

1949

Meetings

Dates of Meeting:

27-07-1949 - 15-08-1949

Type of Meeting:

National financial and economic conference

Place of Meeting:

Shanghai

Attendance:

Chen Yun convenes, east, north, central, northeast, northwest of five areas of fiscal, monetary, trade, financial and economic sector leaders attended the meeting.

Agenda:

to unify finances and keeping market prices under control

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Major agenda item:

to unify finances and keeping market prices under control

Speeches & reports:

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Chen Yun "[Overcome Serious Financial Difficulties](#)," 8 August 1949

Military expenditures amounted to 60 percent of government spending (or more, if indirect military expenditures are taken into account)

The Chinese should take advantage of the "contradictions" between imperialist countries. Any embargo could be circumvented by funnelling trade through Hong Kong, Tianjin as well by indirect selling.

"The (civil) war has yet to come to an end and the enemy continues imposing a (naval) blockade against us."

Chen Yun: "[Problems in current financial and economic work that merit attention](#)", August 15, 1949 when making the concluding speech at the Shanghai financial and economic meeting in August 1949, Comrade Chen Yun dealt with the two proposals on the problem of big sales of goods by state-owned trading companies in a situation in which there was private capital in large quantities and commodity prices had been unstable for many years. One proposal was that to stabilize the market, so long as conditions permitted, those that ought to be sold out should be sold out in large quantities. The other proposal was that to prevent future price hikes, no big sales of commodities should be introduced even if we had them. Both proposals had their advantages and disadvantages. Which proposal had more advantages than disadvantages depended on whether you approached it from the viewpoint of the whole or from that of the partial. Comrade Chen Yun's conclusion was: "If those that ought to be sold out are not sold out in large quantities, this will result in price hikes and in issue of more currency. From the viewpoint of the partial, the practice may be advantageous but it will do harm to the overall situation. We must be ready to sell our goods in large quantities by proceeding from stabilizing commodity prices—this overall situation."

Touching the take takeover of personnel formerly working in the old regime, the summation said: "If we take over all personnel who once worked in the old regime, it will mean a heavy financial burden to us. However, if we dismiss these people and let them go unemployed with their livelihood unassured, the problems rising therefrom will be serious. Providing them with a proper, livelihood will be a loss in financial terms, but from another point of view, it will create a good political impression. When people in the liberated areas learn that the livelihood of the personnel who once worked in the old regime is assured, they will no longer feel worried, and the number of people putting up resistance will decline as a result. In this way, the war can come to an early end with fewer losses in manpower and financial resources, and expenditure can be significantly curtailed as a whole."

"Now the problem in Shanghai is that there is no rice and cotton, and the key question is that there is no transportation for transporting in rice and cotton." He directed that it was imperative for Shanghai to organize transportation in a big way, particularly waterway transportation. At the same time, battles were still continuing on the frontline, with heavy tasks placed on military transportation.

But in order to guarantee the supply in the city, the central government made special arrangements for the transportation task of railways in east China.

Other Decisions and/or Actions:

- See [meeting February 1950](#)

- definite and concrete arrangement for the struggle to stabilize market prices. The struggle lasted for 10 months, from June 1949 to March 1950.