

Shanghai,

(City)

China,

(Country)

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(Date)

Submitted by:

John J. Ehrhardt,

(Name)

Trade Commissioner.

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The National Government at Nanking
Establishes a National Economic Council.

"In addition to the immediate task of preparing the three-year plan... On November 15, 1931, President Chiang Kai-shek, Chairman of the Executive Yuan, inaugurated a National Economic Council for the purpose of studying the economic needs of the country and making recommendations for the expenditure of national funds for economic development. This Council will start functioning immediately on plans for a program of economic development over a three-year period making use of such funds as will become available out of national resources. Later the Council will give further consideration to the planning of a ten-year program of economic development.

The text of President Chiang Kai-shek's speech of inauguration as it appeared in the North China Daily News on November 20, is quoted below: "The Council will have a Permanent Technical Secretariat... I take great pleasure in welcoming the members of the National Economic Council at the first meeting of the Council. You are aware of the purposes for which the Council is formed, and I need only very briefly recount here the salient features of our programme. The first proposed task of the Council is to draw up a three-year plan. Such a plan would cover the most urgent matters of economic development that will be practicable in the immediate future taking account of the financial resources available. It will aim first to translate into definite projects such of the schemes as will be selected as being the most urgent, to correlate them with one another, to establish an order of priority, and in essence to elaborate as rapidly as possible a co-ordinated plan of development for a first

period of three years beginning in 1932. The financing of this first plan will have to be done out of the national resources. The newly established National Finance Commission will determine the amount of credits that can be set aside for the purpose of reconstruction, and it will be the task of the National Economic Council to pronounce upon the proper use of these credits.

"In addition to the immediate task of preparing the three-year plan, the Council will have to examine and give its opinion from time to time on current proposals emanating either from central or local authorities or from private institutions, and from Chinese and foreign industrial, trade and financial interests.

"Among the specific proposals which you as a body will consider are Hwai River conservancy and land reclamation, harbour development at Greater Shanghai, construction of a motor road from Shanghai to Nanking, and land reform and agricultural improvements. In general the Council will examine and decide concerning the types of industrial development that may best be promoted by government action.

"Next comes the programme of planning, for a period of a decade or more, the main course of development which China desires to achieve. Such a plan must be based upon the natural development of those industries that are best adapted to the natural resources and conditions of the country. The programme of economic development should of course be closely related to the development of the system of education and public health.

"The Council will have a Permanent Technical Secretariat which will grow out of the present preparatory organisation. Great stress must be laid upon the formation of a strong organization, with expert personnel capable of preparing schemes for submittal to the Economic Council, and thereafter supervising or helping to supervise their execution. The personnel would include engineers, experts in agriculture, health, education, etcetera. Arrangements have been made for close collaboration with the various technical organisations of the League of Nations. We note with much satisfaction that Dr. Rachjman, Director of the Health Organisation of the League of Nations, has already been in China for several weeks assisting in a most helpful manner with arrangements for such technical collaboration. About January 1 next Mr. Robert Haas, Director of the Transit and Communications Organisation of the League, will arrive in China to assist further in development of the programme of the Economic Council.

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"In asking you as members of the Council to co-operate in the development of an economic programme, I trust that I have your confidence that all the questions involved may be discussed freely, impartially and frankly without any fear of offense being taken when we are all seeking the common good of the country."

John J. Ehrhardt
Trade Commissioner.

Approved for Transmission:

H. D. Robison
Trade Commissioner.

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