

Provisional Measures for the Preparation of National Economic Plan

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Issuing Authority: Finance and Economics Committee of the GAC of the Central People's Government

I. General Provisions

Article 1 These Measures are formulated to improve the planning work system.

Article 2 The preparation of the national economic plan shall be carried out in accordance with the following procedures:

- (1) Issuing planning control figures from top to bottom;
- (2) Prepare and submit draft plans from bottom to top;
- (3) Approval of the plan from top to bottom.

Article 3 The national economic plan shall be compiled by two systems: the central competent ministry and the major administrative regions. The draft national economic plan shall be compiled by the Finance and Economics Committee of the GAC of the Central People's Government (hereinafter referred to as the Central Finance and Economics Committee).

Article 4 All major administrative regions, central financial and economic departments and their subordinate management agencies at all levels, and grassroots planning units must prepare draft plans in accordance with the prescribed procedures and forms and submit them for review in accordance with the prescribed system and time.

Article 5 The provisions of the grassroots planning unit are as follows:

- (1) The basic planning units of state-owned and local state-owned industries shall be enterprises. Some local state-owned enterprises are not yet able to formulate independent plans, or local state-owned enterprises of very small scale (including government-owned enterprises) shall combine several enterprises to form a company or formulate plans with their management agencies as the basic planning units;
- (2) The grassroots planning units (estimated plans) for private industry and commerce shall be the industrial and commercial administrative authorities of provinces and cities;
- (3) The basic planning unit for agriculture, animal husbandry and forestry (estimated planning) shall be the special administrative agency or the county agriculture and forestry department;
- (4) The basic units of water conservancy projects are the water conservancy construction project units or special management bureaus; for small-scale water conservancy projects that do not affect more than one province and whose investment amount is below the limit, their basic planning units are the provincial water conservancy management agencies;
- (5) The basic planning units of railways are the Railway Administration Bureau and the Engineering Bureau;
- (6) The grass-roots planning units for the maritime transport industry are the local maritime transport bureaus, river transport bureaus, navigation bureaus, port bureaus and waterway engineering bureaus;

(7) The grass-roots planning units for highway projects are the provincial transportation departments (bureaus), highway bureaus, and provincial (municipal) transport companies or project management units;

(8) The grass-roots planning units for postal and telecommunications services shall be the provincial (municipal) postal administration bureau, telecommunications administration bureau, post and telecommunications bureau or engineering management unit;

(9) The grass-roots planning units for trade are the provincial (municipal) commercial departments (bureaus) and provincial (municipal) companies;

(10) The grass-roots planning unit of a cooperative enterprise shall be the county (city) cooperative (head office); if the grass-roots cooperative is sound, it may be the grass-roots planning unit.

Article 6 All plans submitted to the Central Finance and Economics Committee must be filled in or listed separately according to different national economic sectors, different industrial sectors, different economic components (state-owned, local public-owned, public-private joint ventures, cooperatives, private, Sino-Soviet joint ventures), and different regions.

The division of industrial sectors is based on the "Draft Standard Classification Catalogue of Industrial Production Sectors" issued by the Statistics Department of the Central Finance and Economic Planning Bureau in 1951.

II. Issuance of Planning Control Figures

Article 7 The Executive bureau of the Central People's Government shall review and approve the draft plan control figures proposed by the Central Finance and Economics Committee and issue them by order to the relevant central ministries, the finance and economics committees of each major administrative region and the Planning Committee of the Northeast Region (hereinafter referred to as the Regional Finance Committee).

Article 8 The central competent ministries shall allocate and issue planning control numbers to the ministries and administrative bureaus directly under the central ministries to their subordinate regions, and send a copy to the relevant regional finance committees.

Article 9 The ministry of a large administrative region shall allocate and issue control numbers to its subordinate management agencies and directly-administered grassroots enterprises and units, and the management agencies under the ministry of a large administrative region shall allocate and issue control numbers to its subordinate grassroots units.

The Central Ministry Administration allocates and issues control numbers to directly governed grassroots units.

Article 10 The Regional Finance Committee shall conduct a comprehensive study and consideration based on the plan control figures issued by the GAC and the plan control figures allocated by the central competent authorities. In addition to issuing plan control figures to its subordinate provinces (cities), it shall also lead and supervise the planning work of the various departments in the region and its subordinate provinces (cities).

Article 11 If the Regional Finance Committee disagrees with the control figures issued by the central ministries, it shall immediately send a letter to the relevant central ministries with detailed reasons and send a copy to the Central Finance and Economic Planning Bureau.

The central ministries shall seriously consider the opinions raised by the regional finance committee and respond promptly, with a copy to the Central Finance and Planning Bureau. If the objection cannot be resolved, the Central Finance Committee shall make the decision.

Article 12 When the Regional Finance Committee, central ministries and management agencies at all levels issue control figures to lower levels, they should comply with and conform to the instructions and control figures of their superiors. However, if, based on actual circumstances, they believe that certain planning indicators must be included in the control figures issued to lower levels and are not included in the control figures of their superiors, they may issue necessary supplementary control figures and submit them to their superiors for filing.

The national investment figures for capital construction issued step by step downwards shall not exceed the central government's control figures.

The production figures issued by each level to the lower levels shall not be lower than the control figures of the central government. Except for certain products with restricted sales and raw material supply (such as matches, textiles, rubber products, various products using electrolytic copper, etc.), each level has the right to increase them appropriately according to actual conditions.

The profit and depreciation figures issued by each level to the lower level shall not be lower than the central control figures, and may be appropriately increased according to actual conditions. If the major financial districts and central departments believe that the control figures issued by the central government must be significantly changed according to actual conditions, they should immediately report (by telegram if necessary) to the Central Finance Committee.

III. Preparation and Review of the Draft Plan

Article 13 Each grassroots planning unit shall prepare a draft plan based on the planning control figures of the superior and submit it to the superior management authority.

Article 14 Administrative organs at all levels shall review the draft plans of their subordinate units and compile the draft plans of their departments, and submit them step by step to higher levels in accordance with the same system for issuing control figures in Chapter 2 of these Measures.

Article 15 The central ministries shall review the draft plans of their subordinate units, compile the draft plans of the ministry, and submit them to the Central Finance and Economics Committee.

Article 16 The ministries of each major administrative region and the enterprises and administrative departments directly under the central ministries in each major administrative region shall submit a copy of the draft plan to the regional finance committee at the same time as submitting the draft plan to the central competent ministry or the administrative department under the ministry. Upon individual decision of the regional finance committee, each enterprise shall, when necessary, submit part or all of the draft plan to the provincial finance committee or municipal finance committee at the same time.

Article 17: When reviewing the draft plans of their subordinate units, the regional finance committees and the central ministries shall establish direct contact and consult with each other at any time. When submitting the draft plans to the central finance committee, all relevant figures shall be consistent as much as possible.

Article 18 The regional finance committee reviews the draft plans of all units in the region and compiles the draft national economic plan of the major administrative region, which is submitted to the Central Finance Committee after being reviewed by the Military and Political Committee (People's Government) of the major administrative region.

Article 19 The Central Finance and Economics Committee reviews the draft plans of the central ministries and the finance committees of the major regions, and compiles them into a draft national economic plan, which is submitted to the GAC.

IV. Composition and Contents of the Draft Plan

Article 20 The draft national economic plan submitted by the Central Finance and Economics Commission to the Executive Yuan shall be accompanied by the draft plans of the central ministries and the draft national economic plans of the major administrative regions. Each attached draft plan must be accompanied by the review opinion of the Central Finance and Economics Commission.

Article 21 The central ministries shall submit draft plans of their own departments to the Central Finance and Economics Committee together with the draft plans of the subordinate management agencies divided according to industrial sectors. Each attached draft plan must be accompanied by the review opinions of the various ministries.

For example, when the Ministry of Fuel Industry submits its draft plan for 1952 to the Central Finance and Economics Committee, it should attach the draft national electric power industry plan, the draft national petroleum industry plan, and the draft national coal industry plan (also known as the draft plans of the various bureaus of the Ministry of Fuel Industry). This attached draft plan should include the electric power, petroleum, and coal plans of the industrial departments of each major administrative region.

Article 22 When the departments of a major administrative region are under the leadership of several central ministries (such as the Ministry of Industry and the Ministry of Agriculture and Forestry of a major administrative region), they should submit the relevant draft plans and review opinions to the central ministries separately according to the division scope of the business management system of the central department.

For example, the Ministry of Industry of a large administrative region submits draft plans for electricity, petroleum, and coal to the Ministry of Fuel Industry, draft plans for steel, nonferrous metals, machinery, and chemicals to the Ministry of Heavy Industry, draft plans for light industry to the Ministry of Light Industry, and draft plans for textile industry to the Ministry of Textile Industry (this draft plan is also the draft plan of the administrative agencies and directly-administered enterprises under the various ministries of the large administrative region, and is accompanied by the review opinion of the Ministry of Industry of the large administrative region). For another example, the Ministry of Agriculture and Forestry of a large administrative region submits draft agricultural plans to the Ministry of Agriculture, draft forestry plans to the Ministry of Forestry, and draft water conservancy and prevention plans to the Ministry of Water Resources.

Article 23 The draft plans submitted by the departments of each major administrative region to the Regional Finance Committee should be comprehensive, and should be accompanied by the draft plans of the subordinate management departments and directly-administered enterprises, with their respective review opinions attached.

Article 24 When submitting a draft plan to the higher authorities, each management agency shall attach the draft plan and the review opinion of the subordinate enterprise or grassroots planning unit.

Article 25 The draft plans of the central ministries shall be national and include various economic sectors. If the same industrial sector is under the jurisdiction of several central ministries, the comprehensive work of light industry, textile industry, and fuel industry shall be carried out by the central competent ministry; the work of heavy industry shall be carried out by the Central Finance and Economic Planning Bureau. For example, the draft national power plan submitted by the Central Fuel Industry Ministry to the Central Finance and Economic Committee shall include the plans of each self-owned power plant. Therefore, the self-owned power plants under each ministry shall send a copy of the draft plan to the local power bureau.

For example, the Ministry of Textile Industry, the Ministry of Agriculture, and the Ministry of Railways all have a machinery manufacturing industry. This machinery manufacturing industry is not included in the draft national machinery industry plan of the Ministry of Heavy Industry, but is finally integrated by the Central Finance and Economics Planning Bureau.

Article 26 The national economic plan of a large administrative region is an overall one and should include all national economic sectors, all management systems and all economic elements of the region.

Article 27 The preparation of draft plans for local enterprises (including local state-owned enterprises, cooperative enterprises, local public-private partnerships, private enterprises, etc.) shall be led by the Regional Finance Committee.

If the above-mentioned local enterprises are all under the management of the department of the Grand Administrative Region, it shall be responsible for compiling the draft plan and submitting it to the central competent department. If the above-mentioned local enterprises are not or are not all under the management of the department of the Grand Administrative Region, the Grand Administrative Region Finance Committee shall compile the draft plan according to the business management system of the central departments, and submit it to the Central Finance Committee in advance without waiting for the comprehensive completion of the entire plan, and copy it to the central departments respectively.

Article 28 The material supply plan shall be summarized and balanced by the regional finance committees according to the central government's control figures and the principle of giving priority to meeting the needs of national defense and state-owned enterprises, according to the scope of the major administrative regions, and opinions on balancing the difference (that is, the shortage and surplus quantity in the local area) and solutions shall be submitted to the Central Finance Committee.

The central ministries shall summarize and balance the material supply plans of their directly-administered enterprises and enterprises with coordinated material supply in the same way and report them to the Central Finance and Economics Committee.

Article 29 The production plan and its capital construction plan in the draft plan shall be prepared separately and bound and submitted separately. However, the utilization of the relevant fixed assets and the start time of construction shall be consistent with each other.

Article 30 The financial estimates and budget shall be prepared in accordance with the provisions of the "Provisional Regulations on Budget and Final Accounts" adopted by the GAC of the Central People's Government on July 20, 1951.

The enterprise financial plan is an integral part of the enterprise plan and should be prepared and submitted according to the procedures and systems of the entire plan. On the other hand, the enterprise financial plan is also an integral part of the national budget. It must be included in the draft budget submitted by the finance departments of each major administrative region to the regional finance committee and the draft budget submitted by the central finance department to the central finance committee. When submitting the draft plan to the higher level, the enterprise management agencies at all levels should send a copy of the draft financial plan to the finance department at the same level.

For example, when a ministry in a large administrative region submits a draft plan to its higher authorities, it should send a copy of the draft comprehensive financial plan of its subordinate enterprises, together with the draft financial plan of its subordinate management agency, to the finance department of the large administrative region; the provincial (municipal) public enterprise management agency should send the draft financial plan, together with the draft financial plan of its subordinate enterprises, to the provincial (municipal) finance department (bureau); central ministries should send a copy of the draft comprehensive financial plan of the enterprises directly under their jurisdiction or through their financial coordination, together with the draft financial plan of the regional enterprises, to the central finance department.

Article 31 The draft financial plans of central ministries shall be reviewed by the Central Ministry of Finance. When central ministries submit draft financial plans to the Central Ministry of Finance, they shall also submit production plans, capital construction plans, and cost plans of the ministry and the administrative agencies and directly-administered enterprises under its financial coordination.

The corporate financial plans of the ministries and their subordinate management agencies in each major administrative region shall be reviewed by the finance committees at all levels or by the financial departments at all levels, and the decision shall be made by the finance committees of each major region based on local specific conditions.

Article 32 All draft plans shall consist of the following two parts:

- (1) Description of the draft plan;
- (2) Planning form.

Article 33 The description of the draft plan shall briefly state the following contents:

- (1) A basic summary of the previous year's plan and the basis for the plan;
- (2) Planning tasks - that is, how to implement the policies and guidelines issued by the higher authorities in the department or region, such as how to give full play to the potential of existing industries in the explanation of the draft industrial production plan, etc.
- (3) an explanation of the main plan targets, with an indication of the basis for the main figures and their degree of accuracy;
- (4) Balance of plan and existing problems;
- (5) methods for ensuring the implementation of the plan;
- (6) Requirements for other sectors of the national economy and other regions;
- (7) Attached is the "List of Names of Grassroots Planning Units".

Article 34 The draft plan of the subordinate department submitted to the superior must be accompanied by a review opinion. The review opinion should briefly state the following:

- (1) Whether the draft plan is in line with the guidelines and control figures given by the superiors;
- (2) Whether there is balance within the enterprise, between enterprises, and between industrial sectors, and whether the supply of materials, funds, transportation, labor, and technology is guaranteed;
- (3) suggestions for eliminating various imbalances and individual weak links;
- (4) Suggestions for amendments to the draft plan.

Article 35 The draft national economic plan of a major administrative region should pay special attention to regional balance, close coordination among the various national economic sectors in the region, and the adjustment of various economic elements and their rational and appropriate development.

5. Planning table

Article 36 When formulating plans at all levels, they must be filled out in accordance with the uniformly prescribed forms and preparation instructions.

Article 37 The national economic plan form shall be drawn up by the Central Finance and Economics Committee and approved by the GAC and sent to the central ministries and regional finance committees.

Article 38 Central ministries may draw up various professional plan forms according to work needs, which shall be reviewed by the Central Finance Committee and sent to the various administrative agencies and ministries of the major administrative regions, with copies sent to the Finance Committees of the major regions. The forms drawn up by the ministries must meet the requirements for filling out the national economic plan forms.

Article 39 Each management agency shall draw up a plan form for grassroots planning units, which shall be reviewed by the Ministry and issued to each grassroots planning unit.

Article 40 The plan form may not be modified without the approval of the original review authority.

Article 41 Central ministries which also oversee other branches of the national economy shall prepare plans in accordance with the planning forms of the competent ministries.

For example, the locomotive and rolling stock plants of the Ministry of Railways should adopt the machinery industry planning forms drawn up by the Ministry of Heavy Industry.

Article 42 The preparation of planning forms shall take into account the actual working situation, strive to simplify and unify them, and shall include preparation instructions. Different requirements shall be applied to enterprises of different economic components.

VI. Approval of the Plan

Article 43 The GAC of the Central People's Government approves the national economic plan submitted by the Central Finance and Economics Commission and the plans of the central ministries and major administrative regions.

Article 44 The central ministries shall approve the plans of the enterprises managed by the major administrative regions and the management departments at all levels directly under the central government. The direct management authorities of the enterprises shall approve the plans of the grassroots planning units.

Article 45 After the indicators of its draft plan are approved by its superior, the grassroots planning unit should prepare an enterprise plan or a grassroots unit plan when necessary.

The business plan of an enterprise or a grassroots unit shall be in accordance with the planning indicators of the superior and shall be submitted to the directly managed authority for approval after compilation. However, if the central ministries or regional finance committees deem it necessary, they may designate the approval authority by individual decision or require it to be submitted for record.

Article 46 The Regional Finance Committee approves the plans of its provinces (cities).

Article 47 Due to time constraints, the Central Finance and Economics Committee may designate a certain level of management authority as the temporary approval authority for a certain level of plans.

VII. Supplementary Provisions

Article 48 The draft plan for the national cooperative business shall be prepared by the National Cooperative Federation and submitted to the Central Finance Committee. Cooperatives at all levels shall submit a copy of the draft plan to the local Finance Committee (or Planning Committee).

Article 49: The government-run enterprises of administrative and military agencies shall be regarded as local public enterprises and shall compile draft plans according to their management systems and submit them to the regional finance committees where they are located. The draft plans of government-run enterprises of agencies directly under the central government shall be compiled by the Central Finance Committee's Government-run Enterprise Management Bureau and submitted to the Central Finance and Economic Planning Bureau.

Article 50 The regional finance committees and central ministries may, in accordance with the principles of these measures and the deadlines for the preparation and submission of draft plans, and taking into account the actual conditions of each region and ministry, formulate supplementary measures for the preparation of plans, specify plan control figures, issue the system and time for the preparation and submission of draft plans for approval, and report them to the Central Finance Committee for filing.

The planning compilation methods for each province (city), special zone and county shall be formulated by the regional finance committee and submitted to the Central Finance Committee for filing.

Any instructions and documents on plan formulation methods issued before Article 51 that are inconsistent with these Measures shall be implemented in accordance with these Measures.

Article 52 The method for compiling the capital construction plan shall be stipulated separately.