

# Living Standards in China Improve

**A**DHERING to the principle "Maintaining independence and keeping the initiative in our own hands and relying on our own efforts," the Chinese people, under the leadership of Chairman Mao, have smashed blockades and sabotage by imperialism, revisionism and all reactionaries, and their living standards keep rising gradually as industrial and agricultural production steadily increases.

In tackling the question of people's livelihood, the Chinese Government, proceeding from the interests of its population of 700 million, makes overall plans and proper arrangements.

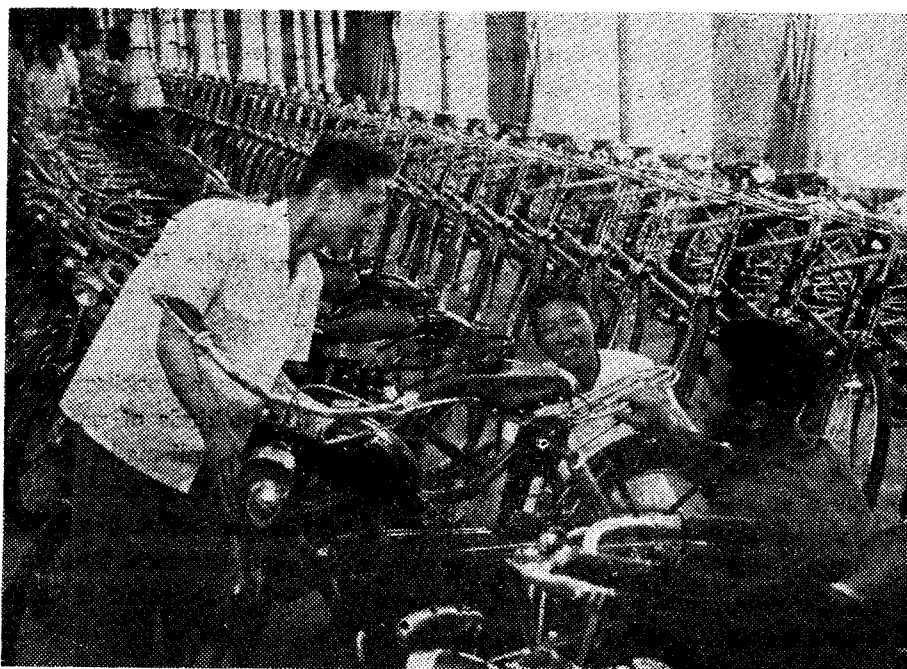
Following the development of production and the continual rise in labour productivity over the past two decades or so, the state has on several occasions readjusted the wages of the workers and staff members and brought about a gradual rise, particularly in the case of those with a low income. The average yearly wage of Chinese workers and staff members (except those who started working in recent years) is around 650 yuan Renminbi, over 50 per cent above the 1952 figure. There is only a small wage gap among the workers, the highest grade receiving less than five times the lowest. The wage level has been set relatively low in order to strengthen worker-peasant unity and consolidate their alliance. However, because of universal employment, low rents, cheap prices and no personal income tax, the

livelihood of the workers and staff members is not only guaranteed but is gradually improving.

After the founding of the People's Republic of China, the Government adopted many measures to ensure employment of adult inhabitants in the cities and towns. Growing numbers of people got jobs year by year and unemployment was eliminated in China over ten years ago. The number of workers and staff members is more than six times what it was before liberation. College and middle school graduates are assigned work by the state to take part in building socialism. Many families now have several people working. Prices of daily necessities are low and have remained stable over a long period. In general, monthly rent and charges for water and electricity account for only 4 or 5 per cent of a worker's income. In addition to their wages, Chinese workers enjoy free medical service and labour protection and other welfare benefits, and arrangements are made for child bearing, the aged, the infirm, the injured and the disabled. Therefore, there has been notable improvement in the welfare of China's urban workers and other labouring people in the past two decades.

People's communes were set up throughout the countryside and all able-bodied people take part in collective productive labour. For more than a decade, the peasants' net income and cash income have increased with the development of the collective economy. Almost every year, the production teams set aside a certain amount from their total income to cover the expenses for social insurance and collective welfare facilities. Production teams provide supplies or give subsidies to the aged, the infirm, old widows and widowers and orphans, or members who are incapacitated and have difficulties. Those communes and production teams with low yields as a result of natural calamities or temporary difficulties receive state help in getting production going again besides getting relief.

With the development of farm production, the agricultural tax gradually has accounted for less and less of the total output value of farm and side-line production;



it has dropped from 12 per cent in 1953 to 6 per cent in 1970. This has guaranteed the peasants that the more they produce, the more their income will be. There is a world of difference between the life of the peasants today and their life in old China.

Inflation and skyrocketing prices in old China made life unbearable for the people under reactionary Kuomintang rule. After the founding of New China, the Party and the Government adopted the policy of stabilizing prices. On the basis of stable prices and expanding industrial and agricultural production, planned readjustments were made of unreasonable prices, particularly the low prices left over from old China for agricultural and side-line products. The state now pays about 90 per cent more for the main agricultural and side-line products it purchases than it did in 1950, while the means of production for the countryside are sold by the state at lower prices. Chemical fertilizer, insecticide and diesel oil prices have dropped from one-third to two-thirds, compared with 1950. Prices of consumer goods have generally remained stable. There has been almost no change in the prices of daily necessities, including grain, cotton cloth, edible oils and salt, over the past dozen years. While the price paid by the state for grain has been raised several times, the selling price to the consumer has remained on an even keel. The cost of such price differentials and management expenses are all covered by the state. No capitalist country can operate in this way. This shows the concern of the Party and Government for the livelihood of the working people, and demonstrates the superiority of our socialist system.

During the Great Proletarian Cultural Revolution, prices of some popular manufactured goods, including radios, plastic goods and enamel-ware, have been cut step by step. Production of medicine is developing steadily and price cuts have been gradually made. In 1969, the prices dropped by a big margin throughout the country, amounting to more than 1,000 million yuan that year alone; as a result, prices were 80 per cent below the 1950 figure.

Thanks to these measures taken by the Government, the living standards of the people in town and countryside have risen markedly and the disparity in living standards between town and countryside and between worker and peasant is being narrowed step by step.

With the increase in their income and rising living standards, the workers and peasants now have enough money for savings accounts to support national construction. Total bank savings by the end of 1970 in China were 28 per cent higher than in 1965.



A mobile stall in Sinkiang's Hsinyuan County comes to a Tianshan pasture.

Increased output by industry and agriculture and greater purchasing power account for China's thriving market. Total value of retail sales in the 22 years since liberation has risen more than sixfold. Town and countryside are now fairly well supplied with commodities.

China had its ninth consecutive good harvest in 1970 and a good harvest of early rice and summer grain this year. It is now more than self-sufficient in grain. State and collective grain reserves continue to increase. Although the population has increased by nearly two hundred million people since the founding of the People's Republic of China, the grain average for each person has risen. China continues to import some grain mainly to increase varieties and help other countries.

It will still take some time to bring about a fundamental change in our country's "poor and blank" backward state which resulted from long years of imperialist, feudal and bureaucrat-capitalist rule. However, China's industry and agriculture will continue to develop rapidly and the living standards of the Chinese people will be further improved.