

Decision of the GAC of the Central People's Government on the Construction of State-Owned Industrial Production in 1951 (Adopted at the 79th Executive Meeting of the GAC on April 6, 1951)

GAC of the Central People's Government

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(I) Approves the control figures for state-owned industrial production in 1951 set by the Finance and Economics Committee of the GAC, and instructs the central industrial ministries and industrial ministries of each major administrative region to allocate to their subordinate enterprises based on these figures, starting from the grassroots enterprises, and compile specific plans for production, cost, labor, etc. for this year from the bottom up, review and summarize them step by step, and submit them to the Finance and Economics Committee of the GAC for approval before May 31 after being reviewed by the central industrial ministries separately.

In order to ensure the completion and exceeding of this year's production plan and the development of future industrial production, all industrial and trade departments must develop production from the development of supply and marketing with a development perspective, and oppose conservative thinking and reduce blindness. Therefore, in terms of supply, we should strive to increase the output of industrial raw material crops (cotton, hemp, tobacco, sugar, leather, wool, etc.) and various raw materials and semi-finished products, encourage thrift, encourage the creation of substitutes, carefully clean up warehouse storage, and reasonably allocate and use them; in terms of production, we should make full use of the existing equipment capacity, break the old production standards, increase production, improve quality, and expand varieties; in terms of sales, we should fully estimate the growth of people's purchasing power, correctly grasp the price policy, organize public and private commercial forces, and actively open up sales channels to ensure the balanced development of supply, production and sales.

The production control figure is not a negative limit, but a positive goal; all industrial departments should pay close attention to the comprehensive situation of the three aspects of supply, production and sales; if a certain product needs to change the production volume, it should be reported to the Finance and Economics Committee of the GAC for timely review and revision to facilitate the development of industrial production.

(2) Approve the investment control figure for state-owned industries in 1951 set by the Finance and Economics Committee of the GAC, and instruct all central industrial departments to formulate specific plans for capital construction and submit them to the Finance and Economics Committee of the GAC for approval in two batches before May 15 and June 15. In order to ensure the realization of the capital construction plan, the implementation of capital construction projects must be carried out under the economic accounting system, and the capital construction procedures stipulated by the Finance and Economics Committee of the GAC must be followed. A responsibility system must be established, a contract system must be promoted, quality must be guaranteed, waste must be avoided, and the plan must be completed on time.

(III) State-owned local industries play an important role in the development of the national economy. We must adopt a policy of active development and encourage the enthusiasm of local governments at all levels to operate industries. The operating directions of state-owned local industries are:

- (1) Serving the countryside and solving the lack of living materials and production materials for the vast majority of farmers;
- (2) Processing for state-owned enterprises and becoming a powerful assistant to state-owned enterprises;
- (3) Mainly utilizing local raw materials;
- (4) Small and medium-sized industries that can be managed by local capital and manpower, especially light industries that produce consumer goods.

Before the Central People's Government has formulated a comprehensive plan that includes local industries, the production and capital construction plans of local industries should be reviewed at each level and reviewed and decided by the Finance and Economics Committees of each major administrative region. The important ones should be reported to the Finance and Economics Committee of the GAC for approval; general plans should be submitted to the Finance and Economics Committee of the GAC and the relevant central industrial departments for filing.

The scope of business of local industries:

- (1) Independent power plants that are not within the power transmission network;
- (2) Operation of small mines (small mining areas);
- (3) Iron factories that manufacture farm tools and small hardware;
- (4) Construction equipment industry (such as brick kilns, sawmills, etc.);
- (5) Textile mills and knitting factories;
- (6) Civilian clothing industry;
- (7) Food industry needed by the local area;
- (8) Paper mills and printing stationery industry;
- (9) Chemical industry that manufactures daily necessities;
- (10) Local public utilities and light industries that are needed by other places but difficult for the central government to organize.

The development of local industry should rely on the funds accumulated by the localities themselves. The financial and economic departments of the Central People's Government shall, under possible conditions, provide the following assistance to local industries:

- (1) The state's surplus production equipment may be allocated to local industrial construction in accordance with local capital construction plans, with the localities paying annual depreciation fees to the state, or used as state investment in local industries;
- (2) The central industrial ministries shall provide technical guidance and assistance to local industries;
- (3) Trade departments and banks shall support local industries to the extent possible;
- (4) The task of remittance of local industrial profits to the state treasury shall be lifted within a certain period of time to meet the needs of local industry for expanded reproduction;

(5) A leadership system for local industries shall be established to strengthen leadership over local industrial policies and guidelines and assistance in business management.

(IV) Strengthening the management of industry and implementing the economic accounting system are the basic principles for managing people's enterprises. The purpose of the economic accounting system is to promote the enthusiasm of enterprises to operate, improve labor productivity, increase output, improve quality, reduce costs, eliminate waste and increase national accumulation under the centralized guidance of the national plan, ensure the expanded reproduction of industry and improve the material life and cultural level of workers.

The state implements the economic accounting system for state-owned enterprises through the following five methods:

(1) Implementing planned management, that is, setting the tasks of increasing production (quantity, quality and variety), improving labor productivity and reducing costs for enterprises, and establishing a systematic inspection system to promote their realization.

(2) Determining the necessary fixed assets and working capital for each enterprise. Enterprises that have not determined their funds should immediately clean up their assets and determine their funds. Any excess or shortage will be uniformly allocated by the state. (3)

Implementing an independent accounting system, with the People's Bank of China centralizing all credit of state-owned enterprises, allowing each enterprise to have independent transactions with the state bank, and gradually giving full play to the bank's supervisory role in the financial activities of enterprises. Responsible for the leaders of each enterprise to take full responsibility for the profits and losses of the enterprises under their management.

(4) Under the condition of completing the national balance plan, enterprises have the right to sell products and purchase raw materials on their own through contracts.

(5) Implement the factory bonus fund system. After the economic accounting system has laid a preliminary foundation, enterprises that have determined funds and can carry out production in a planned manner can extract a certain proportion (not more than 30%) of the excess profits as a factory bonus fund. The GAC's Finance and Economic Committee will formulate factory bonus fund regulations for implementation.

All state-owned enterprises that have not yet started to implement the economic accounting system must do the following necessary work this year in order to establish the preliminary foundation of the economic accounting system:

(1) According to the plan table issued by the GAC, prepare specific plans for production, labor, material supply, cost, finance, etc.

(2) According to the asset liquidation method stipulated by the Finance and Economic Committee of the GAC, liquidate assets and determine funds.

(3) On the basis of carrying out production competitions and anti-waste campaigns, formulate reasonable and feasible average advanced quotas; first of all, determine quality, quantity, materials and labor.

(4) After a major security inspection, establish a security system and a regular maintenance system.

(5) Establish a primary responsibility system, starting with the most important and weakest links in the enterprise.

(6) Establish and improve the financial cost management system.

(7) According to the periodic reporting system stipulated by the Finance and Economics Committee of the GAC, strengthen statistical agencies at all levels, improve the grassroots record system, and improve statistical work.

Factories and mines that have a preliminary foundation for the economic accounting system (such as the Northeast) should take a step forward this year and focus on the following work:

(1) Strengthen workshop work, implement workshop cost management, and implement the economic accounting system in the workshop;

(2) Improve capital management, organize the production process and supply and marketing process more rationally, and accelerate the turnover of funds;

(3) Strengthen technical management, formulate more practical operating procedures and technical standards, and establish independent and authoritative inspection work;

(4) Gradually implement the piece-rate wage system.

In order to do a good job in business management and economic accounting, enterprises must establish a sense of ownership of the work of all employees and give full play to their enthusiasm, wisdom and perseverance. Therefore, enterprise managers must adhere to the position of relying on the working class, implement the idea of democratic management, and resolutely implement:

(1) Regularly consult with leading cadres from all aspects and be good at using the factory management committee to form a leadership core.

(2) All matters concerning the workers must be handled through the masses, with their consent and support, and turned into conscious actions of the masses.

(3) The Trade Union Law should be implemented in the administration. Trade unions are the leaders and organizers of the masses. All matters that need to be handled through the masses should be handled through trade unions.

(4) Regarding the welfare of workers, the Labor Insurance Regulations should be implemented and security and health work should be improved.

In order to increase the enthusiasm of industrial departments at all levels to improve management and operation, it is stipulated that the excess profits of state-owned industries in the next two years will be controlled by the central industrial ministries and the industrial ministries of major administrative regions; the scope of its application will be separately stipulated by the Finance and Economic Committee of the GAC.

(5) Production competitions in enterprises mark the improvement of the political consciousness of the working class and the establishment of a new attitude towards work. Production competitions are a process of development from sudden to regular, from increasing labor intensity to combining labor with technology, and are combined with the development of management and operation in factories and mines. The responsibility of leaders is to truly grasp the laws of the movement and actively guide the competition to develop in the direction of regularity, to give full play to the wisdom of the working class, and to learn and master technology. To this end, we should pay attention to the following:

(1) The content of the competition must be combined with the overall task of completing the production plan and solving the weakest or most critical link in production. The competition goals in each stage and each factory and mine must be clarified to avoid generalization and blindness.

(2) We should promote the combination of labor and technology, inspire the wisdom of employees, and improve production by improving tools, operating methods, and labor organization. We should prevent the tendency of simply increasing labor intensity, pursuing quantity, and ignoring quality.

(3) Promoting the experience of advanced producers and advanced production teams is a way to carry out production competitions.

(4) In the competition, we should establish and improve various management systems, create new technical standards and quotas, promote contact contracts and collective contracts, and seek balanced development of mutual cooperation and solidarity among employees and production departments.

(5) We should establish a reasonable reward system in the competition.

Production competition is a major event related to the overall work of a factory or mine. It must be planned and arranged uniformly by the factory management committee, with division of labor and cooperation. The trade union should be responsible for mobilizing and organizing the workers to carry out the competition. On the administrative side, it must promptly propose production plans and current central tasks, and be responsible for the supply of raw materials and inspection of product specifications, etc., and cooperate with each other to ensure the smooth progress of the competition.