

1950

Meetings

Dates of Meeting:

15-11-1950 – 27-11-1950

Type of Meeting:

2nd national conference on financial works

Place of Meeting:

Beijing

Attendance:

Chen Yun presided

Major Agenda Items:

Korean war

Speeches/Reports:

Chen Yun [Our financial and economic policies in light of the war to resist the US aggression and aid Korea](#), November 15, 1950

The measures to increase state revenue determined in this conference, such as the increase of tax grain attached, the increases of some goods tax and import and export tax, will levy an additional several billion catties of millet. This will mainly come from farmers. Will the farmers be satisfied? This is a matter we must think about. We must do one thing if we want farmers to be able to pay the tax increase. It is to promote local interchange, national and international interchanges.

Farmers will be able to pay the tax as long as they can sell their agricultural, subsidiary and native products ... Helping farmers to sell their products is the prerequisite for the state to obtain the additional tax revenue. Expanding the buying and selling of agricultural, subsidiary and native products is not only a rural problem, but also the key at present to stimulate China's economy. The financial and economic work since the half year has proved completely that urban prosperity is the result of rural economic development ... Therefore, we are able to say that expanding the buying and selling of agricultural, subsidiary and native products is the most important task for China's economy at present. (ILCSFN, No. 1, pp. 475–6).

Chen Yun: Closing speech November 27

First, the central government "has basically agreed" to the guidelines for financial work in 1951 discussed and determined at the meeting. However, the "war first" when the guidelines were first proposed was changed to "national defense first". This is the most important achievement of the meeting.

Second, the focus of increasing income is to help farmers sell agricultural and sideline products, which is the premise for the state to obtain tax revenue and the key to the current active Chinese economy.

Third, the focus of market stability is to stabilize finance; the key to ensuring financial stability is to balance fiscal revenue and expenditure, and try not to issue or issue less bills. At the same time, it is necessary to strengthen material supply; strengthen transportation work; implement unified purchase and sale of gauze and cloth to provide guarantees for market stability. Fourth, there is a unified understanding on the issue of reducing economic and cultural investment.

Other Decisions and/or Actions:

national defense first, price stability second, and other priorities third.

Remarks: