

## Provisional Measures for Capital Construction Work

*(Promulgated by the Fiscal and Economic Committee of the Government Administration Council on January 9, 1952)*

### Section I: General Provisions

#### Article 1

Capital construction refers to the expansion of fixed assets through new construction, renovation, restoration, and associated work. This includes construction for sectors such as industry, mining, transportation, agriculture, forestry, water conservancy, finance, trade, culture, education, health, urban development, and administrative organs at the level of Greater Administrative Regions and above. Types of construction include enterprise development, housing, cultural and educational institutions, scientific research, healthcare, and public utilities.

#### Article 2

The scope of capital construction includes the following:

1. Building projects.
2. Installation projects.
3. Procurement of machinery, equipment, and tools classified as fixed assets.
4. Design, exploration, geological surveys, and technical research related to the above.
5. Other work related to capital construction.

#### Article 3

Units engaged in capital construction—whether enterprises or independent non-enterprise project units (e.g., specific reservoirs, highways, harbors)—are hereinafter referred to as "construction units" and are classified by function into three types:

- **New construction units:** Those with no prior foundation, starting construction anew.
- **Renovation units:** Those expanding or modifying an existing structure.
- **Restoration units:** Those rebuilding facilities damaged or rendered unusable, restoring them to their original state. If restoration includes significant expansion or renovation, it is categorized as renovation.

#### Article 4

To facilitate administrative oversight in planning, design, and construction, construction units are divided into "above-limit" and "below-limit" categories based on total projected investment, as defined by the Fiscal and Economic Committee (hereafter "Central Fiscal Committee" or 中财委) according to the characteristics of each sector.

- **Above-limit units:** Total investment exceeds or equals the prescribed limit.
  - If total investment  $\geq$  100 billion yuan: Category A.
  - If total investment  $<$  100 billion yuan: Category B.
- **Below-limit units:**
  - If total investment  $\geq$  2 billion yuan: Category C.

- If total investment < 2 billion yuan: Category D.  
Units of strategic importance may be classified as “above-limit” regardless of investment size.

## **Section II: Organizational Structure**

### **Article 5**

All central ministries, general administrations, fiscal and economic committees of the Greater Administrative Regions, and subordinate bureaus and enterprises engaged in capital construction must establish dedicated capital construction offices as needed. These offices shall oversee design, planning, and construction tasks. If design or construction is contracted to external firms, the internal office is responsible for supervision and inspection.

The drafting of capital construction plans should be jointly carried out by the construction office and the planning office.

### **Article 6**

Any unit involved in both production and capital construction must set up a separate office to handle construction affairs, with distinct and separate financial accounts, material management, and reporting procedures from those of the production department.

### **Article 7**

Central ministries and general administrations shall gradually establish independent design firms and construction-installation contracting companies to handle surveys, design, and construction tasks. These shall operate on a **contract system** (defining tasks, responsibilities, quality guarantees, costs, and deadlines) and follow **economic accounting principles**.

## **Section III: Design Work**

### **Article 8**

Until formal design regulations are issued, design work shall follow these provisional measures.

### **Article 9**

Design documentation forms the essential basis for capital construction. Construction may not proceed until all necessary design documents—prepared according to these measures—are completed. Economy and frugality must be observed during design, and extravagance avoided.

### **Article 10**

All Category A, B, and C units must conduct surveys and submit a “Project Mission Statement” for approval before beginning design. This document must align with national construction goals and long-term planning. Its purpose is to establish a planning proposal for the design subject. For industrial projects, it must include:

1. Type of product and its national economic significance.
2. Production scale and future development.
3. Construction site and relation to other industries.
4. Construction timeline and coordination with related industries.
5. Estimated investment and required foreign exchange.
6. Resources and economic conditions (raw material supply and market prospects).

Multiple alternative proposals may be submitted for comparison. Approved mission statements may not be altered without consent from the approving authority.

#### **Article 11**

Design work proceeds in three stages:

1. **Preliminary Design (初步设计):** Based on the approved mission statement. It assesses technical feasibility and economic rationale. Includes site selection, enterprise composition, production planning, labor needs, materials, energy, transport, coordination with other enterprises, construction scale, labor welfare provisions, draft layouts, cost estimates, and necessary interdepartmental agreements.
2. **Technical Design (技术设计):** Based on the approved preliminary design. This includes full documentation for ordering equipment and preparing construction. Covers layout, production flow, power, water, HVAC, housing, buildings, construction organization, and technical-economic assessments. Detailed budget estimates are integral.
3. **Construction Drawings (施工详图):** Detailed diagrams required for construction execution, based on the technical design.

#### **Article 12**

All new, renovation, and restoration projects (except Category D) must produce a comprehensive preliminary design for the full project within a designated timeframe. Partial or yearly designs are not sufficient. Units continuing construction over several years must complete this overall design in 1952. Failure to do so—unless specifically exempted—will disqualify the project from the 1953 construction plan.

#### **Article 13**

1. Restoration units with usable past design documents may submit these for approval instead of conducting new design work.
2. Category D renovation or restoration units may simplify their preliminary designs as deemed appropriate by the competent central ministry, with record filed to the Central Fiscal Committee.

#### **Article 14**

For technically complex or large-scale projects requiring foreign design teams or experts, procedures must follow the **April 30, 1951 regulations** issued by the Central Fiscal Committee on engaging foreign design services.