

GAC has recently issued a decision (passed at the 25th executive meeting of the State Council on March 24, 1950) on the unified management, storage, and dispatch of national public grain. The full text is as follows; the summary is below:

To improve and unify the system of managing, storing, and dispatching national public grain, to ensure military and civilian food supplies, regulate the supply and demand of grain markets, and implement the national financial revenue and expenditure budget for 1950, the following decisions are made:

I. Public Grain Revenue and Expenditure:

1. The tax rates and quotas for collecting national public grain shall be determined by the State Council of the Central People's Government; local governments at all levels shall not set or modify them independently. The distribution of the national public grain collection task shall be determined by the State Council based on local conditions. Local governments at all levels must strictly follow the tax regulations, tax rates, and grain collection policies specified by the central government, carry out the collection carefully and correctly, and complete the task. For any excess amount beyond the task assigned by the central government, which does not violate the prescribed grain collection policies and laws, a bonus may be given, with 80% retained locally and 20% remitted to the central government.

2. A strict system of public grain entry into the warehouse shall be implemented: National public grain shall enter the central public grain warehouse, and local grain shall enter the county public grain warehouse. To strengthen the management of national public grain, the Central Grain Management Bureau is established under the leadership of the Ministry of Finance of the Central People's Government. The Grain Management Bureau is established in large administrative regions, under the dual leadership of the Central Grain Management Bureau and the financial department of the administrative region. A provincial grain bureau is established under the dual leadership of the Grain Management Bureau of the administrative region and the provincial finance department. In centrally-administered provinces, it is under the dual leadership of the Central Grain Management Bureau and the provincial finance department. Special districts may establish grain branches and central public grain sub-warehouses, all under the dual leadership of the higher-level grain bureau, warehouse, and local government. The main responsibilities of grain bureaus and central public grain warehouses at all levels include managing national public grain and other related tasks. These tasks, such as agricultural tax investigations, land evaluations, and the collection of public grain, should be carried out by the financial departments at all levels under the leadership of the local governments.

3. Strict implementation of the public grain payment system: After entering the warehouse, public grain shall be allocated by the Ministry of Finance of the Central People's Government. No other institution or individual is allowed to disburse it independently.

4. Determination of the scope of national public grain usage: Except for grain allocated for expenses, any expenses that can be paid in currency or physical goods shall not use national public grain. Expenditure of national public grain is limited to the food for military personnel, faculty and staff of public schools, disaster relief, welfare, infant care, workers involved in war efforts, and some river management purposes. All other expenses shall first be allocated to trade grain to adjust civilian food supplies and withdraw currency.

5. All levels of governments and the People's Liberation Army must compile annual and quarterly grain budget tables based on the actual number of personnel. They shall review and summarize the tables at each level and report them layer by layer. In the government system, the Ministry of Finance of the Central People's Government shall approve and allocate them; in the military system, the Logistics Department of the People's Revolutionary Military Committee shall review and report them to the Ministry of Finance of the Central People's Government for approval. The allocation of grain needed by each major administrative region and centrally-administered province (city) shall be approved by the Ministry of Finance of the Central People's Government once a year or in two instalments, and then disbursed.

6. National public grain expenditures shall use a three-part grain allocation order, gradually phasing out the grain coupon system. The grain allocation order shall be issued by the Minister of Finance of the Central People's Government for central and provincial allocations and by the provincial governor for county-level allocations.

7. All levels of grain bureaus and central public grain warehouses must establish a system of regular reporting on grain revenue and expenditure and a monthly system of reporting on grain revenue and expenditure tables. In areas facing difficulties in monthly reporting, a regular system of reporting on grain revenue and expenditure situations should also be implemented. This will allow the central government to grasp the national public grain revenue and expenditure situation, ensuring that inventory and accounts are regularly reconciled.

II. Public Grain Storage:

1. Construction of grain warehouses shall be carried out according to the following regulations: A planned construction of grain warehouses and processing factories shall be carried out within three to four years. The construction plan for county-level public grain warehouses shall be formulated by the county people's government and approved by the provincial people's government. The plan shall be gradually implemented starting from 1951. Central public grain warehouses and processing factories will be used for financial grain needs, and their construction plan shall be formulated by the Ministry of Finance of the Central People's Government or entrusted to the financial department of the administrative region. A trade grain warehouse may be separately built for trade departments to regulate market supply and demand. The construction plan for the above two types of central public grain warehouses and processing factories shall be submitted to and approved by the Finance and Economic Committee of the State Council before implementation. The location of warehouse construction should be coordinated as much as possible, and efforts should be made to achieve joint use. If joint use is not possible, separate construction may be considered. If constructed separately, trade grain warehouses, for the convenience of regulating grain market supply and saving transportation costs, should be built in towns along railways and navigable rivers. Financial grain warehouses, for the convenience of supply and dispatch, should consider both key construction and the distribution of grain. Before new warehouse construction is completed, existing warehouses, temples, and ancestral halls should be fully utilized. Privately-owned warehouses and houses may be rented, and those that need repair may be repaired as necessary. Local people's governments must be responsible for solving the warehouse problems of local grain management departments, giving priority to the needs of central grain warehouses.

Public grain entry into the warehouse shall be limited to current grain; original grain should be strived to be preserved. Centralized storage should be gradually achieved in places where conditions are not yet available. Special attention shall be paid to insect prevention, anti-corrosion, anti-theft, anti-spoilage, and anti-fire measures in grain storage. Scientific storage methods shall be promoted,

and grain warehouses shall strengthen their security measures. All large grain warehouses must be equipped with fire prevention facilities.

Strict implementation of grain warehouse management and inspection systems, establishment of a regular inspection report system, and establishment of a work reward and punishment system. The highest allowable loss of public grain shall not exceed 3%, with 1.5% as the principle in areas with stable conditions.

When national public grain is collected into the warehouse, local people's governments and personnel collecting public grain must pay attention to the quality of the grain to reduce mold and insect damage during storage.

III. Public Grain Dispatch:

The right to dispatch national public grain belongs to the Ministry of Finance of the Central People's Government. Large administrative regions and centrally-administered provinces (cities), according to the approved budget, may dispatch their allocated grain but must strictly follow the central government's plan. They must also remit surplus grain that can be easily transported back to the central government, as much as possible, to facilitate the implementation of the central unified dispatch plan. The dispatch methods for county-level public grain shall be separately determined.

For those that have been determined to be allocated to the central trade grain, efforts should be made to transport them into the central trade grain warehouse at once during collection. If warehouse space is insufficient, local people's governments must assist in temporarily borrowing civilian houses.

The transportation of financial supply grain shall be the responsibility of the grain department. For grain allocated as trade grain, the handover and transportation methods shall be negotiated and determined by the Ministry of Finance of the Central People's Government and the Ministry of Trade.

Grain transportation methods are divided into compulsory and hired methods. When public grain is collected into the warehouse, those delivering grain have an obligation to transport within a radius of 100 li. For distances exceeding this, compensation should be given according to local market prices. After public grain is stored in the warehouse, when it needs to be transported again, it should be transported by hired labor based on commercial principles. In cases where the quantity of public grain transportation is excessive, or the dispatch time is urgent, and hiring labor is difficult, the local people's government may be required to conscript labor. However, payment should still be made according to market prices.

Summary:

The decision of the GAC on the unified management, storage, and dispatch of national public grain to ensure military and civilian food supplies, regulate market supply and demand, and achieve the financial revenue and expenditure budget for the current year. The decision outlines the following:

1. Public Grain Revenue and Expenditure:

- Tax rates and quotas for collecting national public grain shall be determined by the State Council of the Central People's Government, and local governments at all levels are not allowed to set or modify them independently.

- The distribution of the national public grain collection task shall be determined by the State Council based on local conditions.

2. Strict Implementation of Public Grain Payment System:

- Public grain, once stored, shall be allocated by the Ministry of Finance of the Central People's Government, and no other institution or individual is allowed to disburse it independently.

3. Determination of National Public Grain Usage Scope:

- Expenditure of national public grain is limited to military personnel, government officials, public school faculty and staff, disaster relief, welfare, infant care, workers involved in war efforts, and some river management purposes.

4. Budgeting and Allocation:

- Each level of government and the People's Liberation Army must prepare annual and quarterly grain budget tables based on the actual number of personnel.

- Grain budgets shall be approved by the Ministry of Finance of the Central People's Government for government institutions and by the Logistics Department of the People's Revolutionary Military Committee for the military.

- Central and local governments shall adhere to the approved budget in grain usage.

5. Issuance of Grain Allocation Orders:

- Grain allocation orders shall be issued using a three-part form, gradually phasing out the grain coupon system.

- Orders shall be issued by the Minister of Finance of the Central People's Government for central and provincial allocations, and by the provincial governor for county-level allocations.

6. Grain Storage Construction:

- A planned construction of grain warehouses and processing factories shall be carried out within three to four years.

- Existing warehouses and buildings shall be utilized until new construction is completed.

7. Grain Storage Management and Inspection:

- Strict management and inspection systems for grain storage shall be implemented.

- Regular inspection reports and reward/punishment systems shall be established.

8. Grain Dispatch:

- The dispatch of national public grain is under the jurisdiction of the Ministry of Finance of the Central People's Government.

- Regional governments can dispatch allocated grain based on central approval, adhering strictly to central plans.

9. Transportation Methods:

- Transportation methods include both voluntary and hired transport.

- Those responsible for delivering grain to the storage facility have an obligation to transport within a certain distance. If the distance exceeds the designated limit, they shall be compensated according to local market prices.

- When transport involves hired labor, it should be done in accordance with market principles, and local governments may assist in hiring labor when necessary.

The decision emphasizes the importance of comprehensive measures to strengthen and unify the management, storage, and dispatch of national public grain to ensure national food security.