

Decision on Issuing People's Victory Discounted Public Bonds

(Adopted at the fourth meeting of the Central People's Government Committee on December 2, 1949), the first tranche of public bonds was issued between January and March 1950. Ten million cents were issued. The second tranche of public bonds has not been issued because the country's financial situation has basically improved

1. In order to support the People's War of Liberation, quickly unify the country, stabilize the people's livelihood, and embark on the track of economic recovery and development, it was decided to issue the people's victory discounted public debt in 1950.

2. The raising and repayment of principal and interest of this bond are all calculated on the basis of physical objects, and the unit is named "Fen". Each minute is calculated as the sum of the average wholesale prices of six catties of rice (millet in Tianjin), one and a half catties of flour, four feet of white muslin, and 16 catties of coal in the six major cities of Shanghai, Tianjin, Hankou, Xi'an, Guangzhou and Chongqing. This average city rank is uniformly announced by the People's Bank of China every ten days.

3. The total amount of this bond is 20,000 cents, which will be issued in installments in 1950. The first issue was issued regularly from January to March 1950. The time for continued issuance shall be determined by the State Council.

4. The public debt is repaid in five years, with 10% of the total repayment in the first year, and an increase of 5% every year thereafter. Starting from the closing date of each issue, the principal shall be repaid by drawing lots every full year.

5. The interest rate of this bond is set at 5% per annum, which is also calculated in kind. The interest will be paid once every full year from the deadline of each issue.

6. Instruct the Government Administration Council to formulate the People's Victory Discounted Public Debt Regulations in accordance with this decision and promulgate them for implementation.