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**The Tasks of Continuing
The Revolution**

Power Industry—the Vanguard

Currency Fluctuations in Capitalist World

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Finance Looks Up

Last year, upwards of 60 per cent of Chinese workers and staff members got an increase in their wages. Investments were bigger in oil exploration and exploitation and in the building of power stations and coal mining centres, and more money was spent on making locomotives and rolling stock, double-tracking or laying new railway lines and expanding marine mercantile and civil aviation. In addition, more funds were allocated to developing agriculture and cultural and educational undertakings. All these significant changes indicate a marked turn for the better in China's financial situation.

When the "gang of four" usurped a portion of the Party and state power, the nation failed to fulfil its revenue plan for three years running (1974-76). Things began to look up in 1977, the first year after the smashing of the gang. In fiscal 1977 state revenue increased substantially; revenue and expenditure by and large balanced, with a small surplus. According to the Ministry of Finance, state revenue last year which was 6 per cent higher than planned in the budget topped all previous figures.

The speedy turn for the better in finance is a measure of the quick restoration and development of the national economy. In the last few years,

however, not only state revenue failed to meet the plan but some necessary outlays had to be curtailed as a result of the interference and sabotage by the "gang of four." With the rapid change in the past year, the state is now in a position to invest more money in various fields of national construction.

For More and Better Books

The State Publications Bureau recently held a meeting in Peking to discuss the implementation of Chairman Mao's revolutionary line and work out the publication plans for 1978 as well as for the 1978-85 period.

Speakers at the meeting cited a host of facts exposing and criticizing the crimes committed by the "gang of four" in the field of publishing. They pointed out that the list of books under ban by the gang included outstanding Chinese literary and art works created after the May 4th Movement in 1919, the Yen'an forum on literature and art in 1942 and the founding of New China in 1949 and, in particular, Chinese and foreign literary classics.

In recent years very few academic and theoretical works and an even smaller number of books and dictionaries of science and technology were published. This resulted in a serious shortage of books. On

the other hand, in order to create counter-revolutionary opinion, the "gang of four" worked overtime to churn out large numbers of publications propagating their reactionary views, for which they wasted a total of 40,000 tons of paper.

The publishing circles pledged at the meeting to make big efforts to end the book shortage caused by the "gang of four" and put out more and better publications to meet the increasing demand of the people.

A Hard-Working County Party Committee Secretary

True to its name, Chieh-pai Ridge (Boundary Marker Ridge) in the Taihang Mountains in north China's Shansi Province was a dividing line in farm production. To its south lies Hsiyang County known throughout the nation as the first Tachai-type county with a consistently high grain yield year after year. To its north lies Pingting County where grain output used to be low. Though basically similar in natural conditions, the two counties were poles apart in farm production.

After the conclusion of the First National Conference on Learning From Tachai in Agriculture in September 1975, the Party appointed Li Suo-shou to be the new secretary of

the county Party committee of Pingting. Until then secretary of the Party branch of Hsiyang County's Nannao Production Brigade with only some 300 people, this peasant in his forties now has under his charge a county with a population of 300,000. Pingting was a pretty tough nut. It was also a place where the followers of the "gang of four" had once held sway. It had changed its Party committee secretary four times in five years. When he was appointed to the new post, Li Suo-shou was fully aware of the odds against him and the heavy responsibility on his shoulders.

Soon after his arrival at the county, he went among the masses to make investigations and found that the local peasants were not properly

provided for. Pingting produces coal but the commune members were short of fuel because of the lack of transport facilities in the rugged country. Grain was in short supply in some communes and brigades resulting from the poor soil and low yields and, not the least, the lack of labour force due to the outflow of able-bodied members. In view of this situation, Li set up a command post with himself in charge and got the trucks in the county to transport coal for the peasants in the hilly areas, and he persuaded those communes and brigades which had surplus grain to sell some to those in need.

These two things greatly stimulated the peasants' enthusiasm for production.

But the initiative of the masses must go hand in hand with a sound collective leadership. After he came to Pingting, Li Suo-shou decided to consolidate the county leading body as called for by the first learn-from-Tachai conference. That was the time when members of the "gang of four" were shouting themselves hoarse that "consolidation means restoration." But Li Suo-shou ignored them and went ahead with the task of consolidating the county Party committee. As a result, capitalist tendencies were checked and all-out efforts to build

socialism were manifest everywhere. Later, Li took more than 40 leading cadres at the county and commune levels with him on a tour of the county, making investigations and correcting mistakes committed under the pernicious influence of the "gang of four." All this spurred on the commune members' initiative in emulating Tachai and developing socialist agriculture. Li has set a good example, being always the first to do what is required and do it with might and main. Busy as he is, he has managed to put in some 130 days of productive labour every year.

With Li Suo-shou taking the lead, the Pingting people who began to learn from Tachai in real earnest succeeded in almost doubling their grain output in less than three years. At the Second National Conference on Learning From Tachai in Agriculture in 1976, Pingting was cited for its work and was ranked as a Tachai-type county.

A man of action who never indulges in high-sounding "revolutionary" tirade, Li Suo-shou has done his level best to bring tremendous changes to his county. Praising his deeds, the press noted: If there are hundreds or thousands of county Party committee secretaries like Li Suo-shou, it won't be difficult for China to build more Tachai-type counties and develop agriculture at a fast pace and there will be little doubt that we shall have basically mechanized farm work by 1980.



Li Suo-shou working alongside the commune members.

The Tasks of Continuing the Revolution Under the Dictatorship of the Proletariat

by Wu Chiang

In 1975 when the whole nation was studying the theory of the dictatorship of the proletariat, the "gang of four" and the news media under its control deliberately distorted Chairman Mao's theory of continuing the revolution under the dictatorship of the proletariat and published many articles which were opposed to Mao Tsetung Thought. At that time we translated and published some of these articles which caused great confusion both ideologically and theoretically. This needs clarification. It is for this purpose that we publish the following article.

— Ed.

IN his political report to the 11th National Congress of the Communist Party of China, Chairman Hua Kuo-feng stressed: Chairman Mao's greatest contribution to the theory of the proletarian revolution and the dictatorship of the proletariat "is that he summed up the historical experience of the dictatorship of the proletariat since Lenin, inherited, defended and developed the teachings of Marx and Lenin, revealed the law of development of socialist society, created the great systematic theory of continuing the revolution under the dictatorship of the proletariat, and clearly charted the true road to consolidating the dictatorship of the proletariat, preventing capitalist restoration and building socialism for the countries in which the proletarian revolution has triumphed. It is the most important achievement of Marxism in our time."

Chairman Mao's theory of continuing the revolution under the dictatorship of the proletariat occupies a particularly important place in the history of the development of Marxism.

After taking over political power, the proletariat faces very acute and complex tasks

which can be fulfilled only through long years of practice in continuing the revolution under the dictatorship of the proletariat.

The tasks of the revolution under the dictatorship of the proletariat are determined by the aim and mission of this dictatorship. Its ultimate aim is to realize communism. In carrying out the revolution under this dictatorship, the proletariat uses the state apparatus in its hands and leads the labouring people in the struggle to defeat the bourgeoisie and bring about the triumph of the socialist road over the capitalist road; at the same time, it energetically develops the social productive forces and creates all the necessary conditions for gradually and then finally eliminating the distinctions between industry and agriculture, between town and country and between mental and physical labour, for gradually abolishing the bourgeoisie and all other exploiting classes as well as all class distinctions, and for putting an end to all activities and possibilities for restoring capitalism. This is a great socio-political revolution which will last for a long time.

In socialist society, there is harmony as well as contradiction between the relations of production and the productive forces* and between the superstructure and the economic base**. (See footnotes on p. 6.) Generally speaking, those parts of the relations of production and the superstructure which do not correspond to the productive forces and the economic base all constitute obstacles to the development of the productive forces. Therefore, throughout the transition period following the basic completion of the socialist transformation of the system of ownership of the means of

production, it is necessary to carry on the revolution in the superstructure and in the relations of production so as to make them correspond to the growth of the productive forces. In particular, it is necessary to vigorously launch a revolution in the productive forces and carry out technical innovations and technical revolution so as to strengthen the material basis for socialism and promote the growth of the economic base. The revolution in the productive forces is one of the great tasks history has entrusted to us in the transition period.

It is obviously wrong to maintain the view that continuing the revolution under the dictatorship of the proletariat is confined only to the superstructure. In this respect the "gang of four" maliciously practised extremism. True, we should attach sufficient importance to the role of the superstructure and the revolution in this sphere. In the socialist period, in particular, the reaction of the superstructure on the economic base will inevitably increase and the process and outcome of the revolution depend in great measure on how it is guided subjectively. The leading role of the proletariat and its polit-

* The productive forces, or the social productive forces, represent the relationship of people to the world of nature in the course of production. Their chief components are: 1. Labourers engaged in the production of materials; 2. means of labour consisting mainly of production tools; and 3. objects of labour. The relations of production, or the social relations of production, refer to the social relations among people in the course of material production. They include: 1. Forms of ownership of the means of production; 2. positions of different social groups in production and their mutual relations; and 3. forms of distribution of products. The unity of the productive forces and the relations of production constitutes the mode of production in society.

** The economic base is the sum total of the relations of production at a certain stage of social development, while the superstructure refers to political, juridical, ethical, philosophical, art, religious and other viewpoints of a society as well as the political, juridical and other systems corresponding to these viewpoints. Each kind of social formation represents, specifically and historically, the dialectical unity of the economic base and the superstructure. The former determines the latter which in turn reflects the former. As the economic base develops and changes, the superstructure is bound to undergo changes sooner or later. Being relatively independent and capable of reacting on the economic base, the superstructure may even play a decisive role under given conditions in the development and change of the economic base.

ical party is of especially great importance in changing the social relations. But, in the last analysis, the economic situation plays a decisive role in propelling society forward. The productive forces are the most active and revolutionary factors; whether they are developed or not determines what the relations of production will be.

The reaction of the superstructure on the economic base finds expression basically in either promoting or holding back the development of the latter. To judge whether those things in the superstructure (politics and the Party's leadership included) promote or hold back social development, we have to take into consideration whether they promote or hold back the development of the social productive forces and whether they help resolve the contradictions between the productive forces and the relations of production. The superstructure cannot bypass the mode of production and play a decisive role in directly pushing society forward.

Only when the productive forces develop and the relations of production move forward can society advance in a decisive manner. Whether the leading role of the superstructure is good or bad hinges on whether it conforms to the laws governing economic activities and promotes the development of the productive forces.

So-Called "Revolution in the Superstructure"

Flaunting the banner of "revolution in the superstructure," the "gang of four" which had its own axe to grind threw all these basic concepts overboard and went its own way.

In their propaganda, members of the gang talked only about "revolution in the superstructure" but made no mention of the struggle for production. Showing utter contempt for the "material basis," they unconditionally gave first place to the reaction of the superstructure and blew it up to become something that plays the decisive role in the entire history of social development. In other words, in their view it is not the productive forces and the relations of production that determine social development, but it is the superstructure (bypassing the productive forces and the relations of production)

that plays the decisive role in social development. Talking about the development of society in total disregard of the laws governing economic activities, they completely betrayed the principles of Marxist historical materialism.

In practising extremism with regard to the revolution in the superstructure, the "gang of four" aimed at undermining the socialist superstructure and subsequently the socialist economy. They vilified that our socialist superstructure was in a terrible mess as if it were already in complete disharmony with the economic base. So they raised such slogans as "Thoroughly improve the dictatorship of the proletariat!"

Following the change in the economic base, the superstructure will also undergo changes sooner or later. This is a universal truth. Unlike capitalism which establishes its own economic base before proceeding to build and consolidate its superstructure, socialism first has its superstructure (mainly the establishment of the dictatorship of the proletariat) and then uses this to build its own economic base. It is inconceivable that shortly after building its own economic base, our socialist superstructure should, wholly or in greater part, be in disharmony with its base.

Practice in the 11 years of the Great Cultural Revolution has proved that our superstructure basically corresponds to its base and that only part or certain links of it do not correspond. These should be readjusted or changed, but certainly not be "thoroughly improved." By raising the slogan "Thoroughly improve the dictatorship of the proletariat!" the "gang of four" actually aimed at destroying this dictatorship.

To achieve this, the gang directed the spearhead of its attack at the Communist Party through what they called a "revolution in the superstructure." They tried in vain to replace the Communist Party with their own factional setup. One of their main tactics in undermining the Communist Party was to seize leadership by getting rid of large numbers of leading Party cadres long tested in revolutionary struggles.

Therefore, they went out of their way to create counter-revolutionary opinion and spread the fallacy that, owing to the existence of bourgeois right, the Communist Party engenders the

bourgeoisie constantly, daily, hourly and in large numbers. They dished up the preposterous formula of "veteran cadres = democrats = capitalist-roaders" and clamoured that "the target of the continued revolution under the dictatorship of the proletariat is the capitalist-roaders in the Party."

All this clearly shows that what they meant by "continuing the revolution" was to ceaselessly "seize power" from the proletariat and the Communist Party.

Distortion of the Target of Continuing The Revolution

The gang's clamour that "the target of the continued revolution under the dictatorship of the proletariat is the capitalist-roaders in the Party" was highly deceptive. Why?

First, it equated "capitalist-roaders in the Party" with the so-called "formation of a bourgeoisie in the Party." This is a typical example of how the gang mutilated and tampered with Mao Tsetung Thought. During the Great Cultural Revolution, Chairman Mao said: "You are making the socialist revolution, and yet don't know where the bourgeoisie is. It is right in the Communist Party—those in power taking the capitalist road." He also said more than once: "Ours is a great Party, a glorious Party, a correct Party." "We must be confident that over 90 per cent of the cadres are good or comparatively good. Most of the cadres who have made mistakes can correct them." "The overwhelming majority of our cadres are good and only a tiny minority are not. True, those Party persons in power taking the capitalist road are our target, but they are a mere handful."

If we follow these consistent teachings of Chairman Mao's, link them together and study them in close connection with the practical experience of the Great Cultural Revolution in particular (the capitalist-roaders in the Party uncovered during this revolution were only a handful), we shall understand the true meaning of the formulation that the bourgeoisie "is right in the Communist Party—those in power taking the capitalist road." It refers to the bourgeois nature of the handful of capitalist-roaders in the Party who take the stand of the bourgeoisie and whose revisionist line represents the interests of the bourgeoisie.

That the "gang of four" should make the "formation of a bourgeoisie in the Party" a "nucleus" of the theory of continuing the revolution under the dictatorship of the proletariat abundantly proves their adulteration of this great theory.

Second, with regard to the target of the revolution, we must not ignore the difference between the two formulations — "the target of the revolution under the dictatorship of the proletariat is the bourgeoisie" and "the target of the revolution under the dictatorship of the proletariat is the capitalist-roaders in the Party." Here we must expose the underhand tricks employed by Lin Piao, Chen Po-ta and the "gang of four" on this question.

Chairman Mao told us: "**We are now carrying on the socialist revolution, the spearhead of which is directed against the bourgeoisie.**" (*Be Activists in Promoting the Revolution*, 1957.) That Chairman Mao took the entire bourgeoisie as the target of the revolution under the dictatorship of the proletariat is doubtless a comprehensive and accurate formulation. The capitalist-roaders in the Party are, of course, included in this target. The struggle to combat and eliminate the bourgeoisie is a most profound social upheaval which involves the political, economic, cultural and other fields as well as traditional habits. Battlefields in this struggle are both outside the Party and inside the Party (flushing out the bourgeois representatives who have sneaked into the Party) and both at home and abroad (dealing with imperialism and social-imperialism). Battles are fought both in the superstructure and in the economic base. While combating the bourgeoisie itself, we must dig up its roots, completely transforming small production, eliminating the three major distinctions and wiping out the traditional force of habit left over from the old society. In a word, it is a total war which we must win, otherwise there will still be the social conditions for engendering capitalist-roaders in the Party.

The bourgeois representatives in the Party or capitalist-roaders in power are without doubt the target of the revolution under the dictatorship of the proletariat. Donning the cloak of Marxism-Leninism and holding positions of power, the capitalist-roaders are the most dangerous in practising revisionism, engaging in

conspiracies and creating splits. Trotsky, Zinoviev, Bukharin, Khrushchov and Brezhnev in the Soviet Union and Liu Shao-chi, Lin Piao, and Wang Hung-wen, Chang Chun-chiao, Chiang Ching and Yao Wen-yuan (the "gang of four") in China are persons of this type.

From his experience in the struggles against Trotsky, Bukharin and others, Stalin derived the concept that a fortress is most vulnerable to attack from within. Chairman Mao went a step further by bringing up the new concept about waging struggles against Party persons in power taking the capitalist road and he set forth the extremely important scientific thesis that the main danger of capitalist restoration comes from the capitalist-roaders in the Party.

Whenever such persons emerge in the Party, we must not hesitate to launch mass movements to get rid of them and make them the main target of attack. The Great Proletarian Cultural Revolution was such a movement and movements of a similar nature will take place many times in the future.

Revolutionaries must always be on the alert against the main danger of capitalist restoration which comes from the capitalist-roaders in the Party. But so long as supreme Party and state power rests with a leading core that adheres to the Marxist line, capitalist-roaders cannot emerge daily, hourly and in large numbers. Therefore, the thesis affirming that the main danger of capitalist restoration comes from the capitalist-roaders in the Party does not mean that the Party is constantly faced with the immediate danger of capitalist-roaders trying to usurp Party and state power and restore capitalism. These are two different matters and we cannot draw the above conclusion from that thesis. So long as the supreme power of the Party and state is in the hands of Marxists, then in the revolutionary movements in the various periods and in fulfilling specific tasks in a certain period through concentrated efforts, the main target of attack is not and cannot always be the capitalist-roaders in the Party.

Insidious Aims

The insidious designs of Lin Piao, Chen Po-ta and the "gang of four" in this respect were to make the movements to struggle against capitalist-roaders a regular task and launch

them one after another in quick succession instead of at intervals of several years. That was why they narrowed down the target of the revolution under the dictatorship of the proletariat from the bourgeoisie as a whole to "capitalist-roaders."

With a view to overthrowing the Communist Party, the "gang of four" spared no effort to concoct a series of "theories." They declared that the "new changes in class relations" following the basic completion of the socialist transformation of the system of ownership found expression, first and foremost, in the "formation of a bourgeoisie in the Party" and that most of the veteran cadres had "turned from democrats into capitalist-roaders," thereby making up the main body of the bourgeoisie inside the Party. Thus, they alleged, the "capitalist-roaders" became the "target of the revolution."

According to them, most of the veteran workers had become "people with vested interests," while the poor and lower-middle peasants were prone to be "conservative." This being the case, they claimed that only the "rebels" (who were actually factional forces of the "gang of four") constituted the motive force of the revolution. They played up the so-called contradiction between "rebels" and "capitalist-roaders" so much so that it superseded the contradiction between the proletariat and the bourgeoisie.

Who in their eyes were the "capitalist-roaders"? Throwing overboard the three principles laid down by Chairman Mao for distinguishing Marxists from capitalist-roaders in the Party — **Practise Marxism, and not revisionism; unite, and don't split; be open and aboveboard, and don't intrigue and conspire** — they babbled that "the present target of revolution is the democrats who subsisted on chaff in the old society, were wounded in the War of Resistance Against Japan, fought in the War of Liberation and crossed the Yalu River in the war to resist U.S. aggression and aid Korea." In short, their

target was those leading cadres in the Party, government and army who upheld Chairman Mao's revolutionary line. As the "gang of four" saw it, unless these "thorns in the flesh" were done away with, the "revolution" could not be regarded as completed but had to "continue." This was the gang's so-called "theory of continuing the revolution."

In misrepresenting the emergence of capitalist-roaders in the Party as the "formation of a bourgeoisie in the Party" and making them (instead of the bourgeoisie as a whole) the sole target of the continued revolution under the dictatorship of the proletariat, the "gang of four" had two insidious aims in mind.

One was to continue to "overthrow all" without cease. That was why they incessantly instigated people to "seize power," to "make revolution, by kicking aside the Party committees," to "keep their eyes glued to the Party Central Committee and the Political Bureau" and to direct the spearhead of dictatorship at persons inside the Party. All these were nothing but plots to throw the Communist Party into chaos and destroy the authority of Party leadership.

The other aim was to blur the connections between the capitalist-roaders in the Party on the one hand and the entire bourgeoisie and the landlords, rich peasants, counter-revolutionaries and bad elements on the other and distract the people's attention from the real social basis of the capitalist-roaders, so as to shield the bourgeoisie as a whole and preserve the conditions for its continued survival.

To defend Chairman Mao's theory of continuing the revolution under the dictatorship of the proletariat and uphold the interests of this revolution, we must expose all the schemes hatched by the "gang of four" under the pretext of carrying out the "revolution in the superstructure" and clear up the confusion created by the gang on the question of the "target of the revolution."



How Did Chang Chun-chiao Tamper With the Theory Of the Dictatorship of the Proletariat?

by Wang Kuei-hsiu and Chang Hsien-yang

A CAREFUL comparison of Chang Chun-chiao's article (published in our issue No. 14, 1975) about exercising "all-round dictatorship" over the bourgeoisie with Marxist classics will reveal how this member of the "gang of four" completely betrayed the theory of the dictatorship of the proletariat.

About the Dictatorship of the Proletariat

In 1957, Chairman Mao made the report *On the Correct Handling of Contradictions Among the People*, in which he explicitly explained the meaning of the dictatorship of the proletariat (or the people's democratic dictatorship) as follows: "Our state is a people's democratic dictatorship led by the working class and based on the worker-peasant alliance. What is this dictatorship for? Its first function is internal, namely, to suppress the reactionary classes and elements and those exploiters who resist the socialist revolution, to suppress those who try to wreck our socialist construction, or in other words, to resolve the contradictions between ourselves and the internal enemy." "The second function of this dictatorship is to protect our country from subversion and possible aggression by external enemies." "The aim of this dictatorship is to protect all our people so that they can devote themselves to peaceful labour and make China a socialist country with modern industry, modern agriculture, and modern science and culture. Who is to exercise this dictatorship? Naturally, the working class and the entire people under its leadership. Dictatorship does not apply within the ranks of the people. The people cannot exercise dictatorship over themselves, nor must one section of the people oppress another." "Our socialist democracy is the broadest kind of democracy, such as is not

to be found in any bourgeois state. Our dictatorship is the people's democratic dictatorship led by the working class and based on the worker-peasant alliance. That is to say, democracy operates within the ranks of the people, while the working class, uniting with all others enjoying civil rights, and in the first place with the peasantry, enforces dictatorship over the reactionary classes and elements and all those who resist socialist transformation and oppose socialist construction."

Here Chairman Mao dealt not only with the two functions of the dictatorship of the proletariat but with the aim and essence of this dictatorship as well. Applying the law of the unity of opposites, he classified the contradictions in socialist society into two types of contradictions, those between ourselves and the enemy and those among the people, which are different in nature, and pointed out that different methods must be employed to handle and resolve them. Moreover, he made this an important content of the Party's basic line for the entire historical period of socialism. This is a new theoretical generalization of Marxism on the basis of summing up the practical experience of revolution both in China and other parts of the world.

From Chairman Mao's explanation it can be seen that "dictatorship of the proletariat" and "dictatorship over the bourgeoisie" are not one and the same concept but two concepts which are associated with and at the same time differ from each other. For the proletariat to exercise dictatorship over the bourgeoisie is an extremely important content, but not the entire content, of the dictatorship of the proletariat.

The dictatorship of the proletariat refers to the proletarian state system which embraces not only the relationship of the proletariat to the bourgeoisie with the former exercising

dictatorship over the latter but also the relationship of the proletariat to the peasants and other labouring people as well as the relevant systems and methods for handling these two relationships.

Chang Chun-chiao, however, deliberately confounded the above-mentioned two concepts. When he quoted Marx's and Lenin's famous theses concerning the dictatorship of the proletariat in that article of his, he changed nearly all their references to the "dictatorship of the proletariat" into the "dictatorship over the bourgeoisie." His aim in doing this was to drain the former of its rich content.

What then did he lop off from the content of the dictatorship of the proletariat? It can be summarized as follows:

First, the dictatorship of the proletariat constitutes a unity of two aspects—exercising dictatorship over the reactionaries and practising democracy within the ranks of the people. But in his article Chang Chun-chiao did not make any mention of the latter.

Second, the words "led by the working class and based on the worker-peasant alliance" were completely out of sight in his article which claimed to deal with the dictatorship of the proletariat. Hence the question: How can a dictatorship not led by the working class through the Communist Party and not based on the worker-peasant alliance be regarded as the dictatorship of the proletariat?

Third, the aim of this dictatorship is to build China into a powerful, modern socialist country, ultimately abolish all classes and class distinctions and realize communism, for the accomplishment of which a vigorous development of the productive forces is indispensable. But the necessity for the dictatorship of the proletariat to develop the socialist economy was swept under the rug by Chang Chun-chiao.

"Dictatorship means everything and there is nothing else"—this was Chang Chun-chiao's formula. In his article he lashed out at others for "limiting, curtailing and distorting Marxism in theory and practice and turning the dictatorship of the proletariat into an empty phrase." But doesn't this accusation actually fit him to a T?

The kind of "dictatorship" of Chang Chun-chiao's brand was devoid of democracy for the



People in a frontier hamlet criticizing the "gang of four."

Woodcut by Wan Chiang-lin

proletariat and the people, of Party leadership and of the worker-peasant alliance; it did not undertake to organize the socialist economy, nor did it pay attention to the people's well-being. Although he vociferously called it "exercising dictatorship over the bourgeoisie," it actually amounted to nothing but a fascist dictatorship of the bourgeoisie over the proletariat.

Essence of "Dictatorship Over Everything"

Chang Chun-chiao put the "dictatorship of the proletariat" in a nutshell as "exercising dictatorship over the bourgeoisie" and trumpeted that "dictatorship means everything." His aim was to broaden the scope of "dictatorship"

and to change the target and nature of the dictatorship of the proletariat.

Let's have a look at how Chang Chun-chiao explained what he called "all-round dictatorship." According to him, it was necessary to exercise dictatorship over the bourgeoisie "in all spheres" and "at all stages." Which spheres? It was said that they referred to the "four alls" mentioned by Marx in his work *The Class Struggle in France, 1848-1850*, that is, all the "class distinctions," "all the relations of production," "all the social relations" and "all the ideas" left over from the old society.

Marx's original wording is this: **"This Socialism is the declaration of the permanence of the revolution, the class dictatorship of the proletariat as the necessary transit point to the abolition of class distinctions generally, to the abolition of all the relations of production on which they rest, to the abolition of all the social relations that correspond to these relations of production, to the revolutionizing of all the ideas that result from these social relations."**

In this remark Marx dealt with the historical task as a whole to be fulfilled by the proletariat through its revolution and its dictatorship. Chang Chun-chiao, however, described the whole task as spheres in which "dictatorship is exercised over everything"; he even emphasized that "Here Marx says 'all,' and in all four aspects! Not a part, nor a greater part, nor even the greatest part, but all!"

Doesn't it follow from this that all classes and all people involved in one kind of social relations or another would without exception become the target of dictatorship? And who can get away from these "four alls"? Take for instance the "class distinctions" which include not only those between the exploiting and exploited classes but also those between the working class on the one hand and the peasantry and the urban petty bourgeoisie on the other. According to Chang Chun-chiao's "theory," doesn't the relationship between the working class and the peasantry also become one in which one class exercises dictatorship over the other? People cannot but ask whether this is a dictatorship over the working class, the peasantry, or both. There is no doubt whatsoever that Chang Chun-chiao had both in

mind, for it is crystal clear from how he tampered with Lenin's words.

Lenin said: **"The dictatorship of the proletariat is a persistent struggle — bloody and bloodless, violent and peaceful, military and economic, educational and administrative — against the forces and traditions of the old society."** (*Left-Wing Communism, an Infantile Disorder*, April-May, 1920.) But in quoting Lenin, Chang Chun-chiao wrote: "Lenin pointed out that this dictatorship is a persistent struggle — bloody and bloodless, violent and peaceful, military and economic, educational and administrative — against the forces and traditions of the old society, that it is an all-round dictatorship over the bourgeoisie."

Here Chang Chun-chiao changed "the dictatorship of the proletariat" into "this dictatorship" and the full stop into a comma and added out of nothing the phrase "that it is an all-round dictatorship over the bourgeoisie." Thus Lenin's thinking was completely perverted.

Barring deliberate distortion, anyone can see clearly that this passage of Lenin's does not deal specifically with exercising dictatorship over the bourgeoisie, still less "all-round dictatorship" over it. Instead, he spoke of the complex tasks of the dictatorship of the proletariat and the various forms of struggle which are required to fulfil these tasks. What Lenin referred to as "the forces of the old society" is a broad concept which covers the landlords and capitalists and also small commodity producers made up mainly of the peasants. As labourers, the peasants are the principal ally of the proletariat under whose leadership they can take the socialist road and become builders of a new society; but as small commodity producers, they are spontaneously prone to capitalism and, for this reason, constitute one of "the forces of the old society." Obviously, "the forces of the old society" as represented by the landlords and capitalists and by the peasants are fundamentally different in nature. So when it comes to the struggle against "the forces of the old society" waged under the dictatorship of the proletariat, it is necessary to draw a strict distinction between the two types of contradictions which are different in nature and use different methods to resolve them. The peasants can be transformed

only by democratic methods and never by the method of imposing dictatorship over them. By calling for exercising dictatorship over all "the forces of the old society," Chang Chun-chiao in fact wanted to exercise dictatorship over the peasants.

This is not all. He even wanted to exercise dictatorship over the working class! "The traditions of the old society" as Lenin put it represent a much broader concept than "the forces of the old society" and embrace not only old ideas and old culture, but also old customs and old habits. Such old traditions seep in through all aspects of social life and find expression in all classes, though manifesting themselves in different ways and to a greater or lesser extent. And the working class is also unavoidably tainted by the traditions of the old society. According to Chang Chun-chiao's "theory" which equated the persistent struggle against the traditions of the old society with the dictatorship over the bourgeoisie, does it mean that it would be necessary to exercise dictatorship over the proletariat as if it were "the bourgeoisie" and wage a bloody, violent and military struggle against it?

As for intellectuals, it was all the more necessary to make them a target of the dictatorship Chang Chun-chiao wanted to exercise. This is because "all the ideas" left over from the old society as mentioned by Marx find comparatively striking expression in the intellectuals. By lumping "all the ideas" within the sphere of "dictatorship," Chang Chun-chiao actually meant making intellectuals its target.

What we refer to as "all the ideas" left over from the old society are non-Marxist ideas of all descriptions, anti-Marxist ideas included. Criticizing these ideas is undoubtedly a task of the dictatorship of the proletariat in the ideological and cultural fields, but it does not mean in the least that all the ideas must be subjected to dictatorship. Chairman Mao pointed out long ago: "What should our policy be towards non-Marxist ideas? As far as unmistakable counter-revolutionaries and saboteurs of the socialist cause are concerned, the matter is easy, we simply deprive them of their freedom of speech. But incorrect ideas among the people are quite a different matter.

Will it do to ban such ideas and deny them any opportunity for expression? Certainly not. It is not only futile but very harmful to use crude methods in dealing with ideological questions among the people, with questions about man's mental world." (*On the Correct Handling of Contradictions Among the People*, 1957.) That is to say, it is essential to strictly distinguish between the two types of contradictions which are different in nature.

By deliberately mixing up the two types of contradictions and including "all the ideas" in the sphere of dictatorship, Chang Chun-chiao actually did not allow anyone to say anything different from what he and other members of the "gang of four" said in the ideological and cultural fields. The ideological basis of the gang's cultural autocracy was precisely Chang Chun-chiao's "theory of exercising dictatorship over everything."

From the above analysis it can be seen clearly that this much-vaunted "theory" of Chang Chun-chiao's was, to all intents and purposes, designed to subject the proletariat and other labouring people and the revolutionary intellectuals to dictatorship.

After Chang Chun-chiao came up with his article, a sworn follower of the "gang of four" said: "It is the first time that all-round dictatorship of the proletariat over the bourgeoisie is explicitly explained from the angle of the 'four alls' as Chang Chun-chiao has done." "Lenin merely said that only those who recognized the dictatorship of the proletariat were Marxists. When Chang Chun-chiao was writing this article, he found Lenin's words inadequate in driving home his point. As he sees it, only those who recognize the all-round dictatorship of the proletariat over the bourgeoisie are genuine Marxists. But he didn't put it in the article lest others, on reading it, should think Lenin was not a Marxist." This telltale remark served to reveal the wild ambitions of Chang Chun-chiao who went so far as to exclude Marx, Engels, Lenin, Stalin and Chairman Mao from the list of Marxists.

All in all, Chang Chun-chiao's nonsense about the dictatorship of the proletariat was out-and-out counter-revolutionary revisionist junk in total betrayal of Marxism-Leninism-Mao Tsetung Thought.

Attention Must Be Paid to Overseas Chinese Affairs

A PREPARATORY meeting for the forthcoming National Conference on Overseas Chinese Affairs was held in Peking recently. It was an important meeting in exposing and criticizing the crimes of the anti-Party "gang of four" and in reaffirming the Party's principles and policies on overseas Chinese affairs. It will play a tremendous role in strengthening our Party's work in this respect.

There are large numbers of overseas Chinese most of whom live in the third world countries. They constitute part of the Chinese nation and are important links in helping develop the friendship between the Chinese people and the people of various countries. The family members of overseas Chinese and returned overseas Chinese make up a significant force in China's socialist revolution and construction. Therefore, to strengthen the work on overseas Chinese affairs, unite with them and bring into play the enthusiasm of family members of overseas Chinese and returnees for socialism are of tremendous significance to the realization of the lofty goal of the modernization of agriculture, industry, national defence and science and technology, the promotion of cultural, scientific and technological exchanges between China and other countries, the expansion of the patriotic united front and the enhancement of friendly relations between China and those countries in which overseas Chinese reside.

In the past two decades and more, work concerning overseas Chinese affairs has achieved notable successes with Chairman Mao's concern and under Premier Chou's leadership. Overseas Chinese ardently love the motherland and have made big contributions in supporting the socialist construction of the motherland and in promoting the friendship between the Chinese people and the people of various countries. Their

family members and returned overseas Chinese have steadily heightened their socialist consciousness and played a positive role in the three great revolutionary movements of class struggle, the struggle for production and scientific experiment. Chairman Mao's revolutionary line has always held the dominant position in the work on overseas Chinese affairs.

However, the "gang of four" had seriously interfered in and sabotaged this work. They concocted the fallacies that "overseas relations" meant "reactionary political connections" and that those having "overseas relations" formed a "reactionary social base." They branded correspondence with friends and relatives abroad as "maintaining illicit relations with foreign countries" and slandered remittances from overseas Chinese to their family members in China as "subsidies for enemy agents." They fabricated false charges against overseas Chinese, their family members in China, returned overseas Chinese and cadres doing work in this field. Persecutions against them dampened the patriotism of the overseas Chinese and the socialist enthusiasm of their family members in China and returnees, hampered the revolution and production in their native places and obstructed the consolidation and expansion of the patriotic united front. The "gang of four's" pernicious influence was both deep and widespread. We must expose and criticize their crimes in this field, set right the class relations between ourselves and the enemy which they had reversed and implement Chairman Mao's revolutionary line and policies correctly and in an all-round way.

Chairman Hua has instructed us: "How to implement the policies on overseas Chinese affairs is a very important question." To carry out the policies, it is first of all necessary to propagate them so that the whole Party and the people of the whole country will understand

the Party's policies on overseas Chinese affairs. Class analysis must be made concerning overseas Chinese in the light of historical background. Since the people in the old China could hardly earn a living, some of them were compelled to leave their home villages, cross the seas and work as coolies abroad. Some were forced to live in exile abroad as a result of political persecution by reactionary rulers at home. These were the main historical causes of Chinese leaving their native land to reside in foreign countries. The vast majority of overseas Chinese today are still labouring people. They are the masses forming part of the basic forces of the patriotic united front, on whom we must rely on. Capitalists only make up less than 10 per cent of the overseas Chinese and the overwhelming majority of these are middle or small capitalists. They are also oppressed and pushed around by imperialists, colonialists and monopoly capitalists. We must win them over and unite with them. With their destiny closely linked with that of the motherland, the vast majority of the overseas Chinese are patriotic. Many of them have expressed their sympathy with and support for the revolutionary struggles of the motherland. As to the reactionary elements and special agents, they are only a tiny few. Under the impact of the policy that "all patriots belong to one big family, whether they come forward early or late," the ranks of these persons among the overseas Chinese are falling apart continuously. It is entirely wrong not to make a class analysis of "overseas relations" and brand them all as "reactionary political connections," as the "gang of four" had done.

The family members of overseas Chinese and returned overseas Chinese enjoy the same rights and have the same obligations as other Chinese citizens. They have, however, their own characteristics different from the other Chinese citizens. This is mainly because of the fact that they have close links with their relatives living abroad. We must continue to implement Chairman Mao's instruction to "protect the interests of the overseas Chinese and assist those who have returned to the motherland." In accordance with the policy of making overall plans and taking all factors into consideration, we must not discriminate against family members of the overseas Chinese or returned overseas Chinese. While stepping up

their political and ideological education so that they will resist the influence of bourgeois ideology from abroad and firmly keep to the socialist road, we should, in formulating relevant policies, see to it that these policies are conducive to their continuing the revolution together with the people of the whole country and that appropriate considerations are given them according to their special needs.

Both the cadres and the masses resisted the "gang of four's" sabotage of the policies on overseas Chinese affairs. After the smashing of the "gang of four," the proletarian policies of our Party are being swiftly implemented under the leadership of the Party Central Committee headed by Chairman Hua. Violations of policies on overseas Chinese affairs resulting from the interference and sabotage of the "gang of four" must be rectified. In certain places and units, those who have "overseas relations" could not join the Communist Party or the Communist Youth League, enlist in the army, continue their studies in colleges, find employment or work suitable for them. This situation must be changed. As to those who have been subjected to investigation or persecution because of their "overseas relations," correct conclusions should be drawn in accordance with the Party's policies as soon as possible so that they will be cleared of all slanders and false charges. Remittances from overseas Chinese for supporting their families and the legitimate rights and interests of their family members and returned overseas Chinese must be protected. For those who wish to come to China or go abroad to visit their relatives, we should simplify the procedures for obtaining permission and provide them with conveniences. We should welcome and make proper arrangements for those overseas Chinese who wish to return to China to take part in building up the motherland or to settle down. With regard to overseas Chinese students who wish to return to the motherland to pursue their studies, we should create favourable conditions for them.

We should continue to implement the policy set forth by Chairman Mao for settling the question of dual nationality among overseas Chinese and encourage them to acquire the nationality of the country of residence on a voluntary basis. Upon acquiring such a na-

tionality, they are no longer citizens of China, but they are still our kinsfolk and friends. The policies concerning overseas Chinese affairs at home also fully apply to their relatives in China. As to those overseas Chinese who wish to retain their Chinese nationality, we should welcome their choice, and the state has the duty to protect their legitimate rights and interests. It is our hope that overseas Chinese abide by the laws and decrees of the countries in which they reside, live in harmony with the local people and make contributions to the development of the economy and culture of these countries. We also hope that the governments of these countries will protect the legitimate rights and interests of overseas Chinese and respect their national traditions, customs and habits.

Work on overseas Chinese affairs which is important in our Party's work covers a wide scope and is connected with the work of many

departments. It is necessary for the whole Party to attach importance to it and for all quarters concerned to co-operate in order to do this work well. In those places where family members of overseas Chinese and returned overseas Chinese live in large numbers, it is necessary to hold discussion meetings frequently and solicit opinions and suggestions from their representatives with a view to improving work in this field. Through the concerted efforts of the whole Party, work on overseas Chinese affairs will surely undergo swift changes which will bring into play the enthusiasm of overseas Chinese, their family members and returned overseas Chinese, help expand the patriotic united front and realize the goal of building China into a great modern socialist country at an early date.

(Abridged translation of a "Renmin Ribao" editorial, January 4)

Power Industry — the Vanguard

by Chien Cheng-ying

The 1978 New Year's Day editorial by "Renmin Ribao," "Hongqi" and "Jiefangjun Bao" (see "Peking Review" No. 1, 1978) states that in the new year, "in industry, particular attention must be paid to electricity, fuel and transportation. With these 'precursor departments' running in the van, the industries producing iron and steel and raw and semi-finished materials will follow up."

At the request of "Peking Review," Chien Cheng-ying, Minister of Water Conservancy and Power, writes the following article on the development of power industry. — Ed.

THE electric power industry is a sector which supplies power to various branches of the national economy. The use of electric power was considered another technical revolution after the invention of the steam engine. When electricity was just beginning to be used in social production, Engels, one of the founders of Marxism, pointed out with foresight that electricity would eventually destroy capitalism and become the "strongest lever for eliminating the contrast between town and countryside." (*Engels to E. Bernstein, March 1, 1883.*)

After the triumph of the October Socialist Revolution, Lenin stressed again and again:

"Only when the country has been electrified, and industry, agriculture and transport have been placed on the technical basis of modern large-scale industry, only then shall we be fully victorious." (*Report on the Work of the Council of People's Commissars, 1920.*)

Chairman Mao consistently paid great attention to the development of electric power. Calling it a "vanguard" of the national economy, he proposed that it should function like vanguard troops which open up roads and bridge rivers during a march to expedite for the advance of the main army. In developing the national economy, priority should be given to expanding electric power industry; only then can it supply enough power for the development of industrial and agricultural production.

Difficulties Amidst Progress

China is rich in energy resources. The combined generating capacity of its water resources exceeds 500 million kw., topping all other countries in the world. Deposits of coal and petro-

At the construction site of a hydropower station.



leum also rank among the world's foremost. Here there is no energy crisis like that in the capitalist world.

In the 28 years since the founding of New China in 1949, China's power industry has grown from small to large, and is scores of times greater in power output and generating capacity. The capacity of generators installed in the newly-built or old power plants in a year now far exceeds the aggregate generating capacity in the 70 years before liberation. At present, the power put out in several days equals the total power output of 1949. We have completed a course in 28 years which took some capitalist countries 40 to 50 years to cover. Undeniably, such speed must be considered fast.

However, speeding-up the construction of China into a powerful, modern socialist country places ever greater demands on electricity. China is still a developing country. A big gap still exists between China and the developed industrialized countries in the power industry. Especially in the past few years, interference by Lin Piao and the "gang of four" greatly undermined construction of the power industry. As a result, this industry failed to meet the needs of the developing national economy and became a weak link in the national economy as a whole.

The "gang of four's" sabotage in the construction of power plants was extremely serious. They raised a grossly untenable slogan: "We would rather have a low socialist rate of economic growth than a high capitalist one." Builders of a big hydropower station put forward a proposal for generating power at an earlier date. The followers of the "gang of four" vilified this as an example of the "theory of the all-importance of the productive forces," claiming "it doesn't matter if we delay power generation a couple of years so long as our political line is correct."

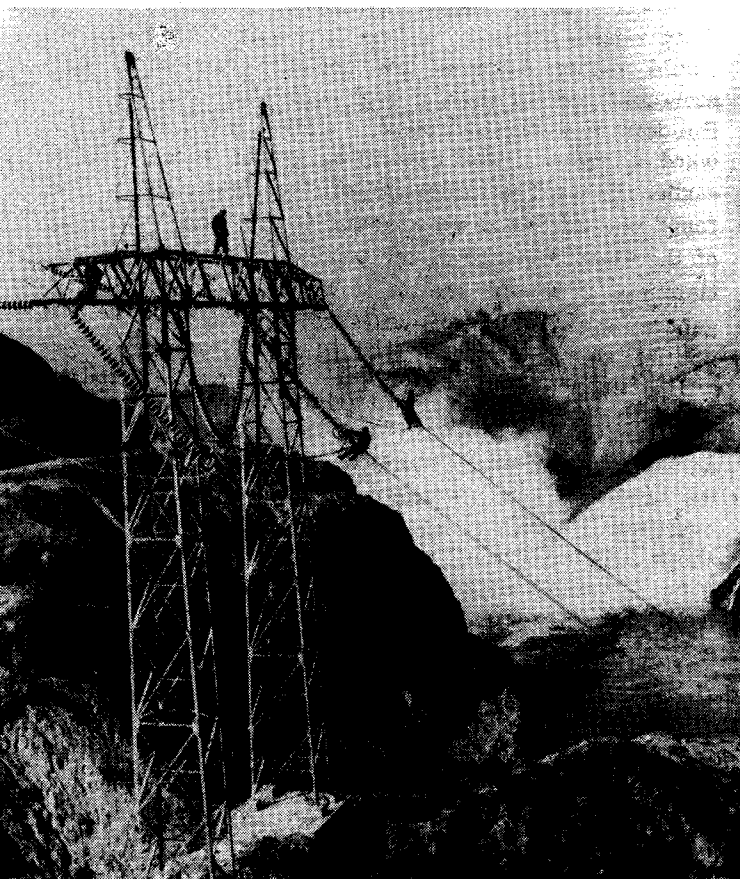
The Touho Power Plant which was under construction in Tangshan had been severely damaged in the big earthquake in 1976. When its cadres and workers were working overtime to repair and rebuild the workshops, Chih Chun, a henchman of the gang, sent a small team to the work-site from Peking, hoping to instigate the workers to stop work and criticize Comrade Teng

Hsiao-ping instead. Whoever refused to follow their orders was accused of "using anti-quake work to overshadow revolution." All this fanfare by the gang was rebuffed by the Party committee of the work-site and the workers. None the less, until the downfall of the "gang of four" in October 1976, the tempo of reconstruction was slowed down to a certain extent.

In Chekiang Province, counter-revolutionary Weng Sen-ho, another henchman of the gang, did his utmost to hoodwink people into stopping work and production. As a result of sabotage by Weng and his ilk, for three consecutive years the Hunan Cheng Hydropower Station failed to fulfil its quota in construction. It was only after the smashing of the "gang of four" that the power station fulfilled its 1977 quota of capital construction three months ahead of schedule.

The above-mentioned examples suffice to show the seriousness of the damage done by the "gang of four." Because of interference and obstruction by Lin Piao and the "gang of four" in years past, the country failed to fulfil its plan for expanding the power industry. This is the main reason for the current deficiency in power.

Working on a new transmission line.



A new situation has emerged in the power industry since the shattering of the "gang of four." The plan of power output for 1977 was fulfilled ahead of schedule on November 12. Cadres and workers of the power industry have set themselves the goal of making up for lost time as quickly as possible so as to speed up the development of the industry into a "vanguard" worthy of the name.

Achieving Greater, Faster, Better and More Economical Results

Acting in accordance with a series of important instructions by Chairman Mao Tsetung and Premier Chou En-lai, we set forth the principle of simultaneous development of thermal and hydroelectric power plants, with big ones as the mainstay while building numerous small and medium-sized ones. This conforms with the domestic situation and is a principle which favours making rational utilization of our energy resources, mobilizing all positive factors and achieving greater, faster, better and more economical results in building the power industry.

An important measure for overcoming the backwardness of the power industry is to speed up the construction of hydropower stations. First, they do not pollute the environment, and second, they are easily operated and serve all-round purposes of flood-control, irrigation, navigation and raising aquatic products. Although it takes more investment and time to build a hydropower station than a thermal one, yet once it is completed, it supplies low-cost electricity, accumulates more funds for the state and brings quick returns.

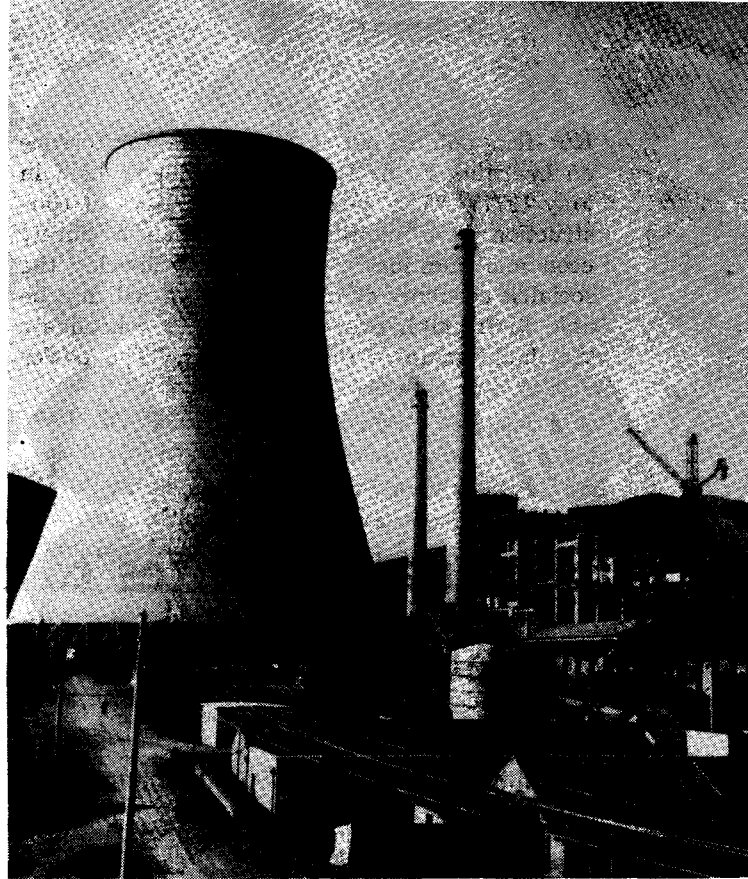
China now has some 100 big and medium-sized hydropower stations. Their completion not only made available huge amounts of power, but was crowned with rich experience in the exploration of big rivers. In addition, over 60,000 small hydropower stations dot the countryside. The total generating capacity of hydropower stations in each of the many counties has surpassed 10,000 kw. But China's water resources have by no means been fully utilized. From now on, we will build more large hydropower bases on big rivers such as the Yangtze and Yellow Rivers and explore the three Yangtze gorges so as to speed up the development of the hydropower industry.

It is only natural that hydropower generating is sometimes affected by dry seasons. Therefore thermal power plants should also be built. In places where water resources are unavailable, especially where coal is abundant, it is all the more necessary to build thermal plants. We also plan to build power houses close to coal mines. Since there are places where coal is abundant, but transporting it is rather difficult, it is better to build power plants nearby and supply the power to distant places through high-tension transmission lines. Now a number of big thermal power plants and power houses near coal mines are being designed and built.

While constructing big key projects, we plan to go in for more small and medium-sized thermal power plants and hydropower stations. For instance, the small and medium-sized hydropower stations take less time to build and yield quick returns. Generally speaking, the materials for building them are locally available, and any prefecture, county, people's commune or production brigade can handle the undertaking. In Kwangtung Province all the five administrative levels — provincial, prefectural, county, commune and brigade — have stressed electric power. Over 90 per cent of the counties have their own hydropower stations, which provide about half of the electricity needed in the countryside and play a big role in boosting not only agricultural production but the growth of local industries as well.

Water resources are abundant in China's countryside. Preliminary investigation shows that among the nation's 2,200 or so counties, over half possess water resources with a generating capacity of no less than 10,000 kw. We include the development of electric power in the plan for farmland capital construction, and combine the building of hydropower stations with the transformation of hills and rivers. The masses should be mobilized to pay attention to setting up power facilities. All this will make for greater and faster results in developing the power industry.

While speeding up the construction of power projects, we also pay attention to tapping the potential of the existing power houses. Interference by the "gang of four" undermined efficiency of management in past years. In the coming two years, we plan to overhaul equip-



A power plant near a coal mine in Anhwei Province.

ment and improve management so that electricity will be generated safely, economically and with full utilization of capacity.

To make power supply more commensurate with needs, it is necessary to open up new resources while at the same time economizing on power consumption. Every effort must be made to lower coal and power consumption in the power plants and eliminate losses on the transmission lines. It is also necessary to use low-quality coal for power generation so as to strike a proper balance between the power industry and other industrial branches in coal allocations. Now step by step some power houses are beginning to use coal rocks which pile up like mountains by the shaft entrances. The coal rocks serve the same purpose as coal, although their thermal power is lower. Besides, factories and mines are encouraged to make use of any surplus heat or other energies to generate power if the conditions allow. Thus, more and more energy sources are being utilized.

Now the question of speed is topical throughout the country. As Chairman Hua

Kuo-feng pointed out at the National Conference on Learning From Teaching in Industry held in May 1977: "The question of the speed of construction is a political rather than a purely economic question." If we fail to develop the socialist economy at high speed, we will not be able to triumph over capitalism or consolidate the dictatorship of the proletariat. The power

industry shoulders an important task in the high-speed development of our national economy. The workers and staff in the power industry are striving to develop the industry at high speed, live up to their role as "vanguard" and realize the magnificent goal of extending electrification throughout China's town and countryside by the end of this century.

Explanatory Notes to Volume V of "Selected Works of Mao Tsetung" (2)

Chiang Kai-shek

(See p. 15, Vol. V, Eng. edition.)

Chiang Kai-shek (1887-1975), also known as Chiang Chung-cheng, was the chieftain of the Kuomintang reactionaries, the political representative of China's big landlords and big bourgeoisie and a lackey of the imperialists. Towards the end of the Ching Dynasty, he received training by the northern warlords in north China's Paoting and by the Japanese militarists in Tokyo.

For many years after 1913, he was engaged in speculation and hooliganism in Shanghai and other places. When he was broke at the Shanghai Stock Exchange, he went to Kwangtung Province in 1922 where he staked his hopes by joining the revolution. With his usual counter-revolutionary double-dealing tactics, he won Dr. Sun Yat-sen's trust and gradually seized military power. In 1927, he betrayed the alliance between the Kuomintang and the Communist Party and Dr. Sun Yat-sen's revolutionary Three People's Principles and Three Great Policies, staged a counter-revolutionary coup d'état on April 12 and drenched large numbers of Communists and revolutionary people in a blood bath. In this way he established a

dictatorial rule. Banking on the support of imperialism, he launched so-called "encirclement and suppression" campaigns against the Workers' and Peasants' Red Army and plunged the country into a civil war that dragged on for ten years. This provided the Japanese imperialists with an opportunity to invade China.

During the War of Resistance Against Japan, and after the fall of Wuhan in October 1938 in particular, Chiang Kai-shek adopted a policy of passive resistance to Japan and active opposition to the Communists and the people. He secretly colluded with the Japanese invaders and the traitor Wang Ching-wei in conducting three large-scale anti-Communist campaigns.

Following the victory in the anti-Japanese war, Chiang Kai-shek, with the backing of U.S. imperialism, unleashed an all-out counter-revolutionary civil war and continued with his dictatorial, anti-popular rule and his policy of national betrayal. He was a most brutal and treacherous fellow and had perpetrated towering crimes against the Chinese people. Under the leadership of Chairman Mao and the Chinese Communist Party, the Chinese people overthrew the reactionary rule of Chiang Kai-shek's Kuomintang in 1949. Chiang Kai-shek

skedaddled to Taiwan Province where he spent his last years under the aegis of U.S. imperialism until his death on April 5, 1975.

Political Consultative Conference with Chiang Kai-shek's Kuomintang

(See p. 15.)

At a time when Chiang Kai-shek's Kuomintang intended to launch an all-out civil war but was not yet fully prepared for it, and as a result of pressure from the people demanding peace and democracy, it was forced to hold a Political Consultative Conference in Chungking in January 1946, which was attended by representatives of the Kuomintang, the Communist Party and other political parties as well as personages without party affiliation. The conference adopted the Agreement on Government Organization, the Programme for Peace and National Reconstruction, the Agreement on National Assembly, the Agreement on the Draft Constitution and the Agreement on Military Affairs. These Political Consultative Conference agreements were, in varying degrees, favourable to the people and unfavourable to Chiang Kai-shek's reactionary rule. While simulating approval of these agreements in an attempt to carry out his peace fraud, Chiang Kai-shek actively made military preparations for launching a country-wide civil war. He soon tore up these agreements, thereby exposing his reactionary features before the whole nation.

People's War of-Liberation

(See p. 16.)

The Chinese People's War of Liberation (1945-49) was a revolutionary war waged by the Chinese people under the leadership of Chairman Maō and the Communist Party to overthrow the reactionary rule of Chiang Kai-shek's Kuomintang which was propped up by U.S. imperialism. It is also known as the Third Revolutionary Civil War.

Immediately after the end of the anti-Japanese war, Chiang Kai-shek launched attacks against the liberated areas in many parts of the country with the aid of U.S. imperialism. Later in July 1946, he escalated the attacks into a country-wide counter-revolutionary civil war. The Chinese People's Liberation Army went over to the offensive throughout the country from July to September 1947 and won decisive victories in the three great campaigns of Liaohsi-Shenyang, Huai-Hai and Peiping-Tientsin, fought between September 1948 and January 1949. The capture on April 23, 1949 of Nanking, centre of the reactionary rule of Chiang Kai-shek's Kuomintang, proclaimed the doom of the Chiang Kai-shek regime.

After the founding of the People's Republic of China, the People's Liberation Army continued its advance and wiped out the remnants of the Kuomintang reactionary troops on the mainland. According to statistics, a total of 8,071,000 Kuomintang troops were wiped out by the People's Liberation Army from 1946 through June 1950.

With the peaceful liberation of Tibet in 1951, the Chinese People's War of Liberation was crowned with complete success, with the exception of Taiwan Province and several offshore islands which remain to be liberated.

A century's struggle against domestic and foreign oppressors

(See p. 17.)

The national-democratic revolutionary struggle waged by the Chinese people against domestic and foreign oppressors began with the Opium War against British aggression in 1840. Covering a period of nearly 110 years, it went through a number of stages: the War of the Taiping Heavenly Kingdom of 1851-64, the Sino-Japanese War of 1894, the Reform Movement of 1898, the Yi Ho Tuan Movement of 1900, the Revolution of 1911, the May 4th Movement of 1919, the Northern Expedition of 1926-27 and the Agrarian Revolutionary War of 1927-37. It entered a new stage of development with the

outbreak of the War of Resistance Against Japan (1937-45), followed by the War of Liberation (1945-49) which was crowned with country-wide victory.

In the nearly 80 years before the May 4th Movement, the Chinese revolution came within the old category of the bourgeois-democratic revolution, and in the 30 years after that movement it was the new-democratic revolution led by the proletariat.

The founding of the People's Republic of China in 1949 marked the conclusion of China's democratic revolution and the beginning of socialist revolution.

The Revolution of 1911

(See p. 17.)

This was an old-type bourgeois-democratic revolution led by Dr. Sun Yat-sen. On October 10 that year, an uprising broke out in Wuchang, a major city in central China's Hupeh Province, followed by uprisings in other provinces. On January 1, 1912, the Provisional Government of the Republic of China was set up in Nanking, with Sun Yat-sen as the Provisional President. This revolution overthrew the feudal autocracy of the Ching Dynasty, but owing to the weak nature of the bourgeoisie, it failed to solve the peasants' land problem, suppress the counter-revolutionaries or wage a fierce struggle against the imperialists. As a result, the fruits of the revolution were seized by Yuan Shih-kai, an imperialist lackey and head of the northern warlords. The revolution thus ended in failure.

Our state system, the people's democratic dictatorship

(See p. 17.)

This is a form of state adopted by China in accordance with its own specific conditions. It is determined by the targets and tasks of the Chinese revolution. Our state system, the people's democratic dictatorship, has undergone two stages of development.

During the first stage the people's democratic dictatorship performed the tasks of the

democratic revolution. Before the People's Republic of China was founded in 1949, this dictatorship which shouldered the tasks of the bourgeois-democratic revolution was a joint dictatorship of several revolutionary classes led by the proletariat and based on the worker-peasant alliance, a dictatorship exercised by the Chinese people over the lackeys of imperialism, that is, the bureaucrat-comprador class and the feudal landlord class.

The people's democratic dictatorship after the founding of the People's Republic of China is actually the dictatorship of the proletariat carrying out the tasks of socialist transformation and socialist construction. While it practises democracy among the people and gives full play to their strength, it exercises dictatorship over domestic reactionary classes, reactionaries and those who resist socialist revolution and sabotage socialist construction. At the same time, it defends the country against subversion and possible aggression by external enemies. Its aim is to build China into a great socialist country with modern agriculture, industry, national defence and science and technology and prepares the conditions for the transition to communism.

Capitalist rich peasants

(See p. 24.)

In old China, exploitation by some rich peasants seldom, if ever, took the form of lease of land or usury. Like the capitalists who exploit the workers, the rich peasants hired labourers on a long-term, short-term, seasonal or daily basis. Some also engaged in industry and commerce. They were called capitalist rich peasants because they followed the capitalist method of management.

Semi-feudal rich peasants

(See p. 24.)

These were also called rich peasants of the semi-landlord type. In old China, most rich peasants rented out part of their land to others and at the same time practised usury. Those who rented out more land (form of feudal exploitation) than that farmed by themselves and their hired labourers (form of capi-

talist exploitation) were called semi-feudal rich peasants.

Checking inflation and stabilizing prices

(See p. 28.)

Before China was liberated in 1949, the Kuomintang reactionary government issued paper money at random, giving rise to malignant inflation. According to statistics, in the 12 years from July 1937

when the War of Resistance Against Japan broke out to May 1949, the paper money the Kuomintang issued increased by 140,000 million-fold and prices skyrocketed 8,500,000 million-fold. This brought untold sufferings to the people and utter chaos to the national economy. After liberation, the Party and the Central People's Government adopted a series of correct policies, such as unifying financial and economic work and balancing revenue and expenditure, which soon checked inflation and stabilized the prices.

(To be continued.)

The Importance of Grasping the Theory Of the Three Worlds

The theoretical journal "Red Flag" of the Norwegian Workers' Communist Party (Marxist-Leninist) carried in its 5th issue, 1977, an editorial entitled "Combating the Superpowers' War Preparations and Upholding the Theory of the Three Worlds." Following are excerpts from the editorial. — Ed.

THERE is no "peace and detente" in the world as it is today. Rivalry between the two superpowers, the United States and the Soviet Union, has never been so sharp. Owing to its defeat in Indochina, as well as its political and economic difficulties at home and abroad, the United States has become a superpower going downhill. Nevertheless, it is still a superpower exerting its military influence on a world scale.

The Soviet Union has entered the world arena as a new imperialist superpower. As a

late-comer at the imperialist feast, this superpower is more aggressive just as Hitler Germany was.

The balance of strength between the two imperialist powers is not determined by treaties or documents. It is economic strength and military force that decide which will gain hegemony. The Soviet Union has surpassed the United States in iron and steel and arms production. This shows the uneven development of imperialism. It is this uneven development that led to the outbreak of two world wars, and will also lead to a new world war.

Though U.S. imperialism is going downhill, it is reluctant to give up anything without compensation. If Moscow wants to control an area still occupied by Washington, it must resort to force. This is how the Soviet Union grabbed Angola, a former colony of Portugal. Within a certain time, this kind of life-and-death struggle

may develop into a limited war. When the superpower which is on the defensive reaches the limit of concession beyond which it will be crushed completely, it will mount a counter-attack.

The people of the world paid big prices in blood in the past two world wars because they believed false promises of peace and empty talk of detente. Lies about peace and detente characterize the engineering of a new world war by the imperialist bourgeoisie. In assessing the smokescreen of empty peace talk, especially the smokescreen of peace put up by the Kremlin's new tsars at the conference tables of Helsinki and Belgrade, we must understand it in the way we dealt with the peace fraud of Munich in 1938. Realities today are completely different from what the new tsars claim. The fact is that both superpowers are expanding their armaments on an unprecedented scale and developing their weapons of mass destruction without any letup.

Under these circumstances, it is important for all revolutionary people to master Mao Tsetung's theory of the differentiation of the three worlds, a theory which identifies the two superpowers as the most dangerous enemies of the world's people. The task of the people's struggle includes isolating the enemies as much as possible, weakening them before they launch a new war and making it harder for them to act against revolution and liberation war. Does this mean that according to Mao Tsetung we must not combat other imperialists? This view is utterly ridiculous. What Mao Tsetung pointed out was who should be our main target. Only the superpowers themselves hope that the people of the world will not concentrate their efforts in opposing them. Therefore, it is important not to be taken in by the words of the revisionists that all imperialists are equally dangerous.

Pravda's repeated attacks on the theory of the three worlds show that the social-imperialists have realized how dangerous it is to them. What enrages them especially is Mao Tsetung's view that the third world countries are the

main force of world revolution. The attacks are a repetition of Khrushchov's assault on the Chinese Communist Party and Mao Tsetung in 1963 when Khrushchov condemned the Chinese Communist Party's emphasis on the significance of the oppressed nations' struggle against imperialism for "giving up the leading role of the proletariat" and abandoning its position to "royalty and aristocracy." *Pravda* claimed that the theory of the three worlds "lacks class content." This is an attack on the Marxist-Leninist theory which states that the new-democratic revolution and the revolution against imperialism are part of the world revolution.

Splitting the third world countries which hope to enhance their unity can only be in the interests of the superpowers and the imperialists. To deny that the struggle of the third world is an objective force in the world revolution, to deny that the armed struggle of the liberation movement today is the major threat to the superpowers' rivalry, and instead to stress that only the internal class struggle of each of the third world countries is significant — all this means in reality that the superpowers' war preparations have not been taken seriously. This empty talk is aimed at splitting the third world countries and stamping different bourgeois regimes as "progressive" or "reactionary." This kind of agitation serves the neocolonialist aims of seeking new sources of raw materials and strategic military bases.

Of course, there are class contradictions within the third world; genuine Marxist-Leninists clearly realize this. But it is extremely harmful to confuse contradictions between the proletariat and the national bourgeoisie of these countries with those between the oppressed nations and imperialism. This can only bring about failure of the revolution in these countries.

The theory of the differentiation of the three worlds is a concrete analysis of concrete conditions in the present-day world on the basis of Marxism-Leninism-Mao Tsetung Thought. Naturally it cannot replace other Marxist-Leninist principles; to censure it for replacing them has no basis in reality.

Currency Fluctuations in the Capitalist World

THE past year witnessed a slow upgrowth of the capitalist world's economy and a steadily acute rivalry for markets. This also found expression in the serious crises and chaos on the international monetary markets. Last year was the most chaotic one for capitalist countries' currencies since 1973 when the U.S. dollar went through its second devaluation and the West adopted the floating rate.

Drop in U.S. Dollar Exchange Rate

Currency fluctuations in the Western countries resulted chiefly from the further weakening of the U.S. dollar. From the beginning of 1977, the dollar's exchange rate dropped time and again, triggering off on the foreign exchange markets wave after wave of flight from the dollar and for the Japanese yen, the Deutsche mark or the Swiss franc. The dollar's exchange rate has seldom changed as frequently and widely in recent years as it did last year: it dropped three times, each more drastic than the one before. The dollar exchange rate against the Japanese yen, the Deutsche mark and the Swiss franc reached its lowest postwar point. The slump against the Japanese yen was the sharpest — 22 per cent lower than at the beginning of last year. Not only did the exchange rates against the so-called hard currencies nose-dive, they also fell again

and again against the relatively enfeebled currencies, such as the pound sterling and the French franc. As the U.S. dollar dropped, the gold price zoomed on the international markets. Last November, gold went up to its highest peak in two years, 168 dollars an ounce, or 30 per cent higher than at the start of last year. Though the central banks of Japan and the West European countries intervened on the foreign exchange markets by spending as much as 18,000 million dollars to shore up the dollar's exchange rate, they could not save the dollar from plummeting.

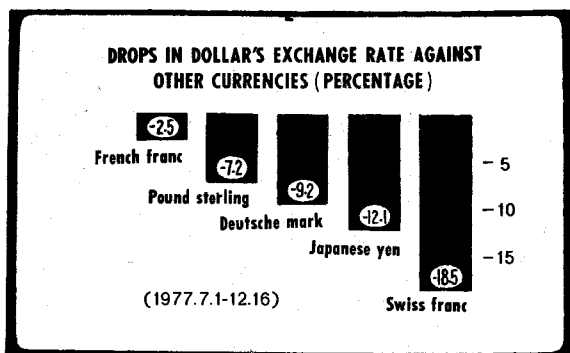
Instability of West European Currencies

The fall in the dollar's value and the rise in the Deutsche mark's made other currencies of the joint float unable to keep to the agreed parities against the Deutsche mark, and they had to be readjusted time and again. The first readjustment was carried out last April. The economically weak Sweden lowered its krona's exchange rate against the Deutsche mark by 6 per cent, while the Danish krone and the Norwegian krone were devalued each by 3 per cent. At the end of last August, the Swedish krona dropped again by 10 per cent and quitted the joint float. Simultaneously, Denmark and Norway each devalued their currencies by a further 5 per cent. There are now only six currencies in the joint float after the Swedish krona withdrew, and this was a further blow to the joint float system of the West European currencies.

Trade and Currency Wars

The sustained slump of the U.S. dollar has led Canada, Australia, Finland, Iceland, Spain, Portugal, Turkey, Brazil, India and many other countries to devalue their currencies to varying extents since the beginning of 1977.

There are many reasons behind the slump of the U.S. dollar. Basically, it is a reflection



of the uneven political and economic development in the trouble-beset capitalist world and its sharpening contradictions.

After coming to office, U.S. President Carter put forward "the locomotive theory," urging the three countries of the United States, Japan and West Germany to strengthen their economies and increase imports — a device to promote the recovery and development of the Western economy as a whole. Because of their own economic problems, Japan and West Germany were reluctant to stimulate their own economies for fear of feeding inflation. They maintained their national economic growth by expanding exports and this led to steady increases in their trade surpluses. In contrast to this, U.S. foreign trade registered a huge deficit. This was due less to the faster development of the U.S. economy in comparison with other major capitalist countries than to the large increase in U.S. import of oil last year — the import estimated to cost 45,000 million dollars, or 30 per cent higher than 1976's 34,000 million. The imported oil accounted for about one-half of the total domestic consumption. The United States imports oil to meet its mounting energy needs and, in view of its intensified contention with the other hegemonic power, to build up its strategic oil reserves against the possibility of another oil embargo like the one during the 1973 Middle East war. U.S. trade deficit from January to October last year amounted to 22,400 million dollars, or 3.8 times that of the whole of 1976. It is estimated that the 1977 U.S. trade deficit will reach an all-time high of 27,000 million dollars. This state of affairs hastened the outflow of the dollar, weakened its international credit and caused its exchange rate to be lowered time and again.

Because Japan and West Germany refused to play the role of "locomotive" as the United States wished and particularly because U.S. trade deficit with Japan rose steadily, reaching as much as more than 8,000 million dollars in 1977, the United States repeatedly brought pressure on Japan to revalue its currency upward, stimulate its economy and increase imports to alter its imbalance of payments. The U.S. Secretary of Treasury Blumenthal and other senior officials each issued many state-

ments, but every time they spoke it stirred up a wave of speculation on the foreign exchange markets, forcing the Japanese yen, the Deutsche mark and other currencies to revalue. By adopting the policy of letting the dollar drop as it will, the United States hopes to enhance its export competitiveness, press Japan to make more trade concessions and spur West Germany to further stimulate its economy. There is also conflict in trade between Japan and the West European countries which are highly dissatisfied with the large influx of Japanese goods into their markets, siding with the United States to exert pressure on Japan. Last year, the dollar's drastic drops and the Japanese yen's upward revaluation by a particularly large margin reflected the intricately complex conflicts and rivalry among the United States, Japan and the West European countries. The trade and currency wars among them grew ever more acute.

U.S. Government Intervention

For the United States to let the dollar drop unchecked has not proved to be a faultless remedy. Although it will hurt West Germany and Japan for a while, the United States itself will ultimately come to grief. The U.S. dollar is the major reserve currency in the capitalist world and its continual devaluation will certainly create great confusion in international finance and trade, and force prices of many major commodities, including oil, to go up steeply and bring on worldwide inflation. Moreover, it could lead to a massive outflow of capital from the United States and throw U.S. finance into a calamitous upheaval.

Forcing the Deutsche mark and the Japanese yen to revalue, the United States has tried to make West Germany and Japan fulfil its wishes and expand their own economies so that they would import more from the United States. But revaluating the mark and the yen has only hit the two countries' major industries — auto, electronics, iron and steel, shipbuilding and machine building — thrown their economies into difficulties and made it harder for them to import more from the United States. President of the Federal

(Continued on p. 29.)

ROUND THE WORLD

COMMUNIST PARTY OF
SWITZERLAND (M-L)

Party Programme Adopted

The Second Congress of the Communist Party of Switzerland (Marxist-Leninist) was held in December 1977 and the decisive success of this congress was the adoption of the Party Programme which marked a victorious conclusion of the long struggle by the whole Party for the elaboration of the Party line.

The communique concerning the congress issued by the Central Committee of the Communist Party of Switzerland (M-L) said that the programme "demonstrates the progress of the Party in the application of Marxism-Leninism to the situation of our country, in the analysis of the domestic and international situation and in the strategy and tactics of the revolutionary struggle for socialism and a red Switzerland." The programme shows, it said, that we have been reinforced and are entering a new stage in the struggle for a red Switzerland.

"The Communist Party of Switzerland (M-L) considers the struggle against revisionism as its principal ideological task," the communique noted. "In fulfilling the task, we have come to a better comprehension of the international and domestic situation. We see in the two superpowers, the Soviet Union and the U.S.A., the principal

enemies of our revolution. We consider the analysis and the strategy of the three worlds as the correct Marxist-Leninist line in the class struggle today. We see in revisionism the principal enemy of the working class. The progress of the Party is the result of the anti-revisionist struggle."

JAPAN-SOVIET TALKS

Ended in Discord

Japanese Foreign Minister Sunao Sonoda was in the Soviet Union from January 8 to 11 and had three rounds of talks with his Soviet counterpart Andrei Gromyko on the question of a Japan-Soviet peace treaty. He also met Alexei Kosygin to whom he presented a letter from Prime Minister Fukuda to Leonid Brezhnev. No joint communique was issued at the end of the talks because of the sharp differences in their stand over the territorial issue. This is the first time since negotiations began in 1972 for the signing of a peace treaty that a meeting between the foreign ministers of the two countries has ended without issuing a joint communique or statement.

This was the fifth regular meeting at ministerial level between the two countries since July 1967. The meeting was originally scheduled for October 1976 but had been put off for two years due to Soviet obstructions.

During the talks, Foreign Minister Sonoda proposed taking the Japan-Soviet joint statement, issued after the 1973 meeting between former Prime Minister Tanaka and Brezhnev, as the basis for negotiating a peace treaty. He reaffirmed that the northern territorial question remains "a question unsettled between Japan and the Soviet Union after war." He also made it clear that a peace treaty can be concluded only after the Soviet Union returns the northern territories to Japan as a whole. Gromyko rejected the just demand of the Japanese side by harping on the old tune that "the territorial question has been solved" in an attempt to write off the agreement reached between Tanaka and Brezhnev. This led to a heated debate.

In his meeting with Sonoda on January 10, Kosygin insisted that "no territorial problem exists between Japan and the Soviet Union." Kosygin also said that Gromyko's statement on the northern territorial issue "did not represent the Soviet Foreign Minister's personal views alone but the views of the Soviet Government also." *Tokyo Shimbun* in a report said Foreign Minister Sonoda, after the meeting, condemned the above statements of the Soviet authorities as "big-nation chauvinism and unreasonable!" Sonoda also said: "It cannot be seen as keeping its word that a country unilaterally changes the contents of the agreement reached between the top leaders without presenting any reason or explanation, and even declares it 'non-existent.' Contacts between states will be made difficult if such an attitude is adopted."

During the talks, the Soviet side proposed signing a Soviet-Japan good neighbourliness and co-operation treaty before concluding a Soviet-Japan peace treaty in an attempt to bypass the territorial issue. The Soviet-drafted joint communique about the talks had the wording "the two sides of Japan and the Soviet Union had negotiations on the Japan-Soviet good neighbourliness and co-operation treaty." During the talks, Gromyko even tabled the text of the proposed treaty. But when he was about to explain the draft, Sonoda interrupted him and reaffirmed Japan's stand that the question of a Japan-Soviet peace treaty should be solved first. Japan also submitted to the Soviet Union the gist of a draft proposal for the conclusion of a Japan-Soviet peace treaty which is preconditioned by the settlement of the problem of the four northern islands.

On January 12, Tokyo newspapers in their editorials expressed strong dissatisfaction with the Soviet Government's refusal to negotiate with Japan over the northern territorial issue and condemned the Kremlin for its domineering attitude in the talks.

U.S.S.R.

Surprise Airlift Exercise

A massive three-week airlift exercise to ferry arms to the Middle East and northeast Africa was staged by the Soviet Union beginning November 26 last year. The Soviet air fleet, comprising 225 transport aircraft, about 12 per cent of the Soviet air transport capacity,

was dispatched simultaneously along seven routes to Addis Ababa, Aden and Maputo.

Under the pretext of transporting supplies to Ethiopia, the Soviet airlift was a systematic rehearsal of what it can do in actual warfare, because not all the transports carried freight, some had empty holds, and some were not even transport planes. As the Lebanese paper *Al-Anwar* pointed out in a January 6 commentary, the Soviet exercise was intended to "test the ability to act promptly for intervention [in the Middle East and Africa]."

The operation was not limited to the air force. Soviet naval units in the Mediterranean and the Indian Ocean were regrouped to "protect" the transports. Ships were also sent out from Black Sea bases to support the operation. Some Soviet rail lines were closed to civilian traffic and used for transporting large quantities of arms including tanks and artillery to Soviet ports and airfields. Another fact to note was that the Soviet military drew on the stockpiles it had built up east of the Urals and used them for intervention in the Middle East and Africa.

During the exercise, Moscow launched a new military spy satellite in the "cosmos" series, and which is believed to have played a role in the command of the exercise and in reconnaissance. Chief of General Staff of the Soviet Army and Navy N.V. Ogarkov and Vice-Minister of Defence S.L. Sokolov separately visited the coastal areas of the Mediterranean and the Red Sea for ulterior purposes.

The United States was deeply disturbed by the Soviet exercise. A number of countries in Asia, Europe and Africa put their air forces on full alert after they spotted the Soviet overflights. The Sudanese President Nimeri on January 8 told the world about the danger of a Soviet intervention. Somali President Siad condemned the Soviet Union for sending large quantities of arms to the Horn of Africa. He said that Somalia will not be cowed by the vast quantities of arms of the colonialists, but is well prepared to smash any imperialist schemes.

PANAMA

14th Anniversary of Anti-U.S. Struggle

On January 9, 1978, on the 14th anniversary of the Panamanian people's patriotic, anti-U.S. struggle, the Students' Federation of Panama and 30 other mass organizations held a mass rally of several thousands in Porras Square, centre of Panama City, and later marched through the city.

Addressing the rally, a students' federation leader declared that the Panamanian people have never forgotten the 21 patriotic students killed by U.S. aggressors, and will continue the struggle until full sovereignty is won. He denounced those U.S. senators using the ratification of the treaty as a means to carry out political and economic blackmail against Panama. Speakers at the rally called for immediate ratification by the U.S. Senate of the new Panama Canal Treaty signed by the U.S. Gov-

ernment on September 7, 1977. When the treaty comes into force, it will replace the unequal 1903 Panama-U.S. treaty and other amended bills concerned.

The rally was followed by a demonstration down the "Avenue of Martyrs" in which demonstrators carried 21 coffins and placards reading: "Jan. 9, the struggle is not ending but is continuing!" "For liberation, for sovereignty!" and "Liberation or death!"

Similar commemorations were also held in other Panamanian cities.

SMITH REGIME

"Internal Settlement" Farce

The so-called negotiations for an "internal settlement" of the Zimbabwean issue started early last December in Salisbury, the capital of Rhodesia, have only served to lay bare the obdurate,

reactionary stand of the Smith racist regime.

The negotiations were held between Ian Smith on one side and nationalist leaders Bishop A. Muzorewa and N. Sithole and tribal chief Jeremiah Chirau on the other.

In an attempt to deceive the Zimbabwean people, Smith declared on November 25 prior to the negotiations that he was willing to accept the "one man one vote" electoral system. But during the negotiations, he raised absurd demands for safeguarding his reactionary rule and interests of the whites. Smith insisted on a one-third white representation in the would-be parliament, although the whites make up less than 5 per cent of the total population. "That is not negotiable and this has been the stand of the government," Smith declared. He also insisted on retaining his reactionary security

forces and threatened that if the liberation war escalates, the whites would get the forces of South Africa into Rhodesia.

From the very beginning, the Zimbabwean Patriotic Front and the people persisting in armed struggle have opposed the so-called "internal settlement." A spokesman of the Patriotic Front pointed out clearly that the Smith formula "is phony." "Smith is just retreating into another merry-go-round of negotiations which will lead nowhere," he stressed. Joshua Nkomo, co-leader of the Zimbabwean Patriotic Front, warned that the Patriotic Front is not interested in the negotiations. Instead, it will take action, that is, use arms and guns — the only language Smith understands. Robert G. Mugabe, another co-leader of the Patriotic Front, called on the Zimbabwean people to strike hard at the enemies, give them no breathing space and drive them into a corner.

(Continued from p. 26.)

Bank of West Germany Emminger has pointed out that because the value of the Deutsche mark was too high, production cost inside the country became so big that many big companies had, one after another, set up subsidiaries in the United States. The outlook for industrial investments in West Germany this year is gloomier. In such circumstances, it is doubtful if West Germany this year will import more from the United States.

So, after playing its currency game of letting the dollar drop as it will, the U.S. Government realized that it has to make do with what is feasible.

On December 21, 1977, U.S. President Carter declared the need "to protect the

integrity of the dollar" and "to counter disorderly conditions in the exchange markets." On January 4, the U.S. Treasury was forced to announce its intervention in the dollar's exchange rate, and the Federal Reserve Bank had to purchase dollars with the help of "Swap Funds."

After the announcement of intervention, the dollar's exchange rate began to rise. But many dealers are still "confused and doubtful" about the situation. They say that the U.S. Government's move has not altered the economic factors which had undermined the dollar — a huge trade deficit brought on by importing a large quantity of oil. Dollar stability is short-run, and a further drop can be expected, some dealers say.

— by Shih Chu

ON THE HOME FRONT

"Dr. Bethune": A Feature Film

A FILM about the life of Dr. Norman Bethune (1890-1939) has been produced in China. Heading a medical team of Canadians and Americans in the spring of 1938, the celebrated Canadian surgeon came to China's liberated areas to help the Chinese people in their War of Resistance Against Japan which broke out in 1937. Chairman Mao, in an article entitled *In Memory of Norman Bethune* written in 1939, spoke highly of his spirit of internationalism, his boundless sense of responsibility in his work and his boundless warmheartedness towards all comrades. For so many years the Chinese Communists and people have been following the good example he set.

The film *Dr. Bethune*, adapted from Chou Erh-fu's novel of the same title, tells about how this outstanding Communist dedicated his life to the cause of the Chinese people's liberation.

In his early days with the Eighth Route Army, Dr. Bethune is hardly aware of the harsh conditions under which army medical work is carried on. He scolds Dr. Fang for his "extremely poor technique" in performing operations and denies him admittance to a training class for Chinese medical workers.

The Canadian doctor then learns what kind of a person

Fang really is. The son of a poor family, Fang began herding cattle for a landlord at the age of eight. He joined the Red Army after being sacked by the landlord because of illness, and served as a stretcher-bearer. He was wounded several times and performed meritorious deeds in rescuing the wounded at the front. To meet the needs of the revolution he acquired some skill in caring for the wounded and, by aping others, learnt how to perform operations. He mastered Latin pharmaceutical terms and finally became a doctor through eight years of self-study. In his thirst for learning as much as possible from Dr. Bethune so as to better serve the people, he studies English diligently.

When he comes to understand Fang's past experience, Dr. Bethune, on whom the title of "honorary member" of the British Royal Society has been conferred, is so uneasy about his behaviour towards Fang that he says excitedly: "I've compromised too long with the enemy within myself. Help me, comrades. . . ."

Dr. Fang later becomes an apt student and close comrade-in-arms of Dr. Bethune. When he dies, the Canadian surgeon presents his own scalpel to Fang and urges him and the other comrades: "Strive forward for the sake of the revolution!"

The Canadian surgeon wears the same uniform and cloth

shoes as the ordinary Eighth Route Army soldiers. He spends all his 100-yuan allowance, paid on Chairman Mao's instruction, in buying food for the nourishment of his patients. When he is given his share of condensed milk captured from the Japanese invaders, he immediately heats up a serving for a seriously wounded soldier.

He treats the villagers as warmheartedly as his Chinese colleagues, saying: "We Eighth Route Army men and you people are of the same family. We don't charge you anything."

Once in the thick of battle, Dr. Bethune leads his medical team in performing emergency operations in a small temple near the front. After 24 hours of tireless work, he dips his head in cold water and says: "This is fine! Now I can go on working for another 24 hours!"

The next day, seeing that plasm powder has run out, the Canadian unhesitatingly donates his own blood for a transfusion needed by a badly wounded soldier. His on-the-spot rescue and operations help greatly to reduce the death rate of the wounded.

To suit the conditions of guerrilla warfare, Dr. Bethune organizes a mobile medical team to go with the army. He devises a wooden box shaped like an arched bridge for carrying medical supplies and instruments on the back of a donkey. It can be quickly loaded or unloaded, and inside it is fitted with pigeonholes for drug bottles to keep them from being broken while the march is in



Two stills from the film: (Left) Performing an operation in a temple near the front. (Right) At a peasant's home.

progress. When spread on the ground, the box serves as a makeshift operating table.

Then comes the year of 1939. Dr. Bethune and his Chinese colleagues march along rugged mountain footpaths. His singing of *The Internationale*, intermingled with the *Song of the Guerrillas* sung by the Chinese comrades, resounds in the deep ravines. On winter nights, his medical team pushes its way across the enemy blockade line, keeping out of sight of the enemy pillboxes, from which the machine-gunners may fire on them at any moment.

Disguising himself as a local peasant, Dr. Bethune goes to visit his patients recuperating in the village near an enemy stronghold. He goes there at great risk, because the enemy has already set a price of 3,000 yuan on this "foreign doctor." He is overjoyed to see the skilfully camouflaged ward as well as the underground operating room and pharmacy. He instantly picks up friendly conversations with the doctors and nurses who are disguised as

ordinary country-women, and with the wounded soldiers. With unquenchable passion, our internationalist fighter declares: "This is my country! This is my people!"

"Our adviser, teacher, model worker and our comrade-in-arms" — as he is called by the Chinese soldiers and civilians — throws himself into the fight against one of the aggressors' savage mopping-up campaigns in the winter. He heals the wounded and rescues the dying right on the battlefield. Unfortunately, Dr. Bethune dies of blood-poisoning which he contracts after accidentally cutting his finger during an operation.

His contribution to the cause of the Chinese people's liberation and his utter devotion to others without any thought of self will always be remembered by the Chinese people.

The film *Dr. Bethune*, whose hero was acted by an American then working in China, was completed in 1964 at the suggestion of the distinguished Dutch film director Joris Ivens. Wu Yin-hsien, who was the

film's chief cameraman, had taken some good pictures of the Canadian doctor about 40 years ago.

As Chang Chun-hsiang, one of the scenario-writers and the chief director, sees it, the film leaves much to be desired in not having dealt with the Canadian doctor's early life. Before he came to China, this internationalist fighter had striven to eliminate tuberculosis and other diseases in his native country. During World War I he joined a stretcher unit, and as a member of one of the international brigades in the mid-thirties he fought to stop the Spanish Civil War. If these stories, which were originally included in the scenario, were taken as the prologue to *Dr. Bethune*, it would have helped the audience to a better understanding of "how a Communist develops to a higher stage of perfection."

CORRECTIONS: In issue No. 1, line 14 from the bottom in the left-hand column of page 27, for "1977" read "1976."

The Arabic edition of "Peking Review" mentioned in our last issue's backcover advertisement is a monthly, not a fortnightly.

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