects for the 279 major projects now planned. We should also strive to digest, assimilate, and spread advanced technology introduced from other countries so as to raise China's level of production and technology more quickly through imported technology and joint production.

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**Confidential****Ideology, Art, and Literature**

Under the guidance of Marxism-Leninism and Mao Zedong Thought and the principles of integrating theory with practice and of "letting a hundred flowers blossom and a hundred schools of thought contend," people specialized in philosophy and other social sciences should conduct creative research into the major ideological, theoretical, and practical problems arising from our socialist modernization, summarize from a historical perspective the achievements and lessons gained in all fields since the founding of the People's Republic, and analytically study and criticize different trends of thought in the world so as to assimilate what is useful and produce research results of high quality.

Our aim is to ensure the flourishing of socialist literature and art and enhance the ideological and artistic quality of writers and artists and of their works. While continuing to overcome "left" errors, we must constantly watch out for the tendency of some works toward crass commercialism regardless of social consequences; this has already appeared and had a pernicious influence. We should adopt effective measures to rectify this tendency . . . All ideological, cultural, and art workers must cultivate a deep sense of responsibility to the people and live up to their expectations.

**Law and Order**

The success of China's modernization requires us to redouble our efforts to build socialist democracy and the legal system, improve the work of public security, the procuratorate and the judiciary, curb violations of the law and social discipline, make a fundamental turn for the better in the standards of social conduct, and continue to strengthen political stability and unity.

The new Constitution is the basic statute for the Chinese people in running the affairs of the state. The people must be educated and organized to enforce it conscientiously. There has been improvement in recent years, thanks to the efforts made by various quarters, but public order is still not as good as in the best years after the founding of the People's Republic. Such criminal offenses as murder, robbery, rape, and larceny pose quite a problem in some places. The recent plane hijacking indicates that there are serious loopholes and defects in our system of management, that public security, procuratorial, and judicial departments have failed to perform some of their functions effectively as organs of dictatorship, and that some departments are intolerably apathetic both politically and ideologically, maintaining not the slightest vigilance against enemies.

It is imperative to build up urban residents' committees, villagers' committees, and public security and people's mediation organizations under them, and to encourage the urban residents and peasants to draw up common pledges and work regulations, so as to foster the initiative of the masses in maintaining public order and observing social morality as masters of the country.

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**Internal Security**

Fellow deputies, China's socialist modernization is being carried out in a complex and turbulent international situation. To protect the security of the state and strengthen our struggle against espionage, the State Council is submitting to the present Congress for its approval the request to establish a Ministry of State Security, which will provide more effective leadership over such work.

**Defense**

We must continue to modernize our national defense and raise our national defense capabilities to keep pace with current international developments. The Chinese People's Liberation Army must step up its military and political training; strive to revolutionize, modernize, and regularize itself; and increase its capability for operations by combined Army units and for quick response under conditions of modern war.

**Population Control**

Stimulating production and improving the people's living standards both require that we continue to lay special stress on population control. This is our national policy, a policy of fundamental, strategic importance. We must persistently advocate late marriage and one child per couple, strictly control second births, prevent additional births by all means, earnestly carry out effective birth control measures, and firmly protect infant girls and their mothers. In order to promote family planning, we must use all available means to provide diverse forms of old-age care.



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## Appendix B

### Highlights of Vice Premier Yao Yilin's Report on the Economy

Vice Premier Yao Yilin, in his capacity as State Planning Commission chief, delivered a report on the 1983 economic plan. He discussed current problems in the economy—most notably excessive investment spending—and described the general focus of economic work in the coming year to address these problems.

#### Agriculture

Yao attributed the unusually large increase (11 percent) in the *value of agricultural output* to the government's agricultural policies and to favorable weather . . . output of *grain*, China's most important commodity, hit a historic peak of 353 million tons . . . *cotton* increased by 21.3 percent . . . *oil-bearing crops* hit alltime highs . . . sugar-bearing crops, mulberry silkworm cocoons, tea, pork, beef, mutton, and aquatic products all registered substantial increases . . . the *1983 target* for agricultural growth is 4 percent, far below the 1982 growth rate . . . except for some southern areas where production has been hampered by windstorms, *summer crops promise bumper harvests*.

#### Industry

*Industrial output value* registered a 7.7-percent increase over 1981 and exceeded the 4-percent target . . . 91 of the 110 major industrial products reached or surpassed the plan . . . *light industry* fell shy of the 7-percent target because of a market-induced reduction in the output of synthetic polyester-cotton fabric . . . output of bicycles, sewing machines, TV sets, washing machines, tape recorders, cotton cloth, woolen and silk fabrics, paper, and detergents all increased . . . *heavy industry* output value rose by 9.9 percent, far exceeding the target of 1 percent, due to the sharp increase in demand for investment goods and to the unanticipated rise in demand for agricultural producer goods . . . steel products, cement, glass, acids, alkalis, plastics, power-generating and mining equipment, and walking tractors all surpassed their goals . . . output of coal, crude oil, and electricity all increased and surpassed targets, but Yao claimed that 1982 plan targets for these products had been deliberately set low . . . *railway, water and road transport, civil aviation, and post and communications* targets were all overfulfilled . . . the *1983 plan* calls for "ensuring a 4-percent increase and striving for a 5-percent increase" in industrial production . . . light industry is to grow by 4.1 percent, heavy industry by 3.9 percent . . . output value of industry in January-April 1983 was 7.6 percent higher than the corresponding period of 1982.

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- Investment**                    The *1982 investment* in the state-owned sector was 84.5 billion yuan, of which 55.5 billion yuan was capital construction (investment in new fixed assets) and 29 billion yuan went to renewal and replacement of existing assets . . . 1982 capital construction overshot the plan by over 11 billion yuan and the government's *1983 investment goals* are to cut overall spending—by deleting many local projects—and to concentrate investment in key construction projects, particularly in energy and transport . . . capital construction in 1983 is targeted for 50.7 billion yuan and replacement will be 24 billion yuan.
- Retail Sales and Prices**    *Retail sales* in 1982 increased by 7.3 percent in real terms . . . the supply of foodstuffs, clothing, and daily consumer goods was “fairly adequate,” while supplies and selections of some other commodities showed the need for improvement . . . market *prices* remained stable, rising about 2 percent . . . the *goal for 1983* is to increase retail sales 7.8 percent while constraining purchasing power increases . . . *circulation* of commodities between urban and rural areas must improve . . . the government will attempt to *stabilize purchase prices* of major farm and sideline products and control price subsidies for farm produce and agricultural producer goods.
- Living Standards**            *Living standards* of the urban and rural population continued to rise in 1982 . . . annual per capita net *income of peasants* averaged 270 yuan, an increase of 15.2 percent . . . 6.65 million persons were given *jobs* in urban areas . . . *housing conditions* improved . . . government, scientific, cultural, educational, public health workers received wage increases.
- Foreign Trade**                Foreign trade continued to expand, registering an increase of 5 percent over 1981 . . . *exports* were up by 12.7 percent, while *imports* dropped 2.7 percent, resulting in a trade surplus of 5.7 billion yuan.
- Major Problems**              Yao cited three major problems facing the economy . . . first, the increase in the scale of investment was excessive . . . second, overspending on investment caused too great an increase in heavy industry, consequently depriving light industry of inputs . . . third, too little emphasis was placed on improving productivity.

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**Alleviation of Problems**

Continue to apply the policy of “readjusting, restructuring, consolidating, and improving” the national economy, and concentrate on raising productivity . . . Yao cited three specific areas of focus . . . first, strictly control the volume of investment and ensure the completion of key construction projects on schedule . . . second, continue with reorganization and consolidation efforts, including the major reform of taxing state-owned enterprises . . . third, keep the rate of heavy industry growth within the plan and develop light industry faster . . . generally, targets should be set low to facilitate concentration on productivity improvements.



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**Confidential****Table 1**  
**State Accounts, 1982***Billion yuan*

	Budgeted	Final	Final as Percent of Budget	Line Item as Percent of Revenues/ Expenditures
State revenues	110.45	112.40	101.8	100.0
Foreign	5.00	4.00	80.0	3.6
Domestic	105.45	108.39	102.8	96.4
Taxes	64.60	70.00	108.4	62.3
Profits	34.41	29.65	86.2	26.4
Bonds	4.00	4.38	109.6	3.9
Depreciation fund	2.20	2.58	117.3	2.3
Other	0.24	1.78	741.7	1.6
Expenditures	113.45	115.33	101.7	100.0
Capital construction	29.73	30.92	104.0	26.8
Foreign	5.00	4.00	80.0	3.5
Domestic	24.73	26.91	108.8	23.3
Technical transfer	5.42	6.90	127.3	6.0
Working capital	2.40	2.36	98.7	2.1
Geological prospects	2.30	2.31	100.4	2.0
Agriculture	7.61	7.99	105.0	6.9
Culture/Education/Science/Philosophy	18.00	19.70	109.4	17.1
Defense	17.80	17.64	99.1	15.3
Administration	7.80	8.16	104.6	7.1
Foreign loan repayment	3.55	4.96	139.7	4.3
Other	18.84	14.41	76.5	12.5
Deficit	3.00	2.93	97.7	

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## Appendix C

### Summary of Wang Bingqian's Report on Final State Accounts for 1982

Finance Minister Wang Bingqian's report on the 1982 state budget followed the pattern of previous speeches and provided the usual breakdowns of revenues and expenditures. It also discussed "salient features" and "problems" in the implementation of the 1982 budget and described the budget position in the first four months of 1983.

#### Budget Data

State *revenues* totaled 112.40 billion yuan . . . *expenditures* were 115.33 billion yuan . . . according to Wang, the *deficit*, 2.93 billion yuan, will be made up by an overdraft from the People's Bank of China . . . (see tables 1 and 2 for budget data).

#### Revenues

Wang said revenues have begun to pick up, reversing a three-year decline . . . *tax receipts* greatly surpassed the budgeted figure, due to increased production, expanded commodity circulation, stronger fiscal oversight, and new taxes . . . *profits* fell below the state target partly due to poor performance in some sectors and partly because new taxes supplanted what were originally to have been profit remittances . . . *treasury bonds* were oversubscribed by 9.6 percent.

#### Expenditures

*Capital construction* appropriations exceeded the state target because of increased investment in the infrastructure . . . funds to tap the potential of existing enterprises and finance their *technical transformation* greatly exceeded the budgeted figure because additional allocations were provided by central financial authorities, and localities used some of their own reserve funds . . . operating expenses for *agriculture* exceeded the target due to additional outlays by central financial authorities and by localities from reserve funds . . . expenses for *culture, education, science, and public health services* exceeded the plan as more personnel were hired and some workers received pay hikes . . . *administrative expenses* increased as more personnel were recruited to strengthen public security and judicial work . . . allocation of *circulating funds* for enterprises fell short of the target . . . *geological* prospecting appropriations basically met needs of its expansion . . . expenditures for *foreign loans repayment* exceeded the plan by 39.8 percent due to favorable balance of foreign trade, which allowed payments to be made ahead of schedule.

#### Unresolved Problems

A low effectiveness in production, circulation, and construction . . . overdecentralization of funds . . . an increase in state revenue that lags behind the growth in production . . . lack of a management system to allocate funds for key construction projects . . . ordinary projects squeezing out key projects . . . duplicate construction . . . blind development.

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**Table 2**  
**State Accounts, 1983**  
**(1 January-30 April)**

Billion yuan

	1983 Budget	1983 January-April	Percent of total Budget	Percent Change Over Same Period Last Year
Revenues	123.2	32.678	26.5	3.2
Expenditures	126.2	30.981	24.5	9.7
Deficit/surplus	-3.0	1.697		

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**Current Performance**

Up to the end of April 1983, the growth rate of revenue failed to reach the annual budget target, while expenditures were above the specified figure.

**Comments**

Finance Minister Wang indicates that the state *deficit* will be made up by an overdraft from the People's Bank of China. Official bank figures, however, do not confirm this . . . beginning 1 June 1983, China implemented an experimental *tax policy* in which the state-run enterprises substitute the payment of taxes for the current system of delivery of profits, in order to break the situation in which "everyone eats from the same big pot." We expect to see a change in the composition, and a possible increase, in state revenues as the result of the implementation of this policy . . . although budgetary appropriations for *capital construction* exceeded the estimated figure, key projects were affected by a lack of funds because investment by various localities, departments, and units using their own funds or bank loans increased tremendously, dispersing manpower, material, and financial resources.

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**Confidential****Appendix D****The New Government****Sixth NPC Standing Committee**

Chairman

Vice Chairmen

Peng Zhen  
 Chen Pixian  
 Wei Guoqing (Zhuang)  
 Geng Biao  
 Hu Juewen  
 Xu Deheng  
 Peng Chong  
 Wang Renzhong  
 Shi Liang (f)  
 Zhu Xuefan  
 Ngapo Ngawang Jigme  
 (Tibetan)  
 Bainqen Erdin Qoigyi  
 Gyaincain (Tibetan)  
 Seypidin (Uygur)  
 Zhou Gucheng  
 Yan Jici  
 Hu Yuzhi  
 Rong Yiren  
 Ye Fei  
 Liao Hansheng  
 Han Xianchu  
 Huang Hua  
 Wang Hanbin

Secretary General

**Appointments**

President of the PRC

Vice President of the PRC

President of the Supreme People's Court

Procurator General of the Supreme People's  
 Procuratorate

Central Military Commission

Chairman

Vice Chairmen

Li Xiannian<sup>1</sup>  
 Ulanhu  
 Zheng Tianxiang  
 Yang Yichen

Deng Xiaoping  
 Ye Jianying  
 Xu Xianngqian  
 Nie Rongzhen  
 Yang Shangkun

Members

Yu Qiuli  
 Yang Dezhi  
 Zhang Aiping  
 Hong Xuezhi

<sup>1</sup> New appointments.**Confidential**



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State Council	
Premier	Zhao Ziyang
Vice Premier	Wan Li
	Yao Yilin
	Li Peng <sup>1</sup>
	Tian Jiyun <sup>1</sup>
State Councilor	Zhang Aiping
	Fang Yi
	Gu Mu
	Kang Sh'ien
	Chen Muhua (f)
	Ji Pengfei
	Wu Xueqian <sup>1</sup>
	Wang Bingqian <sup>1</sup>
	Song Ping <sup>1</sup>
	Zhang Aiping
	Zhang Jingfu <sup>1</sup>
Secretary-General	Tian Jiyun <sup>1</sup>
Ministers	
Agriculture, Animal Husbandry and Fishery	He Kang <sup>1</sup>
Aeronautics Industry	Mo Wenxiang
Astronautics Industry	Zhang Jun
Chemical Industry	Qin Zhongda
Civil Affairs	Cui Naifu
Coal Industry	Gao Yangwen
Commerce	Liu Yi
Communications	Li Qing
Culture	Zhu Muzhi
Education	He Dongchang
Electronics Industry	Jiang Zemin <sup>1</sup>
Finance	Wang Bingqian
Foreign Affairs	Wu Xueqian
Foreign Economic Relations & Trade	Chen Muhua (f)
Forestry	Yang Zhong
Geology & Mineral Resources	Sun Daguang
Justice	Zou Yu <sup>1</sup>
Labor & Personnel	Zhao Shouyi
Light Industry	Yang Bo
Machine-Building Industry	Zhou Jiannan
Metallurgical Industry	Li Dongye
National Defense	Zhang Aiping
Nuclear Industry	Jiang Xinxiong <sup>1</sup>
Ordnance Industry	Yu Yi
Petroleum Industry	Tang Ke
Posts & Telecommunications	Wen Minsheng
Public Health	Cui Yueli
Public Security	Liu Fuzhi <sup>1</sup>

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Radio & Television	Wu Lengxi
Railways	Chen Puru
State Security <sup>2</sup>	Ling Yun <sup>1</sup>
Textile Industry	Wu Wenyong (f)
Urban & Rural Construction & Environmental Protection	Li Ximing
Water Conservancy & Electric Power	Qian Zhengying (f)
State Economic Commission	Zhang Jingfu
State Family Planning Commission	Qian Xinzhong
State Nationalities Affairs Commission	Yang Jingren
State Physical Culture & Sports Commission	Li Menghua
State Planning Commission	Song Ping <sup>1</sup>
State Restructuring of Economic System Commission	Zhao Ziyang
State Science, Technology & Industry Commission	Fang Yi
Science, Technology & Industry for National Defense Commission	Chen Bin
Auditor General of Auditing Administration <sup>2</sup>	Yu Mingtao <sup>1</sup>
President, People's Bank of China	Lu Peijian
Director General of XinHUA news agency	Mu Qing

<sup>2</sup> New organizations.

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## Appendix E

## New Appointments and Dismissals

<b>Appointments</b>			
<b>State Council</b>		<b>Concurrent Posts</b>	<b>Immediate Past Posts</b>
Vice Premiers	Li Peng	CPC Central Committee	Vice Minister of Water Resources and Electric Power
	Tian Jiyun	Secretary General of State Council; CPC Central Commission	Deputy Secretary General of the State Council
State Councilors	Wu Xueqian	Minister of Foreign Affairs; CPC Central Committee	Vice Minister of Foreign Affairs; Deputy Head of International Liaison Department of CPC Central Committee
	Wang Bingqian	Minister of Finance; CPC Central Committee	Vice Minister of Finance
	Song Ping	Minister in Charge of State Planning Commission; CPC Central Committee	Vice Minister of SPC
	Zhang Jingfu	Minister in Charge of State Economic Commission	Governor of Anhui; 1st Political Commissar of provincial military district
<b>Ministers</b>			
Agriculture	He Kang	CPC Central Committee	Vice Minister of Agriculture, Animal Husbandry & Fishery
Electronics	Jiang Zemin	CPC Central Committee	Vice Minister of Electronics; Vice Chairman of State Import-Export Commission
Justice	Zou Yu		Vice Minister of Justice
Nuclear	Jiang Xinxiong		Vice Minister of Nuclear Industry
Public Security	Liu Fuzhi	CPC Central Committee	Minister of Justice
State Security	Ling Yun		Vice Minister of Public Security
State Planning Commission	Song Ping	State Councilor; CPC Central Committee	Vice Minister of State Planning Commission
Auditing	Yu Mingtao	CPC Central Committee	Vice Minister of Textiles; Governor of Shaanxi Province

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**Confidential****New Appointments and Dismissals (continued)**

<b>Dismissals</b>		<b>Dismissed as</b>	<b>Posts Still Held</b>
State Councilors	Yu Qiuli	State Councilor	Secretariat; Director, General Political Department, PLA; member, Central Military Commission; CPC Central Committee
	Bo Yibo	State Councilor	Vice Chairman of Central Advisory Commission of CCP
	Huang Hua	State Councilor	Vice Chairman of Sixth NPC; CPC Central Committee
Ministers	Lin Hujia	Minister of Agriculture, Animal Husbandry, & Fishery	CPC Central Committee
	Zhang Ting	Minister of Electronics Industry	
	Liu Fuzhi	Minister of Justice	Minister of Public Security
	Zhang Chen	Minister of Nuclear Industry	
	Zhao Cangbi	Minister of Public Security	Political Commissar of People's Armed Police; CPC Central Committee
	Yao Yilin	Minister in Charge of State Planning Commission	Vice Premier of State Council; Secretariat; Politburo, alternate member, CPC Central Committee



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**Appendix F****Chinese People's Political Consultative Conference**

Chairman	Deng Yingchao (f)	
Vice Chairmen	Ba Jin	Pagbalha Geleg Namgyai
	Burhan Shahidi	Qian Changzhao
	Chen Zaidao	Tao Zhiyue
	Cheng Zihua	Wang Guangying
	Deng Haoxiang	Wang Kunlun
	Dong Qiwu	Xiao Hua
	Fei Xiaotong	Yang Chengwu
	Hu Ziang	Yang Jingren
	Ji Fang	Ye Shangtao
	Kang Keqing (f)	Zhao Puchu
	Liu Lantao	Zhou Jianren
	Lu Dingyi	Zhou Peiyuan
	Lu Zhengcao	Zhou Shutao
	Miao Yuntai	Zhuang Xiquan
	Qu Wu	

Secretary General of Standing Committee	Peng Youjin
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## Appendix H

### *People's Daily Concluding Editorial*

**Renmin Ribao (22 June 1983)**

The first session of the Sixth NPC concluded successfully yesterday. The first session of the Sixth CPPCC National Committee is to conclude today. The people of all nationalities throughout the country have been keenly concerned with these two meetings, which have successfully elected their new leading bodies and new state leadership and have smoothly effected the purpose of substituting the old with the new and carrying out cooperation between the old and the new. All this has provided a reliable organizational guarantee for the healthy development of the socialist cause in all fields. All deputies attending the first session of the Sixth NPC have made lively discussions on the government work report delivered by Premier Zhao Ziyang and other reports. They generally hold that the reports conform to the ideological line of seeking truth from facts and tally with our country's actual conditions, so those reports are inspiring. All members of the CPPCC attending the NPC session as observers have also discussed these reports, have put forward many proposals and ideas, and have adopted a resolution on the work of the CPPCC. We warmly congratulate the complete successes achieved by the two important sessions.

At a democratic consultative meeting held before the two sessions by the CPC central leadership with personages from all fields, Hu Yaobang, general secretary of the CPC Central Committee, put forward 12 Chinese characters meaning "never forget unity and strive to build a strong China." This is a great mission that history vests in us. It represents the common desire of the people of all nationalities throughout the country and the fundamental interest of the Chinese people. Over the past five years, we have created a good situation in which the people have united and worked hard by setting things to rights and overcoming demerits and developing advantages, and have begun the great cause of making China a strong nation. From beginning to end, the first session of the Sixth NPC and the first session of the Sixth CPPCC have been filled with an atmosphere of democracy and

unity and have embodied a spirit of seeking unceasing progress. The sessions manifest the great unity of the 1 billion people of our nation and the vigorous political situation in our country. The success of the two sessions will further arouse the enthusiasm of the people of all nationalities throughout the country and personages in all fields of our society. They will play an important role in promoting the socialist modernization drive in our country.

The Chinese nation has a strong centripetal force and a strong coagulative force. The Chinese people have a strong urge for improvement and strong zest for their cause. Precisely because of this, in our history over the past thousands of years, our nation can overcome division and maintain unification and can develop continuously by surmounting various difficulties. After the victory of the new democratic revolution led by the CPC, a new chapter began in the history of the Chinese nation. Although we have experienced a tortuous course over the past 30 years and more, our achievements are still unprecedented as compared with any historical period. We are now standing at a new starting point. The situation of stability and unity in China is irreversible. The great cause of reunification is irreversible. The prosperity of China is also irreversible. We must further consolidate the great unity of the people of all nationalities throughout the country, further develop and strengthen the patriotic united front, and promote the realization of the objective of the peaceful reunification of the motherland. We must continue to carry forward the enterprising spirit, work hard, handle affairs in a down-to-earth and realistic manner, and ensure the smooth development of our socialist modernization drive.

During the five-year tenure of the Sixth NPC, we will fulfill the Sixth Five-Year Plan and begin the Seventh Five-Year Plan. Those will be the five years vital to our modernization process. By doing a good job in

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these five years, we will successfully fulfill the work of laying a foundation in the first 10 years ending in 1990 and will create more favorable conditions for the planned economic upsurge in the second 10 years. As deputies pointed out in their discussions, the targets for the next five years are positive and are also realizable through efforts. The recent NPC session has earnestly summed up the basic experience of the past five years and has laid down a more positive guideline for economic work. We will resolutely focus all economic work on the attainment of better economic results, will adhere to the realistic principle of developing construction steadily and surely, and will ensure a healthy development of the national economy at a steady speed so as to gain real benefits for the people. Now, our national economy as a whole has moved onto the path of healthy development and the conditions for speeding up the reforms have gradually become ripe. The overall situation is excellent.

Of course, the better the situation, the more sober our minds must be. "A car may go smoothly on a steep slope but overturn on a flat road, because the driver is cautious in times of difficulty and becomes careless when the situation is smooth." On this point, Premier Zhao has made repeated cautions in his government work report. We must work cautiously and conscientiously and must have an overall viewpoint and take into consideration the overall interests. We must be determined to overcome the problem of overdecentralization of funds and to concentrate our strength on gearing up the key construction projects with a bearing to the future of our modernization program. We must strive to improve economic results and ensure the steady growth in the national economy in the next five years.

Socialist modernization is a cause of the millions of people. In order to realize the targets for the next five years, it is necessary to mobilize the strength of the people of all nationalities throughout the country, and members of the NPC must join hands with all democratic parties and people with lofty ideals in all fields. The tasks listed in the government work report for the next five years not only represent the people's interests and aspirations, but also include the people's ideas and embody their wisdom. The issues mentioned by the report, such as the issue of concentrating funds to ensure key construction, the issue of carrying out

economic structural reform, and the issue of exploiting intellectual resources, are all matters with which the people are concerned and are matters that have been frequently discussed at NPC sessions and other meetings in recent years. The people's proposals and critical opinions about these matters have been changed into effective and feasible measures by the government after thorough consideration, and these measures have been or will be put into practice. This is a prominent new characteristic of the government work report approved by the recent NPC session. This once again vividly proves that our government respects and represents the will of the people. A government representing the people's interest is inevitably an authoritative government. It can be believed that Premier Zhao's government work report will greatly mobilize and inspire the people of all nationalities throughout the country. Workers, peasants, and intellectuals will go in for the building of material civilization and socialist spiritual civilization with higher consciousness. Our work in all fields in the next five years will be more successful than in the previous five years.

The lasting stability and peace of our nation is a precondition and a guarantee for the smooth development of the modernization drive. Our socialist democracy and the building of the legal system have made marked progress. The 36 laws adopted by the Fifth NPC and its Standing Committee, especially the formulation and promulgation last year of the new Constitution, have ensured that the political life of the state and of our people is governed by laws and will proceed healthily. We must mobilize all our strength to guarantee the implementation of the Constitution in all fields and must continuously strengthen socialist democracy and step up the building of a legal system.

The fundamental law still requires a whole set of concrete laws to guarantee its implementation. In this field, there is still a great deal of work that we must properly handle. Developing socialist democracy and perfecting a socialist legal system is our long-term task and calls for our unremitting efforts to ensure the effective implementation of the Constitution and other laws in our country's political life and all aspects of our social life.

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Our socialist motherland is becoming strong and prosperous due to the hard work of our millions of people. Let every one of us contribute his own wisdom and strength and bring credit to our socialist country.



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