

Actually, although the amount of grain collected as tax will be slightly increased in 1958, as a result of the planned increase of 7 per cent in agricultural production in that year (or an estimated increase of 6.1 per cent over 1957 if we calculate at the total value of agricultural and subsidiary productions), the actual proportion of agricultural tax (in the total agricultural production) will decrease from 11.3 per cent in 1957 to an estimated 11.06 per cent in 1958. If the production of 1958 is increased more, this relative proportion will be further reduced. As agricultural tax will be maintained at the same quantity in the coming five years, its relative weight will continue to decrease.

Regarding the method of collecting agricultural tax, we have mentioned in the last session on the report of the 1957 budget that the tax system should undergo necessary changes according to the new situation after the completion of agricultural cooperativization. In the past the agricultural tax has been collected on the basis of individual households; from now on, the unit of collection shall be changed to the APC. In the past a proportional tax rate has been adopted in some areas and a progressive tax rate in other areas. From now on, the proportional tax rate shall be used throughout the nation. In addition, the tax unit and tax rate will also be adjusted and revised in accordance with new situations. After repeated study, we have drawn up new draft regulations on agricultural tax and will soon present them to the Standing Committee of the National People's Congress for approval and trial. After one year of experimental implementation, revisions will again be made. The revised version will then be submitted for approval and promulgation to the NPC....

34. GAC, Chung-yang chin-k'u t'iao-li 中央金庫條例 (Regulations on the National Depository), Mar. 3, 1950.^{46/}

Article 1. The CPG shall, in order to unify the (procedures on) financial receipts and expenditures of the nation, establish the National Depository.

Article 2. The CPG shall set up the central depository, and (national depositories) at the level of the Large Administrative Area [abolished in 1954], the area, the provinces (or municipalities), and

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the hsien (municipalities). When necessary, national depository offices may be organized at suitable localities.

Article 3. The People's Banks shall act as the depositories at all levels, and the managers of the banks shall serve concurrently as the chiefs of the depositories. In districts where no People's Banks have yet been established, national depositories may be independently set up. They shall be under the unified direction of the People's Bank at the superior level and the national depository at the superior level.

Article 4. All financial receipts of various (government) organs shall be deposited in toto at the national depositories within the prescribed time limits. Unless approved by special orders, the receipts shall not be kept by the receiving agencies or used to cancel out other financial transactions, or diverted to pay expenditures.

Article 5. The power to dispose of the depository funds belongs exclusively to the MF, CPG. The central depository has no authority in the disposal of the deposits, except when it is instructed by the MF, CPG to do so through payment orders. The area, regional, and local depositories shall not make payment to any government organ without the instructions of the central depository.

Article 6. The right to transfer and adjust the deposits among the depositories of various levels shall belong to the central depository.

Article 7. It is the duty of the People's Government to supervise and check the national depository at the corresponding level, but it does not have any right to dispose of the depository funds.

Article 8. The national depositories at various levels must check and see whether the receiving agencies have deposited their receipts according to regulations. If a receiving agency disobeys these provisions and refuses to adhere to the advice of the national depository, the latter has the responsibility to report (such illegal acts) to the depository at the superior level and to the MF, CPG.

Article 9. The receipts and expenditures of the national depository shall be made in terms of people's currency. If gold, silver, or foreign currencies are found among the receipts, the receiving agency must exchange them for people's currency at the local People's Bank before

making deposits.

Article 10. National depositories at various levels shall report the actual conditions of receipt and expenditure, on stipulated forms and according to stipulated categories and time limitations, to the depositories at the superior level. The central depository in turn shall, at regular intervals, report the actual conditions of receipt and expenditure in the national depositories at various levels to the MF, CPG.

Article 11. The detailed regulations on the enforcement of these provisions shall be drawn up separately by the MF, CPG.

Article 12. The provisions shall take effect on the day of promulgation.

35. Agricultural Bank of China, Nung-yeh sheng-ch'an ho-tso-she tai-k'uan chan-hsing pan-fa 農業生產合作社貸款暫行辦法 (Provisional regulations on loans extended to the APCs), Oct. 5, 1955.^{47/}

1. The bank shall extend directly to the APCs three types of loans:

a. Loans for capital construction: The uses of these loans shall be limited to assisting the APCs to meet their shortage of capital for basic construction. Items of expenditure in capital construction may include: the purchase from outside the cooperative of draft animals, animals for breeding, farm equipment, tools for subsidiary occupations, and saplings; small-scale irrigation and farm projects; and reclamation and migration.

b. Loans for production expenses: The uses of these loans shall be limited to assisting the APCs to solve the need for funds in the production of the current year. Items of expenditure may include the purchase of seeds, fertilizers, insecticides, and raw materials for subsidiary occupations.

These two types of loans shall be extended only when the APC in question has made full use of its common funds and has mobilized its members to invest but still feels a shortage, or when the APC is in difficulty as a result of natural calamities.

c. Loans for payment of APC share funds by the poor peasants: The uses of these loans shall be limited to helping the poor peasants who are unable to pay the entire amount of share funds (upon joining) the APCs.