

PEKING REVIEW

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March 18, 1966

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**China Protests Against
Outrages by Indonesian
Right-Wing Forces**

Another Year of Good Harvests

A Review of China's Farm Front in 1965.

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Water Conservancy Boosts Farm Output

MORE land has been irrigated in China in the past 16 years than in all the centuries before liberation in 1949. Countless new reservoirs, irrigation canals, ponds and other water conservancy projects have been built — all contributing to the steady increase in farm output over the past four years.

The remarkable gains that have been brought about by these projects — the results of the ingenuity and revolutionary determination of the nation's 500 million peasants who are all members of people's communes — are being shown in a new pavilion at the National Agricultural Exhibition Centre in Peking's eastern suburbs. On exhibit at the pavilion, which was opened to the public on March 10, are charts and photographs showing the achievements of 43 areas situated in various parts of the country: some in hilly regions, others on low-lying land and still others on the edges of deserts. They depict how collective effort has enabled the peasants to build thousands of large and medium-sized water conservancy projects and millions of smaller ones, sink innumerable wells and set up power-operated pumping stations. All this has transformed formerly poor areas into fertile farmland with stable and high yields.

Mienyang County in central China's Hupeh Province was ravaged alternately by flood, waterlogging and drought before liberation, so much so that local inhabitants were resigned to crop failures practically every year. After 1949 they pooled their efforts and undertook the setting up of an irrigation system able to withstand both flood and drought. Since 1959 they have succeeded in increasing farm output year after year. In 1965 they harvested more

than three times as much grain and 22 times as much cotton as in 1949.

The Hotien Special Administrative Region in Sinkiang is another example of the benefits of water conservancy. Situated south of the Takla Makan Desert and north of the Kunlun Mountains, this area which was constantly menaced by sandstorms and long dry spells was very backward in agriculture. Since 1958, by relying on the collective strength of the people's communes, the peasants have opened up canals to catch the melted mountain snow and bring the water to 2.8 million *mu* of land. In addition, they have also planted shelter belts and reclaimed 800,000 *mu* from the shifting sands. The upshot has been a sharp upward

thrust in farm output, and the region is now known throughout the country for its speedy agricultural development.

While nationwide emphasis has been on small water conservancy projects carried out mainly by the communes themselves, a number of joint government-commune financed big projects have also been undertaken. One of these is the Piho-Shihho-Hangfu irrigation system in Anhwei Province which was started in 1958. This now serves nearly 3.5 million *mu* of farmland and is being extended annually. In many cases gullies have been filled in and mountains have been cut away, in some cases to a depth of more than ten metres, to make way for the canals.

The present exhibition in Peking demonstrates the creativeness and initiative of the peasants who are determined to use irrigation and other means to bring in good yearly harvests and build a prosperous socialist countryside.

Imperialist-Instigated Coups Strengthen African Solidarity

WASHINGTON and London made little attempt to hide their pleasure over last month's military coup d'etat in Ghana. Ignoring the condemnation that swept the entire continent, they quickly recognized the new regime and promised prompt economic aid. Their contrasting stance points up the fact that the fine hand of imperialism is at work against the emerging African nations.

Turned into a "Dark Continent" by the colonialists and imperialists for centuries, Africa has become one of the world's storm-centres of revolution. Epochal changes have taken place since the first Asian-African Conference in Bandung in

1955. Many oppressed countries have risen in revolution and overthrown colonial rule. And more than 30 have won independence in the past decade.

The imperialists and colonialists, however, are not reconciled to their defeat. Working hand in glove with the reactionaries in various countries, they have carried out coups and are continuing to plan other ones in the hope of paralysing the national-liberation movement in Africa and rolling the continent back to the old colonial days.

Alive to these dangers, the African people are taking appropriate steps. Africa's struggle, as pointed out by the *Nationalist*, organ of the

Tanganyika African National Union, "has entered a new phase, more determined and resolute, a struggle which must take us to final victory." Guinea has appointed a committee to draft a report, setting forth concrete measures for military preparations by the Guinean people. Pledging full support for the Ghanaian people, President Sekou Toure declared that Guinea would send soldiers to help them free themselves from the military traitors backed by the imperialists. President Modibo Keita of Mali called on his people to be vigilant against the manoeuvres of imperialism and colonialism. He declared: "We will always side with the people who are fighting in defence of their right to freedom and dignity, to counter imperialism and colonialism."

Indignation at the imperialist intrigues is widespread among the people. The Guinean paper *Freedom* urged the Guinean people to heighten their vigilance and arm themselves to combat imperialism. "We are at war with imperialism and its dark forces," it declared. "At a time when there is unlawful seizure of power and military dictatorship in Africa, and at a time of revolution, it is more imperative than ever to mobilize the people militarily and ideologically." The All-African Trade Union Federation sent out a call to all workers in Africa to mobilize themselves to oppose the counter-offensive of the colonialists and imperialists, which is an attempt to liquidate the revolutionary gains

won by the African people in their heroic struggle for national liberation. In a cable to the Guinean President, the Supreme Council of Revolution of the Congo (Leopoldville) denounced the imperialists for their part in the coup in Ghana. It said: "It is more necessary than ever to close the ranks of the African revolutionaries still further in a firm fight against the reactionary forces who serve imperialism and have brought shame to our peoples."

The imperialists may now be basking in "victory," but their fresh onslaught, as many African newspapers have pointed out, is only a last ditch attempt to recover their lost positions on the continent. Contrary to their wish, the pro-imperialist coups of the last few months have strengthened the solidarity of the African people and fortified their determination to break the imperialist grip for good.

Earthquake in North China

A strong earthquake took place at 05:29:02 hours on March 8 in the Hsingtai area, about six hours by train south of Peking.

The registered shock of this natural calamity was of 6.7 magnitude, and intensity at the epicentre was about 9. Damage of varying degrees was suffered by 350 production brigades of 30 people's communes.

The Central Committee of the Chinese Communist Party and the State Council took immediate action

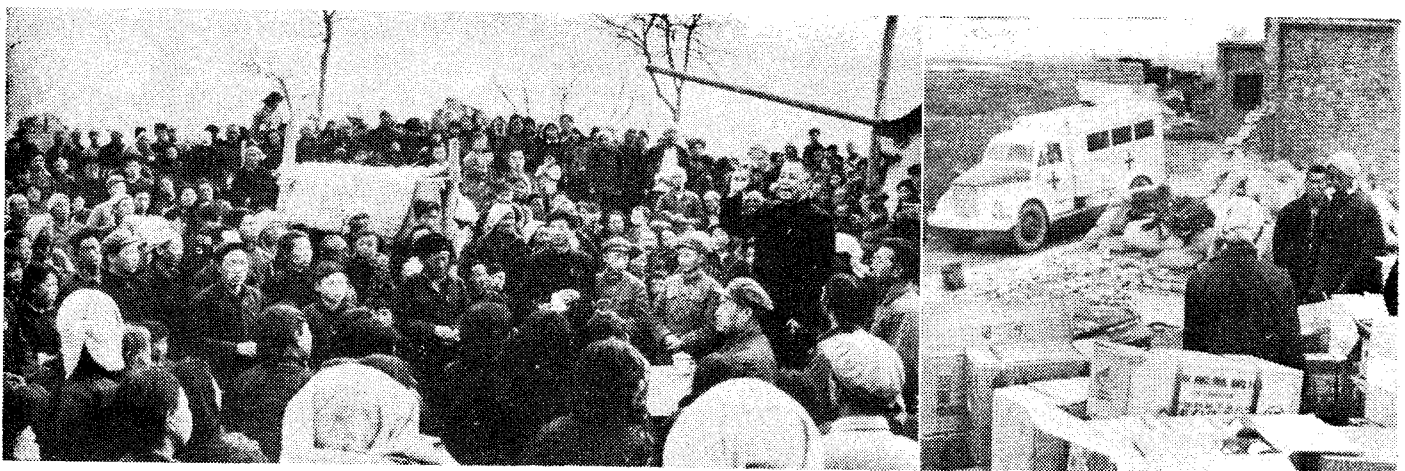
Chairman Liu to Visit Pakistan

Chairman Liu Shao-chi and his wife, Wang Kuang-mei, will visit Pakistan at the invitation of Marshal Mohammad Ayub Khan, President of the Islamic Republic of Pakistan.

Vice-Premier and Foreign Minister Chen Yi and his wife will be among those accompanying Chairman Liu to Pakistan.

on behalf of the people affected and organized relief work. A delegation led by Tseng Shan, Member of the Central Committee of the Chinese Communist Party and Minister of Internal Affairs, went directly to the area. The delegation conveyed the sympathy and concern of the Party's Central Committee and Chairman Mao Tse-tung to the local people.

A joint relief command was speedily formed and medical teams were rushed to Hsingtai. Departments concerned under the central authorities and the Chinese People's Liberation Army have shipped in large quantities of foodstuffs, medicine, building materials and goods to the people in the stricken area in a concerted effort to help them get over the effects of the earthquake and restore production.



Left: Tseng Shan speaking at a gathering in an affected village
Right: Medical and other emergency supplies were rushed to Hsingtai

Strong Protest Against Anti-Chinese Outrages by Indonesian Right-Wing Forces

Reactionary Right-wing Indonesian forces organized violent attacks against Chinese diplomatic missions and the Hsinhua News Agency Office on March 9 and 10 in Djakarta. Thirty Chinese officials, correspondents and other personnel were injured and serious damage was caused. These shocking outrages constitute out-and-out fascist acts unprecedented in the history of international relations.

In a note of protest to the Indonesian Embassy in China on March 10, the Chinese Foreign Ministry points out: If the Indonesian Government is helpless before these most grave incidents and fails to stop them, the reactionary Right-wing forces will surely create further troubles and do greater damage to relations between the two countries. The Chinese Government asks the Indonesian Government to consider the matter earnestly and give a speedy reply. The note reads in part as follows:

AT 11:00 hours (local time) on March 9, 1966, several hundred hooligans organized by the reactionary Indonesian Right-wing forces wildly raided the Office of the Hsinhua News Agency in Djakarta. Carrying iron bars, clubs, daggers, hoes, stones, etc., and bringing with them a great deal of incendiary material, they broke into the compound of the Hsinhua Office and committed outrages, frenziedly shouting such slogans as "Crush the People's Republic of China!" and "Kill you all!" They savagely beat up and injured Hsinhua journalists Chang Hai-tao, Li Jui-feng and Tan Tung-pai and two staff members, among whom journalist Li Jui-feng bled profusely as a result of three cuts on his head and staff member Chiu Kuo-wu suffered a fracture of the radius and a possible internal injury. They also hurled incendiary bottles, set fire to the Hsinhua Office, smashed up the office rooms and the garage, wrecked a car of the agency and set fire to another and wantonly damaged or carried away furniture and implements. The raid of the Office of the Hsinhua News Agency lasted about an hour.

At 06:45 hours (local time) on March 10 hundreds of hooligans organized by the reactionary Indonesian Right-wing forces attacked the Chinese Consulate-General in Djakarta. They dashed into the compound after crashing the gate of the Chinese Consulate-General with a truck. Carrying iron bars, clubs, daggers, stones, etc., they ran amuck, striking at everybody and everything in sight and thoroughly smashing up all the rooms. They beat up and injured Consul Ma Teng-chieh, Vice-Consul Li Hui-ching and eight staff members, three of them seriously. The hooligans damaged the doors and windows of office rooms and bedrooms, smashed furniture and implements, and made off with Consul-General Hsu Jen's car and many office and personal effects. Moreover, they brazenly tore up portraits

of the Chinese people's beloved leaders Chairman Mao Tse-tung and Chairman Liu Shao-chi, smashed a bust of Chairman Mao Tse-tung and carried away the Chinese national flag, the national emblem, the copperplate of the Consulate-General and 13 blank Chinese passports. The hooligans' outrages lasted for more than half an hour.

At 07:00 hours (local time) on the same day another 300 and more hooligans organized by the reactionary Indonesian Right-wing forces rabidly attacked the Office of the Commercial Counsellor of the Chinese Embassy. They dashed into the compound after crashing the gate and knocking down the wall with trucks and savagely beat up the personnel of the Chinese Commercial Counsellor's Office, injuring Commercial Counsellor Wang Pin and 14 other diplomatic officials and staff members, among whom Second Secretary Chang Feng-chu and staff members Kuo Kai-shan and Lu Chun-yung were seriously injured in the head, lost much blood or fell of a faint. The hooligans brazenly smashed a bust of Chairman Mao Tse-tung, carried away the copperplate of the Commercial Counsellor's Office, took away or burnt up files and other things. They also smashed doors, windows, furniture and implements and made off with many office or personal effects. Two of the cars of the Commercial Counsellor's Office were burnt up, another two smashed up and a fifth driven away. These outrages lasted as long as two hours and a half.

The above is based on preliminary reports received by this Ministry, and further details are still awaited.

In the past months, the reactionary Indonesian Right-wing forces committed a whole series of anti-Chinese outrages violating the privileges of the Chinese diplomatic missions, endangering the personal safety of

the Chinese diplomatic and consular officials and threatening Chinese journalists. And now within two days they have successively raided the Office of the Hsinhua News Agency, the Chinese Consulate-General and the Office of the Commercial Counsellor of the Chinese Embassy, brazenly beating up and injuring 30 Chinese diplomatic and consular officials and other personnel and subjecting these Chinese missions to most serious damage and robbery. All this shows that their anti-Chinese outrages have become extremely rampant. Not only are these barbarous outrages shocking, they are out-and-out fascist acts unprecedented in the history of international relations. The Chinese Government and people are most indignant at them. The Chinese Government hereby lodges the strongest protest with the Government of Indonesia against these extremely serious outrages of attacking the Office of the Commercial Counsellor of the Chinese Embassy, the Chinese Consulate-General and the Office of the Hsinhua News Agency by the reactionary Indonesian Right-wing forces.

The Chinese Government demands that the Indonesian Government immediately make a public apology for the above-mentioned outrages, ensure medical treatment to the injured, severely punish the culprits and those who instigated them, return the Chinese national flag, the national emblem and the copperplates of the Consulate-General and the Office of the Commercial Counsellor of the Chinese Embassy, which were carried away, compensate for all the losses and guarantee against any recurrence of similar incidents. The Chinese Government deems it necessary to point out that if the Indonesian Government is helpless before these most grave incidents and fails to stop them, the reactionary Right-wing forces will surely create further troubles which will not only continue to seriously jeopardize the Chinese missions in Indonesia but do greater damage to the relations between the two countries. The Chinese Government solemnly asks the Indonesian Government to consider the matter earnestly and give a speedy reply.

Foreign Ministry Statement

Puppet Pak Jung Hi Clique's Decision to Send More Troops to South Vietnam Condemned

- **Whether U.S. imperialism takes the field itself, or drives more vassals to the battleground, it cannot save itself from inevitable doom.**
- **By providing cannon-fodder for its master, the Pak Jung Hi clique only hastens its own eventual destruction.**

AT the instigation of U.S. imperialism, the Pak Jung Hi clique of south Korea has recently decided to send 20,000 more puppet troops to southern Vietnam to take part in the U.S. war of aggression. This represents another grave step taken by U.S. imperialism to expand its war of aggression in Vietnam by making use of its lackeys. The Government of the Democratic People's Republic of Korea, the Ministry of Foreign Affairs of the Democratic Republic of Vietnam and the South Vietnam National Front for Liberation have respectively issued statements strongly condemning U.S. imperialism and its lackeys for this new crime. The Chinese Government and people firmly support the just stand of the Korean and Vietnamese peoples.

U.S. imperialism is deeply bogged down in its war of aggression against Vietnam. Its policy of war blackmail and its peace talks fraud have met with repeated failures. Despite the dispatch of over 200,000 U.S. troops to south Vietnam, it has not been able to extricate itself from the passive position of having to receive blows. The U.S. aggressor troops have suffered heavy casualties under the resolute blows of

the heroic Vietnamese people, and this has caused sharp repercussions and quarrels inside the United States.

In order to resolve the contradiction between war expansion and the shortage of manpower, the Johnson Government has stepped up its collection of cannon-fodder since the Honolulu conference. U.S. Vice-President Humphrey himself has toured south Korea and the Philippines, New Zealand, Australia and other vassal countries, trying by threat and bribery to get them to serve as pawns for the U.S. policy of aggression and to provide manpower for the U.S. war of aggression against south Vietnam. Shamelessly selling out the interests of the Korean nation, the Pak Jung Hi clique has taken the lead in responding to the U.S. demand and is going to send more puppet troops to south Vietnam in meek compliance with the orders of its U.S. masters. It will certainly receive severe punishment at the hands of the Korean and Vietnamese peoples for this crime.

The U.S. imperialist plan of expanding the war of aggression against Vietnam is directed not only against

the peoples of Vietnam and Korea, but also against the peoples of China and other Asian countries. Since U.S. imperialism has increasingly joined together its battle-lines of aggression against the Asian peoples, the peoples of Vietnam, Korea, China and other Asian countries, who are in the forefront of the struggle against U.S. aggression, have no choice but to further strengthen their unity and support and help each other for the thorough defeat of the U.S. aggressors.

The Chinese people firmly support the Vietnamese people in carrying their heroic struggle against U.S. aggression and for national salvation through to the end. Whether U.S. imperialism takes the field itself, or drives more vassals to the battleground, it cannot save itself from inevitable doom. By servilely providing cannon-fodder for its masters, the Pak Jung Hi clique only hastens its own eventual destruction.

(March 11, 1966.)

Survey of a Commune (III)

Brigades and Teams

How the Yangtan Commune Management Committee leads its production brigades and teams. The third of a series of six articles by *Peking Review* correspondents.

COMMUNES are subdivided into production brigades and teams and each unit at the three levels is entitled to own means of production and other property. This facilitates proper management of production and general administration, allowing for a reasonable division of labour and proper co-ordination of effort. The Yangtan Commune has ten constituent brigades and below them are 61 teams.

Basic Accounting Units

In most communes, the production teams are the basic accounting units, but here in Yangtan things are a bit different. While the 42 production teams of eight of the production brigades are basic accounting units, there are two production brigades which are basic accounting units. In the case of these two — the Yangtan and Shanxia Brigades — land, cattle, large and medium-sized agricultural implements are all owned by the brigade but are given to the production teams under them for use on a long-term basis. (In the other brigades such things are owned by the teams.) These two brigades also run various productive enterprises such as mills, pig farms or brick yards, whose proceeds go into the account of the brigade and are disposed of directly by the brigade's managing committee.

We were anxious to know more about this singularity and why it existed at Yangtan. Comrade Chiao, the commune chairman, gave us the explanation: These two basic accounting brigades had and have a relatively higher level of production than the other brigades while their constituent production teams stand more or less on the same level of production.

On the other hand, in those production brigades where the teams are basic accounting units there are relatively big differences in the levels of production and economic development attained by the teams. In the same brigade, a member of one team gets one yuan

per workday while in another team he gets only 0.7 or 0.8 yuan a workday. In such cases, if the brigade and not the team were taken as basic accounting unit, distribution of income would have to be based on an average of the teams. This ignoring of the differences between teams would lead to a harmful equalitarianism dampening the labour enthusiasm of members. That is why in these eight brigades, the teams are taken as basic accounting units. This ensures a fair distribution of income. It strengthens unity among members of different teams.

Functions of Brigades and Teams

The teams, brigades and commune each have their particular responsibilities. This lightens the work of commune management.

Basic Accounting Teams. Where the team is the basic accounting unit, it is independent in accounting. A gain belongs to it, and so does a loss. It owns its major means of production — land, draught animals, tools and so on; it directly organizes the team's work and distributes its income with its general members' meeting deciding how much should go to expanding production, how much directly to members as payment for work points, and so on. Its managing committee is responsible for working out and implementing the production plan, deciding on how to use land, manpower, draught animals, implements. Run on a democratic basis, the committee is elected by the team's general members' meeting.

The production brigade made up of such basic accounting teams owns some means of production (stud animals, water-wheels, engines, etc.) and usually also certain enterprises such as flour mills, smithies, bean noodle shops, brick and tile kilns, and so on. But its main task is to help its teams work out their production plans, guide and supervise their work in production,

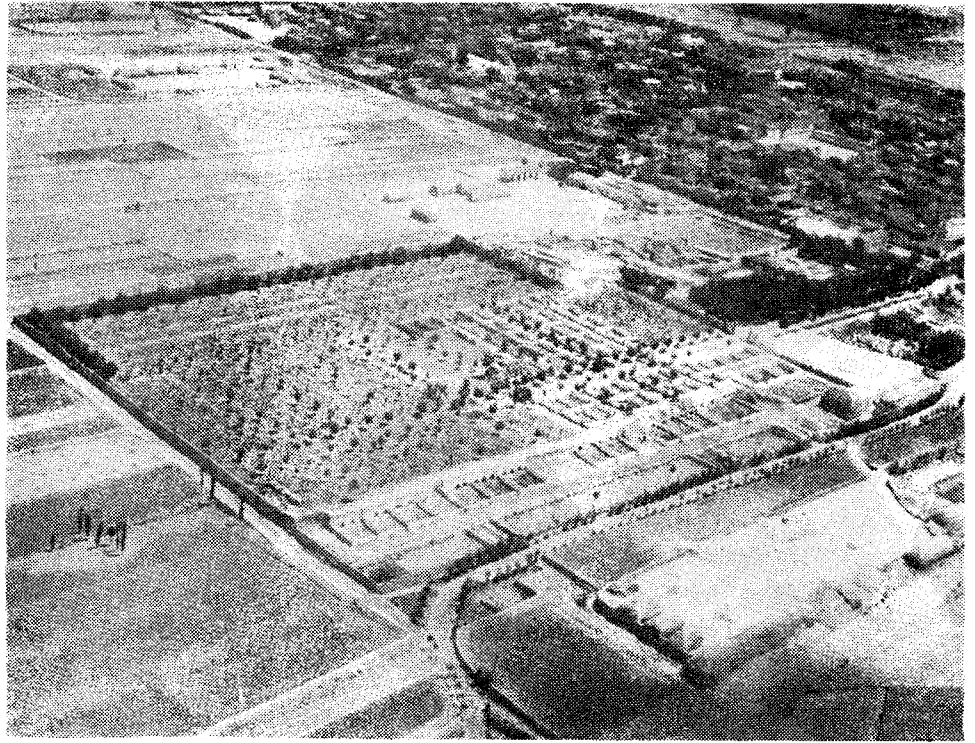
finance and distribution of income and look after the livelihood and welfare of all its members. When necessary, it will organize its constituent teams for large-scale co-operative efforts benefiting the brigade as a whole. Like all brigades, its managing committee, democratically elected by its delegates' conference, also looks after civil administration, education, public health, public security and militia work under the guidance of the Commune Management Committee (C.M.C.). Ideological and political work is another major responsibility of the brigade managing committee.

The brigade functions between the team and commune level. This is an essential function as the teams are relatively small in scale and the C.M.C. has to oversee a pretty extensive economy covering some 50,000 *mu* and over 11,000 people. Without the ten brigade managing committees, it would be difficult for the Commune Management Committee to lead its 61 production teams effectively.

We were still not too clear about the differences between the functioning of the brigades composed of the production teams which are basic accounting units — the normal arrangement — and the Yangtan and Shanxia Production Brigades which are also basic accounting units, so Comrade Chiao Chi-feng explained further:

Basic Accounting Brigades. "The Yangtan and Shanxia Brigade managing committees take a much bigger part in the day-to-day work of production than the other eight brigade managing committees. They organize productive work directly where the other eight are more concerned with overall leadership and co-ordination of the work of their constituent production teams. They are directly responsible for planning and the distribution of all income in the brigade (in making such important decisions they are naturally guided by the opinions of members expressed at meetings) and also for implementation of the plan. In the other eight brigades the drawing up of the plan and its implementation, and distribution of the team's income are in the hands of the team managing committees in accordance with the opinions expressed by the team's general members' meeting."

The special status of these two brigades was not something "thought up." It has developed naturally out of their historical conditions and is recognized by the commune because "it works." When the commune



Aerial view of Yangtan Brigade with piggery in the foreground

was set up, all the 14 teams of the Yangtan Brigade had entered as a unit, as members of one well-established advanced farm co-op. They had good organizers who were well experienced and able to plan and direct the work for the 3,700 people of the co-op and their 15,000 *mu* of land. The teams stood on similar levels of economic development and had no striking differences in manpower, numbers of draught animals, carts and implements. What's more, the members preferred to have the brigade as the basic accounting unit.

Making Commune Plans

Even with the help of the brigades, the C.M.C. has a lot to do overseeing the commune economy in general. Quite apart from its work as the local people's government, it has to see to it that the tasks given the commune by the state are fulfilled and that the livelihood of its members is well looked after.

The central tasks in leading production are to draft the commune production plan, get it finalized and oversee its implementation, help the backward brigades to catch up, organize co-operative action by the brigades where necessary and spread the best farming experience among them.

Comrade Chiao gave us detailed information on all these activities with particular reference to planning.

"We in the commune seek to work out a forward-looking plan that is well founded and then carry it out successfully. We co-ordinate our efforts with the requirements of the state to turn the state plan into a reality. That means: to make our country's socialist planned economy work better."

We asked him how exactly the commune finalizes the production plan for itself as a whole and for each of the brigades and teams. He replied:

"Plans have to be based on realities. We here and the state know what the area produced before and what its potentialities are in general terms. The state puts forward certain production targets based on that knowledge and the forward looking needs of the country. When we receive these proposals from the higher authorities our C.M.C. discusses them and, taking into account conditions in the various brigades, sends down to them our recommended targets for production such as what crops each should sow and how much.

"The brigades in their turn make their proposals to their teams according to the C.M.C.'s recommendations and the production needs and customs of the teams—what crops they are accustomed to plant, the livestock they are used to raising, and so on—the need for rational rotation of crops and the brigade's requirements and wishes as regards the proportion of food and industrial crops. These proposals are discussed by the teams, which draw up their detailed production plans. After the draft production plans are sent up to the C.M.C. from the teams and brigades, discussions follow between the brigades and the C.M.C. until a final draft is agreed on overall and in detail.

"The teams organize widespread discussion of the plan among their members. This mobilization of members around the plan is of key importance. Only if they agree to it and enthusiastically support it can it become feasible. Then the most rational plan can be mapped out, and members work with a will to fulfil it.

"While the teams and brigades enjoy a large measure of 'local autonomy' in handling their affairs, it is, of course, the responsibility of the C.M.C. to ensure that everything in the commune goes well. Once a brigade or team has made its undertakings under the overall state plan, the C.M.C. must ensure that it carries them out, checking up on implementation and taking steps to help if necessary."

"If we hear that there has been an accident, a spot of bad weather or anything like that," explained Com-

rade Chiao, "we immediately get in touch with them and find out if they need help."

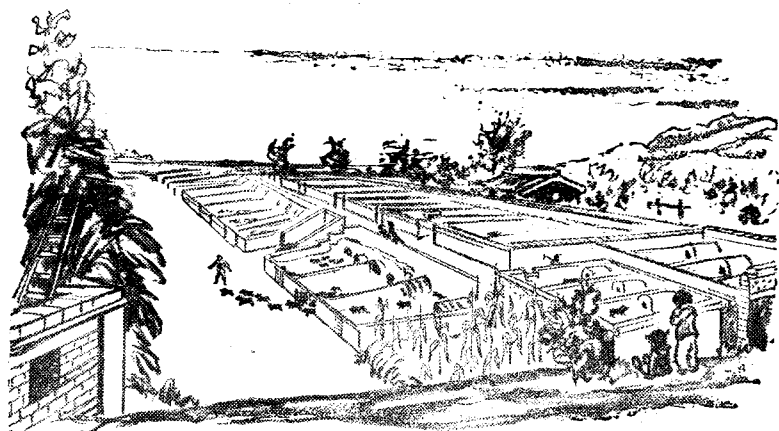
Such supervision and help continues throughout the agricultural year from the sowing, while the crops are growing, to the harvest and the distribution of income at year's end.

Helping a Brigade to Catch Up

Since production in the farm co-ops of Yangtan was not all on the same level when they formed the commune in 1958, there were therefore differences in standards of living of their members. These differences were not removed immediately on joining the commune. There were brigades and teams that were advanced, others that lagged behind and many in-between. It was the task of the commune, said Comrade Chiao, to bring them all up to the same level gradually and raise the all-round level. The working directive governing this is "to give special attention to those lagging behind and the advanced, so as to bring along the middling ones." The C.M.C. encourages the backward to be self-reliant and show initiative in creating conditions for catching up with and surpassing the advanced; it guides and helps them improve their leadership and organization, and at the same time gives them the necessary material help.

The Beixinzhuang Production Brigade was helped in this way to transform itself from backward to advanced within a few years. In 1962, this brigade was one of the most backward in the commune. Its average per-mu yields were around 130 *jin* for wheat and 40 *jin* for cotton. In early 1963, therefore, the then Party secretary of the commune went down to stay in the brigade and see and work things out with the leadership there on the spot. The natural conditions of the brigade, it was agreed, needed drastic improvement. The fields were not well arranged for efficient drainage and cultivation and were not well manured. The seed used was not suitable for the area.

So to start off with the brigade members were organized to carry out the capital construction work without which no other measures could succeed. The terraces were re-built and re-arranged. But low yields in the past had left the brigade in poor financial condition. It is all right to pull oneself up by the bootstraps, but if there aren't any bootstraps, it's hard. The C.M.C. arranged a 3,000 yuan loan for the Beixinzhuang Brigade and got the credit co-op to give it priority. The brigade was thus able to establish an oil press and a bean noodle mill (cotton seed and bean residue are good for feed) and buy and raise more pigs. This immediately increased the amount of good farmyard manure which could be used for the fields. The C.M.C. also provided the brigade with improved seed. The brigade's political and organizational leadership was strengthened.



Yangtan Brigade's piggery

The results were swiftly visible. The improved terraces retained more moisture and stood up to downpours. With better manuring and field management, output increased steadily. Average yields per *mu* shot up: for wheat, from 130 *jin* in 1962 to 270 *jin* in 1965; and for cotton, from 40 *jin* in 1962 to 100 *jin* in 1964, rises of 108 and 150 per cent respectively in two or three years! Today the Beixinzhuang Brigade is one of the commune's best.

Co-operation Between Brigades

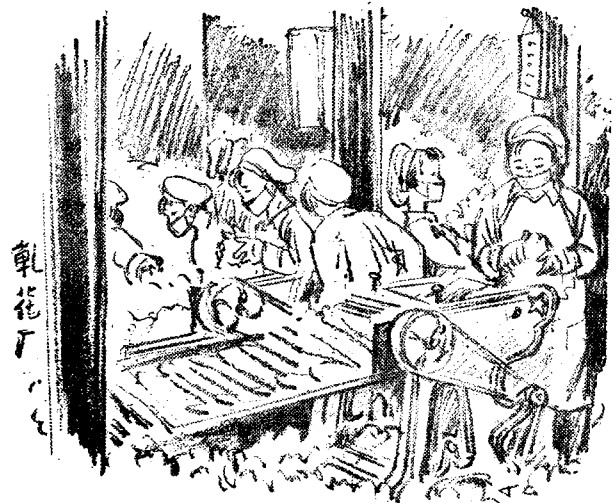
In helping a brigade undertake projects that are beyond its own resources the C.M.C. can organize co-operation among the brigades or, if needed, make use of the whole commune's big reserves of manpower and other means. This is not done often; self-reliance is stressed in the first place.

The Xiayuan Production Brigade is on the slopes of Ta-erh Mountain where you have to dig 60-70 metres down to strike water. Water for drinking purposes is scarce there sometimes, let alone for watering the fields. A short drought will dry up its cisterns and then water has to be brought from a pond a kilometre and a half away. Its people have learnt over the years to be as frugal with water as with oil.

When the commune was formed, one of the first hopes of the 200 Xiayuan families was that it would help them solve their water problem. And one of the first acts of the new Xiayuan Production Brigade under the commune was to organize an expedition to locate a convenient source of water. A mountain stream was in fact found that could be channelled to Xiayuan. The labour involved in this project, however, was considerable—it was estimated at 20,000 labour days. The brigade's total population of 1,000 men, women and children was inadequate so the C.M.C. took a hand and arranged for two neighbouring brigades—the Qiaolu and Wanhu—to help. The three brigades finished the job successfully in a month and the Xiayuan Brigade now has not only enough drinking water but water to irrigate 30 *mu* of vegetable plots, enough to solve the fresh vegetable needs of the whole brigade.

Comrade Chiao stressed that the principle of "mutual aid and equivalent exchange" is strictly observed in organizing all such co-operative efforts between brigades or teams within the commune. A man working on such projects is paid at the recognized rate for the job. This amount, however, does not go to him directly. It goes to his brigade or team from the one benefiting from the project and he is credited with it as work points. The equivalent of these he receives when general accounts and distribution of income is made at the end of the year. The benefiting brigade or team may also pay back by an equal number of labour days.

Comrade Chiao also gave us many examples of the C.M.C.'s function in fostering the spread of advanced farming experience. This is one of the reasons why



In the gin-house

Sketches by Jack Chen

it pays special attention to the advanced units. Here the principle is, in the phrase used by the peasants: "Get one spot red and then spread the red all over!"

Since the commune was formed there has been no lack of outstanding units and individuals who have initiated new ways of increasing output. The C.M.C. is always on the lookout to spot and summarize their work and ideas and spread them so as to bring every one of the teams forward to the level of the best.

In this process of constant and steady advance the Yangtan Production Brigade has played an outstanding role. Its political work is good and the level of political understanding of its members is high. Because of this the brigade has been exemplary in its organization of collective work and production techniques. We shall report more about this in a later article, but here is one example. Up to 1962 the commune was sowing Bima No. 1 and other strains of wheat which are good but not quite suitable to Yangtan conditions. In 1963 Yangtan Brigade took the initiative in introducing Bima No. 4 and improving it. By last year it had passed on nearly 500,000 *jin* of this improved strain to other brigades in the commune, exchanging seed grain for their old grain on a weight for weight basis. In 1964 its Bima No. 4 gave a 16 per cent increase in yield compared to the old strains.

The success of the process of helping those lagging behind to catch up and achieving a common advance is seen in the production statistics of the commune. In 1962, of the commune's ten brigades, Yangtan Brigade alone raised an average of over 100 *jin* per *mu* of cotton. Two other brigades averaged 70 *jin* and the other seven, 50 *jin* and under. In 1964, the picture was very different. Although there was a succession of heavy downpours and attacks by insect pests, Yangtan and three brigades raised an average yield of more than 100 *jin*, two others averaged 80 *jin* and the other four averaged over 60 *jin*. As Yangtan Brigade is steadily raising its yields, the rest of the brigades will surely be following in its footsteps.

Another Year of Good Harvests

by WU CHEN

Vice-Minister of Agriculture

CHINA reaped another good harvest in 1965. This was the fourth consecutive year that the Chinese peasants forged ahead in a revolutionary spirit of self-reliance to increase both farm yields and output. There was a general rise in summer-ripening grain crops. Rice and other autumn-harvested grain crops also did better than in 1964. Cotton climbed at a faster rate than grain crops. Per-mu cotton yields reached an all-time high and total output surpassed that of 1964 by a wide margin.

The rapid growth of the diversified farm economies and bigger harvests of technical crops also contributed to the good overall farm situation. The indicators were up in 1965 for oil-bearing crops, tobacco, sugar-cane, sugar-beet, tea, silkworm cocoons, large livestock (cattle, horses, etc.) and sheep. The pig population climbed above the record 1964 figure.

Capital construction work on the farms surged ahead. The amount of stone and earth moved in the winter of 1964 and the ensuing spring was about 50 per cent as much again as in the corresponding period of the previous season. Further notable advances were made in land contouring and soil amelioration.

Big Crop Increases Over Wide Areas

A special feature of the farm front last year was the emergence of more farm units which greatly increased the output of various crops over large areas. A number of counties or suburban districts of cities reaped 300 *jin* or 400 *jin* of wheat per *mu*. Average yields of wheat on some people's communes ranged from 500 to 600 *jin*. On some production brigades they ran to 700 and 800 *jin* per *mu*.

One people's commune near Shihchiachuang in Hopei Province reaped an average of 621 *jin* per *mu* on 4,500 *mu* of wheat land. A production brigade in Kansu Province sowed 240 *mu* of wheat and got a yield of 775 *jin* per *mu*. The rural areas of Shanghai and Peking gathered in a total of more than 900 *jin* and 400 *jin* of grain per *mu* respectively. Several dozen counties exceeded the target of 100 *jin* of ginned cotton per *mu*. The northern cotton-growing areas, which had relatively low yields in the past few years, greatly raised their per-mu yield.

The weather, overall, in 1965 was not good for farming. With little snow or rain in the north from November 1964 to the early part of April, there was

a spring drought. That area also got little rain in summer. In the south the weather was generally fine but certain districts suffered from heavy rains, wind and hail storms and insect pests. The good harvest of 1965 was therefore no gift from Nature, but the fruit of the self-reliant effort put out by the peasants inspired by Mao Tse-tung's thinking and under the leadership of the Communist Party and the People's Government.

Man's Role Decisive

The socialist education movement unfolding in the countryside has enhanced the political consciousness of the commune members and the rural cadres. They tackle the tasks of socialist construction with ever greater enthusiasm. At the same time, more and more peasants are taking up the study of Chairman Mao Tse-tung's works. Thus the masses are arming themselves with Mao Tse-tung's thinking and strengthening their determination to transform Nature no matter how hard the work. Displaying a fine revolutionary spirit, they have been keen on their farm work and showed great initiative. Cadres and commune members have declared their determination to transform unfavourable natural conditions on their farmlands and, by making a careful analysis of their localities, solve the key production problems facing them.

Yuhsien County in Shansi Province serves as a good example. Along with such studies of Chairman Mao's works it extensively developed the movement to compare with, learn from, catch up with and surpass the advanced and help those lagging behind, and plunged into the battle to improve its farmland and build a socialist countryside. Enormous changes took place in its people's outlook, their fields and farming results.

In the short space of two years beginning in the autumn of 1963, the Yuhsien people turned nearly one half of their farmland into fields ensuring stable, high yields. They raised the county's grain output by 21 per cent in 1963 compared with the previous year, and registered another increase of 19.5 per cent in the following year over and above the 1963 figure. Though little rain fell for 160 days last year, they still got 5 per cent more grain than in 1963.

Tachai Spirit Spreads

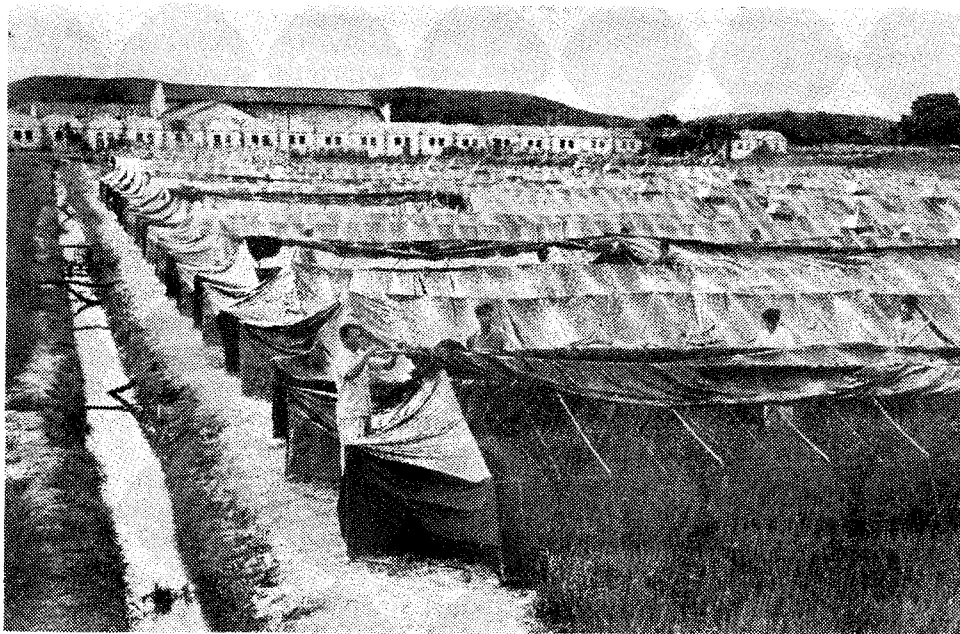
The enhanced political consciousness of the peasants sparked the growth on a more extensive scale of the

movement to learn from, catch up with and surpass the Tachai brigade.

The Tachai brigade of the Tachai People's Commune in Hsiyang County, Shansi Province, is a paragon in developing farm production by hard, self-reliant work. It lies in a mountain region that was constantly subject to natural calamities. Over the past decade and more, its Party organization, without seeking outside help, led the peasants to transform former poor hill slopes into fertile terraced fields by collective efforts. By such efforts, Tachai's average annual grain output reached 800 *jin* per *mu*, a fairly high figure for north China. Despite a prolonged 150-day drought in 1965, the brigade still got 796 *jin* of grain per *mu*. Its spirit in forging ahead against all sorts of difficulties and natural calamities has been an inspiration to commune members and rural cadres across the nation.

With Tachai as their model and with the collective economy of the people's communes as their base, the rural population waged a magnificent battle to exploit their farms' potentialities and raise farm yields.

Many more people's communes and brigades in low-yield areas have achieved big increases in output. For instance, nearly one half of the farmland of the Tongjiahuayuan brigade of Tsangchow, Hopei Province, was low-lying saline land waterlogged nine years out of ten. The socialist education movement and the example of Tachai set its members working with fresh energy in 1964. Over a 40-*mu* stretch of farmland, they dug drainage ditches and used the earth they moved to add to the topsoil of the plots. These raised fields gave heavy crops that year. Inspired by this success, they applied this method to all their saline land in the winter of 1964. Last year their annual grain output passed the 700 *jin* per-*mu* mark.



Protecting rice seed-beds with plastic covers in a Pearl River delta commune, Kwangtung Province

When farming units in fertile areas carried forward the Tachai spirit, they too got better yields. For instance, the Liming brigade of Lunghai County, Fukien Province, plants two crops of rice each year in its paddies. Since liberation their combined per-*mu* yield of rice has been rising steadily, jumping from some 700 *jin* to 1,608 *jin* in 1964. But this figure was raised again to more than 1,700 *jin* last year.

By emulating the Tachai spirit, not only more brigades and communes but many more counties and special administrative regions embracing several hundred thousand or several million *mu* of farmland became high-yielding units in 1965. The two-crop paddies of the Swatow Special Administrative Region in Kwangtung Province, for example, averaged 1,090 *jin* per *mu* last year or 23 per cent more than the previous year. The rich Pearl River delta region in Kwangtung and the Soochow Special Administrative Region in Kiangsu Province, each embracing up to several million *mu* of farmland, all increased farm output substantially.

Eight-Point Charter for Farm Production

Further advances were made last year in implementing the Eight-Point Charter for Agriculture. The eight measures dealt with in the charter include: water conservancy, rational application of fertilizers, soil amelioration, use of better seed strains, rational close-planting, plant protection, field management and tool reform.

In building water conservancy works for the farms, efforts were concentrated on small projects and supplementary works to complete systems already built in the main. There was greater efficiency in the management of water control works. The enlarged irrigation area strengthened the nation's ability to combat dry spells in the north. In addition to the big increase in the amount of chemical fertilizer used, China sowed a larger area than ever before to green manure crops. These crops were extended to new areas and new varieties were added. By terracing fields on the slope, cutting drainage ditches in low-lying saline land and using the removed earth to raise the level of the fields, or turning the fields into garden-like plots on the plains, the peasants greatly improved their cultivated land. Tens of millions of *mu* of low-yield land were thus improved during 1965.

New strains of maize, sorghum, soya beans, cotton and other crops were popularized with good results. They all gave better yields. Selected rice

strains generally gave 50-100 *jin* per *mu* more than ordinary strains. Progress was also made in close-planting and multicropping. A production team in suburban Shanghai switched part of its farmland from two to three crops a year and thus got an extra 700 *jin* of grain from every *mu* of land under the new system. In 1964 Yutai County of Shantung Province was only harvesting one crop of wheat per year. Last year, by getting one crop of wheat as well as another of rice from each plot of its land, it more than trebled its grain output. China's farms also achieved remarkable advances in plant protection, field management and tool reform in 1965.

Scientific Experiment

The movement for scientific experiments on the farms centring around demonstration fields forged ahead boldly in 1965. Such fields, jointly run by the leading cadres, scientific workers and the peasants, totalled over 50 million *mu*. More than 10,000 agricultural scientific and technical personnel stayed in the villages to work on the demonstration fields. The range of studies in these fields was extended too. The demonstration fields systematically summed up a great deal of the peasants' successful farming experience and popularized it on larger areas.

Agricultural scientists in Kiangsu Province for instance spent years actually working on the farms to sum up and popularize the successful rice cultivation method of peasant-scientist Chen Yung-kang. The large demonstration fields they set up for these purposes usually produced 10-30 per cent heavier crops than the surrounding farmland. The Academy of Agricultural Sciences of Kirin Province summed up the experience of Tsui Chu-sung, a production brigade leader who distinguished himself by getting high rice yields in cold mountain districts. His experience has been steadily popularized in the Yenpien Korean Autonomous *Chou* in the province. The 200,000 *mu* of demonstration fields using his method of cultivation all got heavier yields last year.

Many new scientific achievements have been popularized on the farms by means of the demonstration fields. For example, many places have adopted the use of thin plastic covers to protect rice seed-beds. Commune members welcome this method because it reduces rot among seedlings, saves seed and leads to good crops.

In short, the movement for scientific experiments centring around the demonstration fields has greatly promoted farm production. By growing crops with yields much higher than on other farmlands, large demonstration fields serve as a dynamic means of raising better crops, developing agricultural science and modernizing the farms.

All-Round Support

Last year's good harvest was inseparable from the powerful support to agriculture given by people working

in every other sphere of activity in the nation. Implementing the general policy of taking agriculture as the foundation and industry as the leading factor in developing the national economy, a policy put forward by Chairman Mao Tse-tung, all gave first consideration to the development of agriculture and strengthened their support to it.

In 1965 the amount of chemical fertilizer supplied to the farms increased by more than 60 per cent compared with 1964. There was also an increase in the range of farm machines, semi-mechanized farm tools and improved type of farm tools available. Farm machine stations had more tractors to serve the people's communes and industry also produced more irrigation and drainage equipment. The farms acquired large numbers of water turbine pumps and hydraulic rams. All this contributed a great deal to the overall increase in farm output.

Banking, trading, cultural, educational and public health departments turned their main attention to the countryside, helping the peasants to solve their problems in production and in everyday life. This played an important part in raising the peasants' enthusiasm for farm work and promoting the new upsurge in farm production.

Very Favourable Situation

With an enhanced political consciousness, China's peasants are keen on their work and are in high spirits. The nationwide movement to compare with, learn from, catch up with and surpass the advanced and help those lagging behind is steadily developing in the rural areas. This is a movement to farm with a revolutionary spirit and with scientific methods.

In the past winter and this early spring China's peasants are now busily engaged on various capital construction projects to speed up agricultural growth and turn more land into fields giving stable, high yields. They are making good progress in building water conservancy works, improving saline soil, and undertaking soil and water conservation and other works.

The people's communes have enormous productive potentialities. Guided by Mao Tse-tung's thinking and with the Tachai spirit, full mobilization of the peasants' revolutionary initiative and application of well-tested farm experience—if there are no large-scale natural calamities—we hope to reap a still better harvest in 1966. This will be a good start in fulfilling the agricultural tasks of the Third Five-Year Plan (1966-70).

1 *mu* = 0.066 hectare or 0.1647 acre

1 *jin* = 0.5 kilogramme or 1.1023 pounds

Japanese Economy Going Downhill

by MING KO

Beset with various inherent contradictions, the Japanese economy is today in a serious plight. The acuteness of some of these ever-deepening contradictions has had no parallel in postwar Japan. Over-production, interwoven with the worsening of monetary and financial conditions, is the outstanding feature of the current Japanese economic situation.

SINCE the spring of 1964, over-production in industry has gradually come to the surface, and has been developing fast since then. By the fourth quarter, the contradictions between expanded production and a contracting market had become quite serious. In December 1964, the index of industrial and mining production rose to 174.5 (1960 = 100), but fell to 172.5 in January 1965, and dropped further to 168.7 in June. It had not regained the pre-decline level by August. Although it climbed to 176.6 in September, surpassing the December 1964 index, this was, as Japanese official quarters had to admit, a result of temporary factors and could not be taken as an indicator of a beginning of an improvement in the economy. It is pertinent to point out that what has been mentioned above is based on indices readjusted by the Japanese Government. As a matter of fact, if the overall picture of the changing Japanese economy is taken into account, by October 1964 industrial over-production had developed to a new phase.

Growing over-production has been accompanied by a deterioration in the domestic monetary and financial situation. Enterprises have felt a serious shortage of working capital, credit has never been so inflated as it is now. The stock market is going from bad to worse. Government expenditure is deeply in the red. New postwar records for the number of business failures as well as the debt burdens of enterprises are being constantly chalked up. In March 1965, the Sanyo Special Steel Co., the third largest special steel firm in Japan, was declared bankrupt. In May, the Yamaichi Securities Co., one of the four largest securities companies in the country, came very near to bankruptcy. Then another fairly large firm, the Oh-i Securities Co., went bankrupt, and some other small and medium-

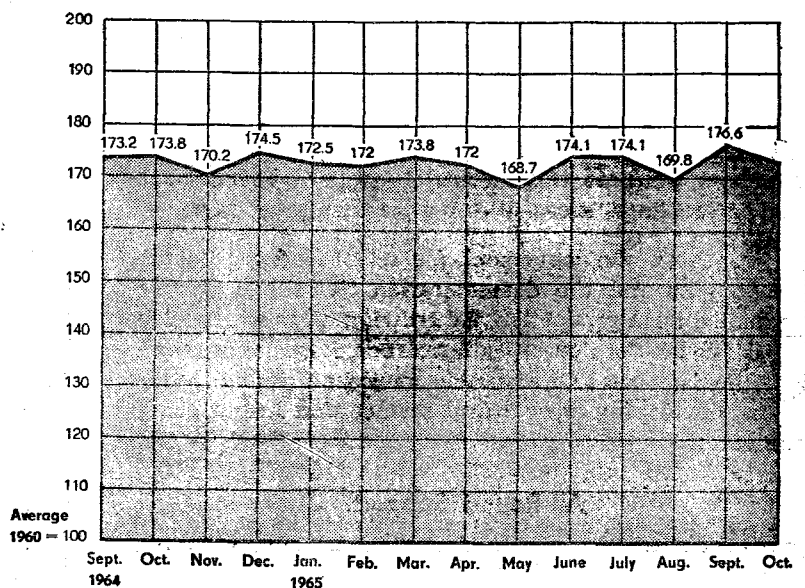
sized provincial securities firms were also closed down.

No Signs of Improvement. This shows that monetary and financial deterioration took place simultaneously with over-production — a phenomenon which has been rarely seen in Japan's postwar economic development. It is also a tangible expression of a new development of contradictions in its capitalist economy.

The worsening of the Japanese economy is an inevitable result of the development of a capitalist economy. The "high-rate economic growth" policy which has been followed by Japanese monopoly ruling circles in recent years and the stepped-up economic penetration by the United States are important factors contributing to the reappearance of acute over-production and the serious deterioration in the monetary and financial situation.

The Japanese rulers themselves are unable to deny that the economy has become quite serious. Speaking at the extraordinary session of the Diet on July 30, 1965, Prime Minister Sato said: "Another aspect of the remarkable expansion of exports is the fact that the pace of the return of the boom is unexpectedly slow, and gloomy signs in various spheres of the economy are still there." At a meeting on November 4, Miki

INDEX OF INDUSTRIAL AND MINING PRODUCTION



Takeo, Minister of International Trade and Industry, said: "Fixed capital investments, individual consumption and industrial and mining production remain low-keyed. Judging from the operation rate of equipment in various branches of industry, there are still very gloomy areas in the actual economic situation." The Liberal Democratic Party, in its plan on the "Basic Approach to Future Financial and Economic Operations" published on November 7, had to put the date of Japan's economic recovery at some time after the autumn of 1966.

At a time when the clouds are gathering over the capitalist world economy, the development of Japan's deepening economic contradictions and the repercussions are worth particular attention.

Industrial Over-Production Is Getting Worse

After the 1961-62 partial economic crisis, there was some improvement in Japan's balance of international payments and the pressure of over-production was also somewhat eased. However, the contradiction was mitigated only temporarily. Supported by the government's "high growth" policy, the Japanese monopoly capitalists have recklessly increased fixed capital investments and blindly expanded production. This and the pressure the United States has constantly exerted on Japan for "liberalization of trade" has once more sharpened the contradictions between production and the market, and so, with the elapse of merely two years, over-production has again raised its head.

	steel ingots	refined oil	cement	chemical fibres
1961	85-90 per cent	90 per cent*	85 per cent*	95 per cent*
September 1965	66.5 per cent	68.6 per cent	60.6 per cent	83.9 per cent

* approximately

As a result of drastic curtailment, the gross output of industrial production began to fall in January 1965. By May, the index of industrial and mining production had fallen 3.3 per cent as compared with that in December 1964. This exceeded the scale of decline during the 1961-62 crisis, which was 2.1 per cent. Among 13 branches of the manufacturing industry, the output of nine had fallen, and among the 289 major industrial products, the output of 181, or more than 62 per cent, had dropped compared with December 1964. Of these, electric fans and refrigerators were down by more than 30 per cent; cement, cold rolled steel plate, lathes and coal, by 20-30 per cent; woollen fabrics, iron ore, polyvinyl chloride, glass, galvanized iron sheets, radio sets and cameras by 10-20 per cent. In September, the industrial and mining production index rose to 175.2. Leaving aside some of the temporary factors that caused this increase, one finds that the scale of increase since June 1965 declined drastically as compared with

The main aspects of Japan's current over-production are as follows:

1. **Production curtailment, fall in output and in rate of operation.** Under the pressure of over-production, many branches of industry have been compelled to cut back their rate of operation in order to reduce the stockpile of products. The curtailment of production began at different periods for different commodities. For some, it started in January 1964, while for most, it was put into operation in the third quarter of the year. The production of electric fans, steel tubes, stainless steel, carbon steel, electric refrigerators, standard motors, and top-grade paper was cut by 20 per cent on the basis of output before curtailment; television sets, rolled copper wire, silk fabrics and corrugated plastic plates were cut by 30-50 per cent while polyvinyl chloride, sheet steel, galvanized iron sheets, large-size steel rod, refined oil and cameras were cut by up to 10 per cent. Since June 1965, many more commodities have been added to the list. The production, for instance, of steel ingots, special steel, cotton yarn and synthetic cotton yarn have also been curtailed. Moreover, many products whose output had already been restricted such as sheet steel, steel tubes, rolled copper wire, nylon and polyvinyl chloride had to be cut again—twice or thrice—because over-production pressure could still not be eased. According to a survey made in September 1965, compared with 1961, the operation rate of equipment for some major products dropped 10 to 20 per cent on an average, as the following table shows:

	polyvinyl chloride	machine tools	washing machines	television sets
1961	90-95 per cent	80 per cent*	80-85 per cent	75-80 per cent
September 1965	79.5 per cent	55.5 per cent	66 per cent	50.6 per cent

the corresponding months of 1964. For instance, the increase was 4 per cent in June; it came down to 3.7 per cent in July, 2.1 per cent in August, and a mere 1.1 per cent in September. This shows that Japan's industrial production remains in a state of stagnation.

2. **Mounting increase in stockpiles of factory goods.** The index of the inventory ratio of these goods was an average of 123.5 per cent in fiscal 1964 (April 1964-March 1965), surpassing the level reached during the 1957-58 crisis, which was an average of 123.3. In September 1965 it was as high as 132.3, an increase of 10.5 per cent over the corresponding period of 1964. In many products, the percentage of inventory increases far exceeded that of the rise in output. For instance, the production of artificial silk increased 48 per cent against an inventory increase of 89 per cent; cement, 10 per cent against an inventory increase of 37 per cent, and ammonium sulphate, 1.5 per cent against an in-

ventory increase of 54.8 per cent. In some products, although output had dropped, the inventory ratio still climbed. The production of washing machines declined 0.8 per cent, but the inventory increased 46 per cent; the output of electric refrigerators dropped 6.3 per cent while the inventory rose 22 per cent. To ease the heavy pressure of inventories, the Yawata Iron and Steel Company turned steel products into scrap iron. There are also cases in which monopoly enterprises have bought and immobilized the stockpiles of medium-sized and small businesses so that their products could not make inroads into the monopolist-controlled markets. Commercial inventories in the sphere of circulation have also risen. The index of these inventories in fiscal 1964 increased 14.5 per cent compared with fiscal 1963. The index was as high as 196.1 in January 1965, an increase of 20 per cent over January 1964.

3. Drastic fall in the scale of increase in orders for machinery and new floorspace for industrial buildings under construction. A survey of 127 companies by the Japanese Economic Planning Agency shows that total orders for machinery in fiscal 1964 registered an increase of only 10.9 per cent against an increase of 31.5 per cent in fiscal 1963. Orders for machinery for civilian use in fiscal 1963 advanced 38.7 per cent over fiscal 1962, while their increase in fiscal 1964 was only 3.4 per cent. In August 1965, they were 17.5 per cent less than those of the same month of the previous year. The floorspace of new buildings under construction for industrial and mining enterprises from January to July 1965 showed a decrease of an average of 22 per cent as compared with the corresponding period of 1964.

4. Sharp decline in wholesale prices of industrial goods. Compared with the peak month in 1964, the wholesale market price of galvanized sheet steel in March 1965 dropped 18.3 per cent; that of small-size steel rod, 14.8 per cent; that of stainless steel, 14.9 per cent and that of paper, 8 per cent. The actual prices of many commodities sold on the market were even lower than the prescribed uniform prices. For instance, the prescribed price of 8 mm. sheet steel was 56,000 yen per ton, but actually it sold on the market at 45,000 yen per ton. Domestic electric appliances have always been good sellers on the market over the last few years, but now, as a result of over-production and sales difficulties, their retail prices have fallen. The retail price of washing machines, for instance, has been reduced 22.8 per cent; that of radio sets, 19.1 per cent; and that of television sets, 15 per cent. Generally speaking, at the initial stage of a crisis, monopoly capital would resort to production curtailment to maintain the level of monopoly prices, but now the Japanese monopolies have no alternative but to cut prices to undersell their competitors. The seriousness of the over-production confronting Japan today is there for everybody to see.

5. Increase in the number of depression cartels. To cope with over-production, Japanese monopoly capi-

talists have set up depression cartels for various industries. The purpose is to maintain monopoly prices by price agreements and output-allocating arrangements so as to alleviate competition and friction among enterprises. Between 1956 and 1963, eight such cartels were formed. Now, they number 17.

6. Drop in profit rate and the slowing down of capital turnover. The ratio of net profits to working capital dwindled from 2.21 per cent in the quarter ending in September 1964 to 1.99 per cent in the quarter ending in March 1965, and the ratio of net profits to sales dropped from 2.03 per cent to 1.84 per cent. According to a survey of 150 companies which settled their accounts in May 1965, 50 per cent of them earned less profits or incurred losses and 30 per cent failed to distribute dividends or had their dividends reduced. The rate of the turnover of total capital was reduced from more than once a quarter in the past few years to 0.89 a quarter now.

Measures of State Monopoly Capitalism Are Useless. The characteristics of Japan's current over-production are different from those of previous over-production crises. First, whereas some of the measures the ruling classes adopted in previous over-production crises — measures which are in the nature of state monopoly capitalism — could temporarily ease the situation, the same measures are of no avail in Japan's current over-production. At the end of 1963, Japan's rulers adopted a series of credit squeeze measures in order to ease the deteriorating international payments situation and control the "overheated" investments and reckless production expansion. The crisis in the balance of international payments was eased temporarily but industrial production, stimulated as it was by huge investments in fixed capital, showed no decline. On the contrary, it registered in fiscal 1964 an increase of 13.6 per cent over fiscal 1963. At the same time, the squeeze also created a tight money situation at home. The serious shortage of cash for current transactions and competition to dispose of surplus products have made it imperative for enterprises to settle their accounts more and more through bills of exchange, contributing thereby to greater credit inflation and an increasing number of business failures. As a result, since December 1964, the Japanese Government has had to take one step after another to ease the squeeze. However as the main purpose of the measures was to help tide over liquidity shortage of monopoly capital, they have done very little to take off the pressure of over-production. On the contrary, the loosening of the screws has to a certain extent stimulated the continued growth of production in a number of branches of industry. This is one of the most difficult problems perplexing the Japanese monopoly ruling circles at present. As they have admitted themselves: "The money squeeze is not the cause of current over-production and so the problem cannot be solved by relaxing it." The second special feature is that over-production has been developing simultaneously with the worsening of the monetary and financial situation. The interplay of the two has intensified

Japan's economic difficulties and made its economic contradictions more complicated.

The characteristics mentioned above make it clear that Japan's current over-production should not be treated in the same light as the over-production which took place in Japan's previous economic crises. It goes much deeper; in fact it is the culmination of all the contradictions which had not been solved in previous crises. It will bring serious consequences to the Japanese economy and will also produce certain repercussions on the capitalist world economy, and the South-east Asian economy in particular.

Drastic Deterioration in Monetary and Financial Situation

In the course of the intensified over-production, Japan's monetary situation has also worsened, and the effect of this has been the appearance of huge government deficits. This deterioration is of a depth and magnitude which has been rarely seen in the postwar economic history of Japan.

Bankruptcies of Securities Firms and Big Rescue Operation. On May 21, 1965, the Yamaichi Securities Co., deep in debt through heavy business losses, went into liquidation, which was tantamount to bankruptcy. This was the second striking economic event that took place following that of the bankruptcy of the Sanyo Special Steel Company in March. The effect soon spread to the securities business as a whole. And there was a rush to cancel security-investment contracts. The stock market was also in chaos. On May 28, the average stock price on the Tokyo stock market slumped to 1,089.7 yen. On July 12, it plummeted to 1,020.49 yen, almost approaching the 1,000 yen mark. This administered a big shock to the capitalist world, particularly the major capitalist countries. The London *Times* of June 18 even compared it to the Austrian Creditanstalt crash of 1931, which heralded the world monetary crisis.

The affair was a big worry to the Japanese ruling circles who feared that it might be the harbinger of an all-round monetary crisis and they therefore blacked-out the news of the Yamaichi Securities Co.'s impending bankruptcy. They hurriedly deliberated over how to deal with this situation and only after a decision had been reached did they make public the news of the company's liquidation of business. At the same time, it was announced that 16 Japanese banks including Fuji, Mitsubishi and The Industrial Bank of Japan, would temporarily suspend the demand for the payment of interest on their loans to the company. Two other trust banks also decided to reduce the interest on their loans to the firm. On the night of May 28, the Japanese Minister of Finance announced that the Bank of Japan would grant the Yamaichi Securities Co. and other securities firms, which had difficulties in capital turnover and were on the verge of bankruptcy, special loans without guarantees or restrictions. Three big banks,

the Industrial Bank of Japan, Fuji and Mitsubishi, also announced that they would lend money to the firm to meet its needs. By July 11, to support the securities market, the Bank of Japan had loaned 324,400 million yen (360 yen = 1 dollar) to the securities societies and companies involved. Of this, the Yamaichi Securities Co. alone was granted 23,400 million yen, almost three times as much as its total capital. This granting of special loans by the Bank of Japan has no parallel except during the big crash in the 1930s when commercial banks on the verge of collapse were granted similar loans.

The bankruptcy or near bankruptcy of the Yamaichi Securities Co., the Sanyo Special Steel Co. and later the Oh-i Securities Co. as well as other medium-sized and small provincial securities firms are not isolated cases. They mirror the present economic condition of Japan, marked as it is by the simultaneous development of monetary deterioration and an over-production crisis. They also reflect the depth of the current monetary deterioration. Hence the all-out rescue operation by the Japanese ruling class.

Gigantic Budgetary Deficits and Why. Japan's financial situation has also become increasingly difficult at the same time as the securities firms and the stock market have been in serious trouble.

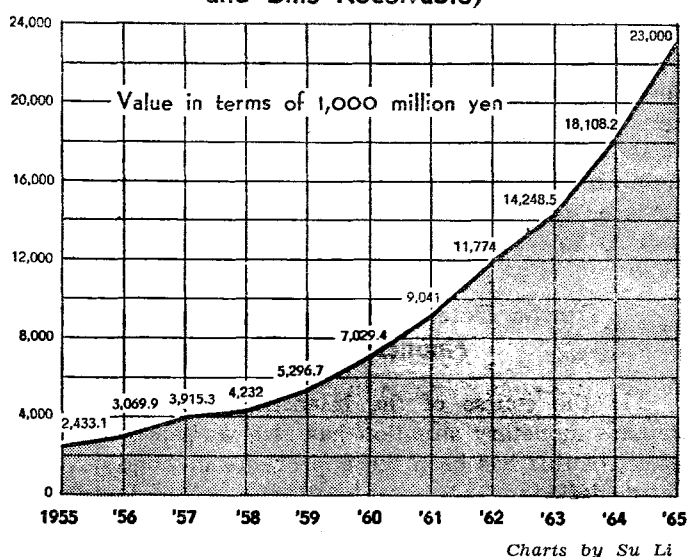
According to preliminary estimates, budgetary deficits amounting to between 300,000 and 400,000 million yen would appear in fiscal 1965. These deficits have occurred mainly because the Japanese Government has appropriated from the Treasury large sums of money to "stimulate demands," and thus to bail the monopoly capitalists out of their difficulties, and also because of reduction in tax revenues. In 1965, the Japanese Government lowered the bank rate three times and adopted other palliative measures but these proved to be useless, and so it has been compelled to use the state's financial resources to save the situation. It has decided to advance the disbursement of 100,000 million yen from budgetary expenditures and of 130,000 million yen out of the Treasury investment loans to the monopoly enterprises for the first half of fiscal 1965 (April-September). It has also added 210,000 million yen to the Treasury investment loan programme. These, plus other investments, totalled 500,000 million yen. But this is far from enough to help the Japanese monopoly capitalists out of their difficulties. According to estimates by Japanese bourgeois economists, if over-production is to be eased, social demands must be increased by another 3,000,000 million yen at least, and the 500,000 million yen the Japanese Government has released can only bring on a social demand of 1,000,000 million yen or so. But, the question is not as simple as the bourgeois economists have made it appear. This is because the fundamental cause of the present serious situation in the Japanese economy lies in the sharpened contradiction between the productive forces and the relations of production, and what has enhanced this contradiction, in the final analysis, is the increased concentration

and competition of monopoly capital and the U.S. effort to shift its economic crisis on to others. It has nothing to do with "under-consumption" and this is why it cannot be solved by simply increasing budgetary appropriations. The worsening of the financial situation and the government's increased appropriations in turn will make the monetary situation worse still. Japan, in fact, has already faced a developing monetary inflation, but the Bank of Japan has constantly increased its currency issue in order to enlarge the financial resources for loans. By September 1965, Japan's currency issue had reached 2,033,000 million yen, an increase of 10.7 per cent over the corresponding period of 1964. The Japanese Government has also decided to float large public bond issues. All these factors are conducive to the further deterioration of the monetary situation.

Serious Credit Inflation. Contradictions in Japan's monetary sphere today are expressed most prominently on the credit market. Credit inflation in businesses has begun to grow to serious proportions since 1960. A Ministry of Finance survey estimated that by the first quarter of 1965, outstanding trade credit provided by enterprises with a capital of more than 2 million yen had reached about 20,000,000 million yen. The figure would be 23,000,000 million yen (equalling U.S. \$63,900 million) if outstanding trade credit provided by enterprises with a capital of less than 2 million yen are counted in. This represented an increase of 170 per cent over the 1960 figure, while the total business turnover during the same period increased only 90 per cent. Thus credit inflation increased nearly twice as fast as the growth in business turnover. "Private paper currency" is the name some persons in Japan gave to the commercial bills circulated among enterprises. The circulation of large amounts of such "paper currency" cannot but produce serious repercussions. Apart from this, by September 1965, bank advances and loans throughout Japan had reached U.S. \$50,900 million. Added together, the two items came to over U.S. \$110,000 million. Such a large amount of credit and loans has become an enormous force which is undermining the Japanese economy.

Relying on External Borrowings. The causes of credit inflation are many. First and foremost is the large-scale renewal of fixed capital by monopoly capitalists in order to strengthen their competitive capacity at home and abroad, and the policy of "high growth" which aims at strengthening monopoly and concentration. In the ten years from 1955 to 1964, the cumulative total of private investments in fixed capital amounted to about U.S. \$76,000 million. Although for a certain period such a large investment may serve as a major pillar for the economic growth of Japan, this nevertheless shows up the magnitude and depth of its credit inflation. In the postwar years, Japanese monopoly capitalists have relied mainly on external borrowings for investment as they themselves have had insufficient funds. Funds raised from within enterprises generally

BUSINESS CREDIT INFLATION (Accounts Receivable and Notes and Bills Receivable)



account for only about 30 per cent of their total investments. In recent years the proportion of funds so raised has continued to go down. In April-September 1964, it dropped to 22.5 per cent. The rest was raised mainly by borrowing from outside. At the same time, confronted by fierce competition in investment, the capitalists have invested as much of their own funds as possible on fixed capital. The result has been a serious shortage of working capital, and greater reliance has had to be put on credit instruments to keep economic activities going. For instance, before 1960, cash made up 70-80 per cent of the accounts settled between enterprises and bills of exchange only 20-30 per cent. But recently, bills of exchange have generally made up more than half of the settled accounts and in some cases, 70-80 per cent.

Increased Sales on Credit. Another important reason for credit inflation is over-production. Excessive production and the heavy stockpiling of unsalable goods that accompanies it, have compelled the enterprises to resort to every possible means to get rid of their stocks as quickly as possible so as to keep on expanding the scale of reproduction. The result is that the ratio of credit sales has grown larger and larger, and credit inflation has become more serious. Take the Tokyo Shibaura Electric Co., the largest of its kind in Japan, as an example. The ratio of credit sales to the business turnover jumped to 98 per cent in the quarter ending in September 1964, against 50 per cent in the quarter ending in September 1961. So far as commodity circulation of the whole nation is concerned, statistics for wholesalers and retailers show that cash sales accounted for only 25 per cent of their businesses turnover while the rest was realized through credit sales and payment by instalment.

(To be continued.)

U.S. Steps Up Aggression in Laos

THE flames of war are blazing in Laos. U.S. imperialism is stepping up its aggression against that country. Since last November U.S. warplanes, taking off from carriers of the 7th Fleet and U.S. bases in Thailand and south Vietnam, have recklessly bombed and strafed the liberated areas of Laos.

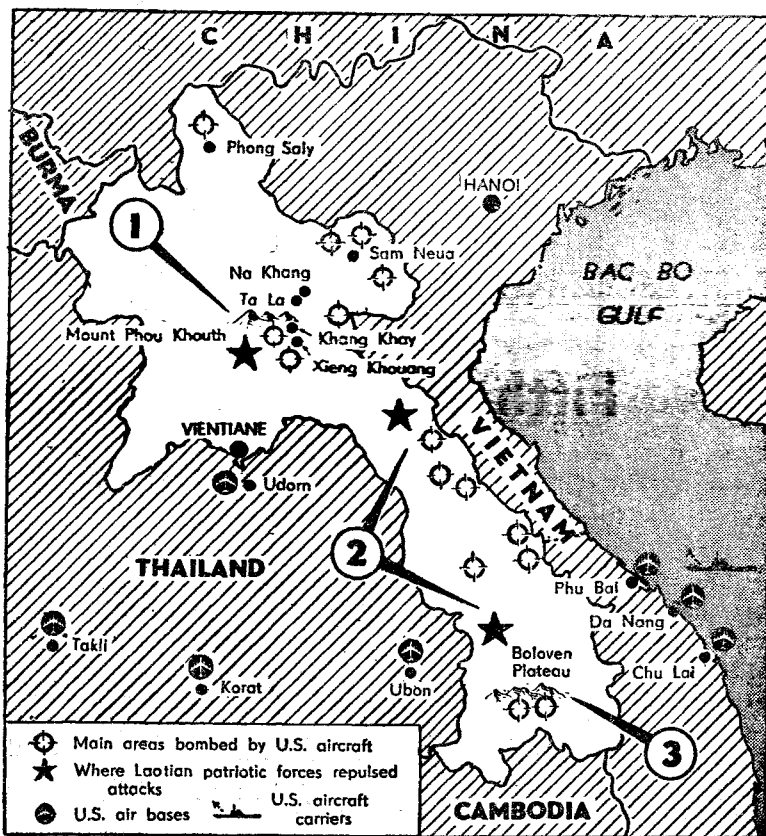
These air strikes are on a big scale. AP reports that U.S. planes alone have flown up to 300 sorties in a single day against the Laotian liberated areas. Since December last year Washington has even used its Guam-based B-52 strategic bombers in these operations. In January this year, at the very time the Johnson Administration was trying to fool the world with its fraudulent "peace" talks, U.S. bombing of Laos reached an unprecedented pitch of intensity. The recent bombing of Phong Saly in Upper Laos shows that U.S. aggression is not confined to any particular part of Laos but encompasses the whole country.

In conjunction with these intensified air raids, the United States has stepped up its aggression on land. It has unleashed the Laotian Right-wing forces and sent in Thai troops to initiate fresh attacks against the Laotian liberated areas. Beginning on February 4, a big force of Laotian Rightists and Thai troops with U.S. air support launched an assault on Mount Phou Khouth, Xieng Khouang Province, in an attempt to seize the strategic Plain of Jars. While this attack was in progress, the U.S. imperialists and their henchmen mustered nearly 10 battalions complete with U.S. military "advisers" to mount a large-scale offensive on February 9 against Tha Teng and Lao Ngam on the Boloven Plateau in Lower Laos.

These new attempts by U.S. imperialism and its lackeys to expand the war in Laos were, however, firmly repulsed by the patriotic forces and people of Laos. They beat off the U.S.-engineered "dry season offensives" launched with more than 20 battalions of Laotian Right-wing forces and Thai troops against Central and Lower Laos, and from November to December 18 last year routed seven enemy battalions and put out of action more than 700 enemy troops. In repulsing the recent enemy attacks against Mount Phou Khouth, the patriotic forces won victory after victory. They crushed the enemy's frontal assault and beat

back another attack. From February 4 to 17 they knocked out over 350 enemy troops and shot down seven U.S. aircraft. On the Boloven Plateau, the enemy's attacks were beaten off; its offensive was stalled and the patriotic forces now hold the initiative.

Despite these defeats, U.S. imperialism and its lackeys have not given up their criminal scheme to expand the war. Precisely at the time of these attacks on the liberated areas of Mount Phou Khouth and Boloven, U.S. Vice-President Humphrey was hurrying from Bangkok to Vientiane to hatch fresh military adventures. The secret talks which followed between the military chiefs of Thailand and the Vientiane authorities were further evidence that U.S. imperialism



- ① Since Feb. 4 attacks by Laotian Right-wing forces and Thai troops on Mount Phou Khouth have been repulsed by Laotian patriotic forces. On Feb. 19 patriotic forces recaptured Ta La and Na Khang; in the fighting they killed 114 enemy troops, including one U.S. officer, and took 43 prisoners.
- ② Since Sept. 1965 Laotian Right-wing forces and Thai troops on U.S. imperialism's orders launched a series of so-called "dry season offensives" against liberated areas in Central and Lower Laos.
- ③ On Feb. 9 a big force of Laotian Right-wing troops started an offensive on Boloven Plateau.

Sketch map of Laos by Su Li

and its followers were bent on expanding the war in Laos and seeking a way for U.S. troops to engage in direct aggression in Laos.

This intensified U.S. aggression against Laos is an integral part of the adventurist U.S. scheme to save itself from defeat in south Vietnam. Washington hopes that by expanding its war of aggression to the whole of Indo-China it will be able to salvage something from its defeats in south Vietnam. It was precisely with this in mind that, as far back as June 1965, the Johnson Administration mapped out a plan to set up an "area under blockade" south of the 17th Parallel (stretching from the northern part of south Vietnam, through Lower Laos and as far as Thailand) in order to "isolate" the south Vietnamese people's struggle, menace Cambodia and strangle the patriotic and democratic forces in Laos.

To put this criminal plan into effect and turn Central and Lower Laos into bridgeheads linking the south Vietnam battlefield with its bases in Thailand, Washington last year increased the number of U.S. military personnel in Laos to over 2,000, expanded the Laotian Right-wing forces from 30,000 to 70,000 men, and sent in thousands of tons of arms, munitions and other military equipment. It also busied itself building strategic highways and airfields in Central and Lower Laos and brought in even more Thai troops.

This desperate scheme of U.S. imperialism, however, is doomed to fail. As the joint statement issued on

300

**U.S. aircraft shot down
by Laotian patriotic forces**

from May 17, 1964 to Feb. 9, 1966



February 7 by the Ministers and Secretaries of State of the Neo Lao Haksat and the patriotic neutralist forces in the Laotian tripartite National Union Government declared: "If the U.S. imperialists send tens of thousands of Yankee troops into Laos and turn Laos into a second battlefield, then this land, which is a next-door neighbour to south Vietnam, will become a second graveyard for the U.S. aggressor troops."

INTERNATIONAL COMMUNIST MOVEMENT

Fifth National Conference of Peruvian Communist Party

The Fifth National Conference of the Peruvian Communist Party, held on November 15 and 16, 1965, heard a report by General Secretary Saturnino Paredes entitled "The Political Situation and the Tasks of the Peruvian Communist Party." The conference adopted a document entitled "The Conclusions and Resolutions of the Fifth National Conference of the Peruvian Communist Party." Following are extracts of the report and document. — Ed.

Political Report

THROUGHOUT the world Marxist-Leninist Parties have made vigorous progress through their struggle against revisionism; the glorious centre propelling

the development of Marxism-Leninism has shifted from Europe to Asia, states the political report.

The report declares also that the current international situation is favourable to the revolutionary struggles of the world's oppressed peoples and that the total collapse of U.S. imperialism is already in sight.

The report deals in detail with important questions concerning world revolution at present and the political and economic situation in Peru.

Principal Contradiction

The principal and most acute of the basic contradictions in the present-day world is the fierce contradiction between the many oppressed nations and predatory imperialism headed by the United States, the report

says. U.S. imperialism stands as the biggest international gendarme and enemy of all peoples of the world. "This seemingly strong colossus faces the prospect of the decline of its rule. As the oppressed peoples fighting intensely against U.S. imperialism all live in Asia, Africa and Latin America, these areas have become the focus of the basic contradictions of the present-day world. . . The revolutionary struggle of these peoples for national liberation has magnificent prospects and will undoubtedly triumph over the common enemy of the revolution."

Pointing out that revolution by violence is the universal rule in proletarian revolution, the report says: "The heroic Vietnamese people's arduous, protracted struggle against the colonialist aggression of U.S. imperialism has entered a fiercer stage and the victory of the revolutionary forces in this just war of liberation is in sight. . . The contradictions focussed in Vietnam are being successfully settled through armed struggle. . .

"This just war fought by the Vietnamese people is fresh proof that U.S. imperialism, however powerfully armed, can be resisted and defeated. Just as Comrade Mao Tse-tung has pointed out, the outcome of a war is decided by the people, not by weapons, and imperialism and all reactionaries are paper tigers. . .

"In their struggle to throw off the yoke of imperialist oppression, the other peoples are marching along the glorious path traversed by the Vietnamese people."

Worldwide United Front

The report stresses the need to establish a broad worldwide united front against U.S. imperialism. "In Asia, Africa and Latin America, U.S. imperialism is more cunningly resorting to fascist methods to suppress the revolution. . . However, the more it resorts to violence, the higher will burn the flames of the people's wrath. . .

"All these evil measures taken by imperialism have added fuel to the hatred of the peoples and provided favourable conditions for the establishment of a broad united front of those fighting for freedom from imperialist rule, because in this way the question is clarified to the fullest extent as to who is the real enemy that must be wiped out. That is why Comrade Mao Tse-tung, at the time when the United States launched aggression against the Dominican Republic, rightly called on all oppressed peoples of the world to form a broad worldwide united front."

Referring to the rapid growth of the world's revolutionary forces, the report points out that China's explosion of two atom bombs has broken the nuclear blackmail against the people of the world by U.S. imperialism in collusion with the revisionists of the C.P.S.U., and has added to the strength of peace and world revolution. The attempt to monopolize atomic weapons has been foiled by the tremendous develop-

ment of science of the People's Republic of China. This has proved the correctness of Comrade Mao Tse-tung's theses that imperialism must be fought tit for tat and that the important thing for the peoples in their development is self-reliance. . .

"Under the leadership of fraternal Marxist-Leninist Parties, the peoples of China, Albania, north Korea and north Vietnam have scored splendid achievements. While waging a principled struggle against modern revisionism, these fraternal Parties are heroically fighting against U.S. imperialism."

Fight Against Revisionism

Pointing out that the Marxist-Leninist Parties have been strengthened in the fight against imperialism and modern revisionism, the report says: "The fall of Khrushchov was indeed a telling blow against modern revisionism, but his successors Brezhnev and Kosygin, far from taking a new path, have persisted in the erroneous, treacherous views of revisionism, adopting new tactics in an attempt to stamp out the flames of revolution in the world and collaborate with moribund imperialism. Even so, the fall of Khrushchov signified that revisionism was crumbling."

The report then refers to the 22 Latin American Communist Parties' conference in Havana at the end of November 1964. "On the face of it, the conference was held on the initiative of some Latin American Parties, but these Parties in fact had acted in accordance with the instructions of the revisionists of the C.P.S.U."

The joint statement of Fidel Castro and Nikita Khrushchov in January 1964 was the prelude to the convening of that conference in Havana, the report recalls. "In that statement, they affirmed their 'identity of views on the course of world revolution and some questions concerning the international communist movement at present.'"

After the Havana conference, "people find that the Cuban Communist Party has further slid to the wrong stand of modern revisionism headed by the leaders of the C.P.S.U."

"The Peruvian Communist Party reiterates that to struggle successfully against imperialism, it is also necessary to struggle against revisionism, because it is unthinkable for anyone to unite with revisionism in the fight against imperialism."

Regarding the divisive conference held in Moscow in March 1965, the report says that the Soviet revisionists "aim at splitting the international communist movement and serving still better the needs of U.S. imperialism. . . The line followed by the C.P.S.U. revisionists and their lackeys makes it clear that their revolutionary vows are empty talk pure and simple and that in truth they have thrown themselves into the lap of imperialism and never miss a single opportunity to pledge their loyalty to imperialism."

"The divisive Moscow meeting last March showed that after putting on some disguise, the revisionists sought to carry on their sabotage against the international communist movement in full collusion with the Yugoslav renegade Tito and their imperialist masters . . . This is proof that it is impossible to carry through the struggle against imperialism to the end without a simultaneous struggle against revisionism."

"Under the cover of revolutionary phraseology and pseudo-unity with those revisionist-led Communist Parties, the present revisionist leaders of the C.P.S.U. are taking big strides along the path of compromising with imperialism and restoring capitalism in the Soviet Union."

Centre of Marxism-Leninism

The report points out: "The glorious centre propelling the development of Marxism-Leninism has shifted from Europe to Asia, from the Soviet Union to China. The proof of this is that this life and death struggle against imperialism and world reaction is led by the Communist Party of China. The Communist Party of China has made tremendous contributions to the overall development of Marxism-Leninism, while the other Marxist-Leninist Parties of the world have also made their contributions according to the concrete conditions of their respective countries."

In dealing with the domestic political situation, the report first of all analyses the character of Peruvian society. Peru is a semi-feudal, semi-colonial country dependent on imperialism, in particular U.S. imperialism, the report says. This characteristic is manifest in that the major departments of Peruvian economy are agriculture and stock-breeding, and the mining industry. The main source of national wealth, especially strategic materials, is in the hands of U.S. imperialism. The colonialist control imposed on Peru by U.S. imperialism has impeded the country's industrialization. The economic policies of the successive governments of Peru have been mainly orientated to the needs of imperialism, supplying raw materials and cheap labour to the heavy industry of imperialism. Peruvian agriculture has also had to produce for the imperialist market, not for the food needs of the Peruvian population. By all conceivable means imperialism has endeavoured to preserve the semi-feudal remnants in agricultural production.

Present Stage of Peruvian Revolution

"The first stage of our revolution is anti-feudal, anti-imperialist, democratic and national-liberation revolution. As for the enemies of the revolution, we must point out that they are U.S. imperialism, the big comprador-bourgeoisie formed by the big bureaucrat-capitalists, and the landlords or latifundists, because the fundamental contradiction is between these three aligned enemies and the entire Peruvian people."

With regard to the motive forces of the Peruvian revolution, the report says: "We must point out that the primary motive force is the working class which should play the leading role through its Party. The next is the peasantry as the main strength, a force closely united with the working class. This is not only because of its size and militant nature but because of the anti-latifundist objective of the revolution. And the third is the impoverished petty bourgeoisie, a social stratum daily becoming more radical and acquiring increasing importance in the course of the revolution."

"The national bourgeoisie, in Peru as in all other semi-colonies, can participate in the revolution at a certain stage, under certain conditions. However, because of its dual nature and its connections with imperialism and big latifundists, the national bourgeoisie may betray the revolution. Therefore, the proletarian Party should formulate its policies towards the national bourgeoisie according to these viewpoints, in the light of the historical conditions of the various stages of the revolution."

Armed Struggle

The report notes that the launching of armed struggle marked the beginning of a new period in the development of the Peruvian revolution. "In the light of the country's political situation and the overall prospects of armed struggle, we can be certain that the great armed struggle will achieve ultimate victory." So long as armed struggle is started and developed in the countryside, and is mainly carried out by the peasants, its ranks will be swelled by the peasants and it will deal heavy blows at the counter-revolutionary forces in the countryside.

"To ensure the smooth development of the armed struggle, the leadership of the Communist Party is necessary for the fulfilment of the various tasks of the Peruvian revolution."

With regard to the united front, the report says: the Party has the heavy responsibility of joining all oppressed classes in a powerful united front to defeat imperialism and domestic oligarchy. . . . The Peruvian Communist Party considers it necessary to adopt the form of the patriotic liberation front to unite the maximum number of people and their forces and to make every effort to establish such a front.

Dealing with the building and development of the Peruvian Communist Party, the report criticizes the erroneous tendency to set the "leader" against the "masses." It says: "The leader or chief never grows up overnight but emerges in the course of struggle. Nobody can appoint himself chief or leader." Pointing to the example of Comrade Mao Tse-tung as an educative one, it declares: "Because he is good at integrating the universal truth of Marxism-Leninism with the specific conditions in China and has greatly enriched the experience and deepened the study of Marxism-Leninism

and carried Marxism-Leninism forward, Comrade Mao Tse-tung has become — not because he himself wants to or proclaims to be such — the undisputed leader of world revolution.”

The report in conclusion enumerates the present tasks of the Peruvian Communist Party. These include:

To publicize and explain the international situation, especially the struggle against revisionism;

To explain the political line of the Peruvian Communist Party to the rank and file and the broad masses, pointing out to them that the Party's policy is to wage struggle against imperialism and the latifundist-oligarch bloc, that protracted and arduous armed struggle is the only way to resolve the sharp contradictions in Peruvian society and that the ultimate object is to establish a new people's regime in place of the present corrupt and anti-national regime; and

To form a patriotic liberation front on the basis of the worker-peasant alliance and the unity of broad strata of people who are willing to carry out the anti-imperialist, anti-feudal, democratic tasks of the first stage of the Peruvian revolution.

Conclusions and Resolutions

THE main contradiction of the present-day world is that between the oppressed nations of Asia, Africa and Latin America and imperialism headed by the United States.”

“This is the most outstanding and most acute contradiction,” the document continues. “Therefore, the revolutionary struggles for national liberation waged by the peoples of these continents form an important component part of the worldwide proletarian revolution. The destinies of all peoples of the world depend on the outcome of these struggles, because the fundamental contradictions of the present-day world are concentrated in these areas.”

“This is a Marxist-Leninist viewpoint on which we differ with the modern revisionists. The modern revisionists peremptorily deny that the oppressed countries in Asia, Africa and Latin America are the focus of contradictions of the present-day world,” the document states.

Revolution by Violence — General Rule

“Revolution by violence is the general rule for proletarian revolution — this Marxist-Leninist viewpoint remains valid today, and its validity is being proved by ever more historical events. Without armed struggle, no contradictions of the capitalist world can be solved, nor can the contradiction between the proletariat and the bourgeoisie of a given country, nor that between the oppressed countries and people and the imperialist

powers. That is why the oppressed peoples of Asia, Africa and Latin America have embarked on the road of arduous and protracted armed struggle to get rid of the rule of imperialism led by the United States and its local lackeys.”

The document continues: “The Marxist-Leninist Parties are being fortified in the struggles against imperialism and modern revisionism. The struggles against these two enemies of the revolution are inseparable.” The fall of the arch revisionist Khrushchov testifies to the bankruptcy of modern revisionism. “In removing Khrushchov, his successors simply want to adopt new measures to continue enforcing his views and carry on his counter-revolutionary activities. Nevertheless, his fall is evidence of the disintegration of the modern revisionists.”

In a reference to the conference held by 22 Communist Parties of Latin America in Havana in 1964, the document says that it was “obviously imposed and manipulated by the leaders of the Communist Party of the Soviet Union.”

The document goes on to say that “the Communist Party of Cuba regards the struggle against revisionism as Byzantine discussions. It has identified itself with the views of the modern revisionists ever since Fidel Castro and Khrushchov signed their joint statement prior to the Havana conference. . . . The Peruvian Communist Party maintains that it is now more imperative than ever to hold thoroughgoing polemics with the modern revisionists so as to expose their treacherous attempt to extinguish the flames of world revolution now raging in Asia, Africa and Latin America. The Peruvian Communist Party will continue its simultaneous struggle against imperialism and revisionism, for it is inconceivable that anyone can seriously oppose imperialism without opposing revisionism at the same time. The polemics between the Marxist-Leninists and the revisionists are not just differences between certain fraternal Parties; they are the polemics between revolution and counter-revolution, between Marxism-Leninism and opportunism, and between those who struggle to build socialism and carry the revolution through to the end and the revisionists who try hard to restore capitalism and serve as supporters of imperialism.”

Condemning the Moscow schismatic meeting of March 1965, the document says, “The meeting was called upon the instructions of the Communist Party of the Soviet Union. Its aim was to split the international communist movement and thereby render a big service to the U.S. imperialists.”

The document declares that the Peruvian Communist Party resolutely upholds proletarian internationalism and supports the heroic people's revolutionary struggles in Vietnam, the Congo (L), Venezuela, Colombia and Guatemala.

Victory over the aggressors is bound to come, the document emphasizes. The future of the peoples will unfold itself through an arduous but sure path, namely

the path of armed struggle on which the Peruvian people have embarked.

Nature of Peruvian Society

Dwelling upon the situation in Peru, the document says: "The character of Peru as a semi-feudal and semi-colonial country dependent on imperialism, and particularly U.S. imperialism, determines the present political situation in Peru. This character of Peruvian society accounts for the uneven development of our economy."

Peru's status as a semi-colony is determined by the economic control U.S. imperialism exercises over it, the document states, noting that the character of Peru as a semi-feudal and semi-colonial society can also be explained by an analysis of its classes. In Peru there are the big comprador class, the national bourgeoisie, the populous and impoverished radical petty bourgeoisie and the worst oppressed proletariat.

The social classes in the countryside are: the landlords, rich peasants, middle peasants, poor peasants and the rural proletariat.

In addition to its economic control, the document says, U.S. imperialism is employing all sorts of artifices to exercise its political, military and cultural control over Peru.

"Because Peru is a semi-feudal and semi-colonial country and an appendage of U.S. imperialism, the strategic objective of the revolution is anti-imperialist and anti-feudal."

It adds: "The main enemies of the revolution are U.S. imperialism, the latifundists and the big bureaucrat-comprador bourgeoisie."

Motive Force of Revolution

Referring to the motive forces of the revolution, the document says that "the working class is the primary motive force of the revolution. It plays a leading role through its own political party. Next comes the peasantry. It is a main force which must be closely united with the working class. Then comes the impoverished and radical petty bourgeoisie which is also a motive force of the revolution. The national bourgeoisie which has a dual character may participate in the revolution under certain conditions; but because of its ties with imperialists and big landlords, it may betray the revolution."

The document continues: "Things have developed to such an extent that the Peruvian people have to oppose counter-revolutionary violence with revolutionary violence. This also determines the political line of our Party which provides for the use of revolutionary means to oppose U.S. imperialism, the latifundist and the big comprador-bourgeoisie. This is the political line to solve the fundamental issue of the Peruvian revolution, namely, to overthrow the present oligarchic and pro-imperialist decadent political system and seize state

power through an arduous and protracted armed struggle."

Party's Main Task

The Fifth National Conference of the Party considers that armed struggle is the main form of struggle. This armed struggle is, in essence, a peasant revolution spreading from villages to cities. Thus, the conference "has decided to make the task of organizing and developing the Party's own armed forces its main task, with the peasants as the main force and the working class (through its party) as the leading force."

Thanks to the breaking out of armed struggle in the form of guerrilla warfare, "Peru's social struggle has entered a higher stage."

The document says: "As Comrade Mao Tse-tung said, the building of the Communist Party, the united front and armed struggle are the three principal magic weapons of the revolution."

"The Fifth National Conference of the Peruvian Communist Party will strive for the formation of a patriotic liberation front on the broadest possible people's basis so that this front led by the working class and its political party and with the close alliance of the peasantry and other oppressed classes will become an instrument to push the revolution forward."

Party Building

The document points out that, to carry the revolution through to the end, it is necessary to accelerate the building of the Peruvian Communist Party "ideologically, politically and organizationally and educate the Party members in Marxism-Leninism so that they will acquire the habit of studying Marxist classics and the works of Comrade Mao Tse-tung and have a clear knowledge of the content of the struggle against modern revisionism. Only in this way can we have revolutionary perseverance."

The Fifth National Conference of the Party proposes to launch a broad rectification campaign to "correct and overcome all shortcomings and particularly to wipe out liberalism in all forms, to strengthen Party discipline, to enable the Party to keep contact with the broad masses of the people and to shift the emphasis of the Party's activity to the villages in order to carry forward the armed struggle."

The document concludes by saying: "Our Party's present objectives are: uphold Marxism-Leninism, persist in the struggle against U.S. imperialism, persevere in the struggle against modern revisionism and its partners in Peru, rally the whole people round a broad united front for liberation, reorganize and unify our ranks, carry on the revolution in order to destroy the principal enemies of the Peruvian people, and establish a democratic, popular and revolutionary new state serving the interest of the working class and the broad masses of the people. It is the duty of the Party to make every effort to fulfil these historic tasks."

The "Asian Development Bank" Carrot

PART of the Johnson Administration's bag of "carrot and big stick" tactics for U.S. aggression in Asia is the "Asian Development Bank" which is to be set up this year.

The establishment of an "Asian Development Bank" was first proposed at the 19th session of the U.S.-controlled U.N. Economic Commission for Asia and the Far East (ECAFE) which was held in March 1963 in Manila. Japan, hungry for economic expansion abroad and dreaming of an "Asian common market" under its control, was then one of the chief promoters of the plan. Since many countries showed little enthusiasm for an "Asian common market," Japan had to be content with working for a regional financial institution as a first step.

However, right up until Washington showed particular interest in it, the "bank" project never got beyond the stage of being just a plan on paper.

A Neo-Colonialist Tool

The reason why the Johnson Administration suddenly took such a great interest last year in the plan is not difficult to find. Suffering heavy defeats in its dirty war in Vietnam, the U.S. Government was desperate for some way to cling to its aggressive positions in Southeast Asia, continue its neo-colonialist activities and further its aggression and plunder in Asia. Since the "big stick" tactic proved ineffective, it dangled the "carrot" in the vain hope of sapping the morale of the Asian people, particularly the Vietnamese people.

In his speech at Johns Hopkins University in Baltimore on April 7, 1965, calling for "unconditional discussions" on Vietnam, Johnson beat the drum for a so-called "development plan for Southeast Asia." He declared Washington's readiness to support the plan by providing \$1,000 million for "developing" the economies of various Asian countries, especially for the Mekong River "development" programme.

The U.S. President was so eager to get things under way that in the following months he sent W.W. Rostow, head of the U.S. State Department planning staff, and Henry Cabot Lodge to Japan and south Korea to work on the plan. It was announced that the United States would subscribe \$200 million as part of the "bank's" capital.

Last July, Johnson sent Eugene Black, his special adviser on "economic development" in Vietnam and Southeast Asia and former President of the "World

Bank," to Europe to try and sell non-ECAFE members this U.S. plan for Southeast Asia.

Khrushchov Revisionists' Collusion

Since Johnson's April 7, 1965 speech, Washington has repeatedly expressed the hope that the Soviet Union would join in the effort to set up an "Asian Development Bank." The new leaders of the Soviet Union responded to Johnson's appeal and sent a delegation to attend last October's preparatory meeting in Bangkok for setting up the "bank" together with the delegations of the United States, Japan, the Chiang Kai-shek gang, the puppet cliques of south Korea and south Vietnam, "Malaysia," Thailand, the Philippines, India, Britain, West Germany, Australia, New Zealand, etc.

Though the Soviet Union did not attend the subsequent "Asian Development Bank" conference of plenipotentiaries in Manila in December, and slyly announced that it had no intention of joining the "bank," S. Borisov, Soviet delegation leader to the Bangkok conference, had been quick to stress that the Soviet Union "may consider co-operation with the bank." He explained that "such co-operation can take the form of technical and economic assistance in the construction of specific projects in the developing countries of Asia and the Far East and also through rendering assistance in the bank's organization and work by the dispatch of experts and training of specialists."

U.S. Has Biggest Say

Like the "World Bank," the "Asian Development Bank" will operate on the principle of whoever has more money has the greater voice. Only 20 per cent of the votes will be shared equally among members while 80 per cent will be given according to the size of subscription to the "bank's" total capital of \$1,000 million. Thus, it will be the United States and Japan, each with subscriptions of \$200 million, who will have the biggest say. Indeed, the "bank" will be completely under the sway of the United States, for by simply putting some pressure on its Asian puppets who are members of the "bank," Washington could control the great majority of the votes.

The "main functions" of the "bank," as set forth in its draft charter, are couched in familiar neo-colonialist phraseology. They include: to promote public and private investment in the Asian region; finance development projects in "developing" countries; help countries co-ordinate their development policies and plans; and provide technical assistance for development projects. The people of Asia, however, know from bitter experience, that behind the sweet-sounding words of "aid" and "technical assistance" from such Washington-controlled organizations they gain no real benefit at all. Instead, such "aid" merely paves the way for U.S. imperialism's export of capital and economic infiltration which can only result in intensified U.S. encroachment on their sovereignty, interference in their internal affairs and plunder of their wealth.

The Divisible Colossus

BIG or small, everything in the world can be divided into parts. The "colossus" of U.S. imperialism is no exception.

Looked at as a whole, the United States is the biggest imperialist power on earth. Yet it too can be divided into parts and each part dealt with separately. In plain language, it is a monster which can be carved up and finished off one bite at a time.

Years ago Chairman Mao Tse-tung noted: "In war, battles can only be fought one by one and the enemy can only be annihilated bit by bit. . . . This is called a piecemeal solution. And in military literature, it is called smashing the enemy bit by bit."

U.S. imperialism itself makes this strategy and these tactics possible. Since it tries to put the entire world under its thumb, its forces are stationed far and wide — some in Europe, some in Asia and Latin America, and some at home. On each continent, these widely scattered forces are again parcelled out, a few thousand troops here, a couple of warships there. Everywhere they are spread thin, sitting ducks waiting to be shot at.

U.S. imperialism's strength does not match its inordinate ambitions. This deficiency is all the more obvious because its already inadequate strength is scattered. As U.S. imperialism can only muster a part of its forces when making war on another country, while the people who are the objects of its aggression are able to mobilize the whole nation, superiority lies with those aggressed against, not the aggressor.

South Vietnam offers a good example.

Despite the hundreds of warships, thousands of aircraft and over 200,000 troops that have been sent to south Vietnam, the tide of war there is still running against the United States. Try as the Johnson Administration may, the reinforcements it can pour into south Vietnam must remain limited. Against the 14 million south Vietnamese people, the U.S. aggressors are inevitably a minority.

U.S. imperialism, of course, would like to throw all its weight on to south Vietnam if it could. But to pull its occupation troops out of the Dominican Republic would mean taking the lid off that volcano in the Caribbean. To withdraw the U.S. occupation army from south Korea would mean the instant collapse of the shaky Pak Jung Hi puppet regime. To transfer U.S.

forces from West Europe can only lead to a further weakening of Washington's control of its "allies." If a great part of the troops now stationed in the United States were sent abroad, who would there be to cope with explosions like the one in Los Angeles last August? It is considerations such as these that leave U.S. imperialism with little room for manoeuvre.

In the current bickering among the American rulers, one of the major complaints heard from Johnson's critics is that he has escalated the Vietnam war to a point where the United States might not be able to meet its other global "commitments," that it has caused a drain on its "total strategic position." (Gen. Gavin.)

This shows that, although U.S. aggression in south Vietnam is only one link in the chain of U.S. counter-revolutionary global strategy, the victories of the south Vietnamese people have dealt heavy blows to U.S. imperialism and greatly weakened its world position as a whole.

Thus, the people's struggles everywhere pose a threat to U.S. imperialism, binding it hand and foot so that it is unable to concentrate its fire on one point — in this case, south Vietnam. And, by drawing in crack U.S. troops in their increasing thousands and by giving them a sound beating, the south Vietnamese people are tying down the hard core of the U.S. aggressive forces. By hitting him on the head, neck, shoulders, back and feet, the people of the world are smashing the enemy one part at a time and annihilating him bit by bit.

Even in one area, such as south Vietnam, U.S. imperialism is not indivisible. This is because: 1) its troops are scattered; 2) one-third of its forces have to be kept to guard the rear; 3) for one U.S. combatant, there are about three non-combatants who have to take care of these pampered soldiers and service the cumbersome U.S. war machine. All this dissipates U.S. strength and makes it possible for the south Vietnamese people to muster a superior force and choose the right time and place to finish off the U.S. aggressors in instalments. This is precisely how they have knocked out over 10,000 U.S. troops in the past 12 months or so!

U.S. imperialism is by nature aggressive. Its ambition knows no bounds. It is this which predetermines that it will inevitably split itself up, on a world scale and in any area where it wages aggression.

This is one of the reasons why U.S. imperialism is a paper tiger and can be defeated.

— Tung Feng-hao

ROUND THE WORLD

PERU

Setting the Andes on Fire

Flames of revolutionary struggle against Yankee imperialism and its local stooges are ablaze in Peru, where counter-revolutionary violence is being met with revolutionary violence.

In the Andes highlands, the patriotic armed struggle has progressed since it was launched last June. As guerrilla operations have spread to nine of Peru's 24 provinces, two fresh fronts known as the "Cesar Vallejo" front (in Piura Province in the north) and the "Javier Heraud" front (in Ayacucho Province) have been added to the two opened at the beginning of the struggle. In the last eight months, the insurgents have attacked police posts, successfully ambushed government troops and attacked *haciendas* in the provinces of Junin, Huancavelica and Cuzco; they even temporarily occupied the mining area in Andamarca owned by the U.S. Copper Corporation. Despite the fact that large numbers of troops under U.S. "advisers" have been sent

to "mop up" the guerrillas, the "insurgencies in marginal areas are spreading instead of declining" as the British newspaper *Observer* reported early this year.

The fight of the urban population against the U.S. octopus which is sucking away the wealth of their nation and for the improvement of their bad living conditions is unfolding simultaneously with the struggle in the mountains. There have been demonstrations and meetings in Lima, the capital city, and in Cuzco and Puno Provinces demanding the nationalization of oil resources. The Peruvian Congress was finally prevented from ratifying a new contract concluded with the U.S.-owned International Petroleum Company. The cry for nationalizing public utilities run by U.S. capital has also been raised by the workers.

To suppress the people's movement, the Peruvian authorities set up a so-called Committee for Special Investigation last year under the pretext of "opposing communist subversion." They have also enacted a "law" imposing the death sentence on revolutionaries. Undaunted, the Peruvian workers now stand in the forefront of the fight, persisting in their struggle for national liberation.

FRANCE

U.S. Hegemony Challenged

Washington's dream of world hegemony is dying fast. All countries suffering U.S. aggression, control, interference, and bullying are putting up tough resistance and challenging the American bid for world domination. The latest development is the contemplated French move to withdraw from NATO's integrated military structure and clear U.S. troops and bases out of France.

President de Gaulle gave the first indication at his February 21 press conference when he declared that everything French and every foreign

element stationed in France must be put under the sole control of the French authorities. This, of course, includes American bases and installations maintained on French soil in the name of NATO and about 30,000 U.S. troops stationed there. On March 7, the French President sent a letter to his American counterpart dealing with the question.

While refusing to enter into bilateral talks with France, Washington surreptitiously called a closed meeting of 14 NATO countries on March 11 in Paris of all places, apparently trying to turn the heat on France in the form of a proposed joint declaration sticking to military integration. In answer, Yvon Bourges, French Minister of Information, declared that his government was ready to take unilateral action to restore French sovereignty. A memorandum to France's Western allies published on March 12 made clear the stand of the Elysee. It stated that effective reorganization of NATO was impossible owing to the fundamental differences between France and its allies on military integration. It, therefore, had made up its mind to quit the integrated military organization.

Judging by what General de Gaulle said at his recent press conference and by what is contained in the French memorandum, France is quickening the tempo of its withdrawal from NATO in its present form for several reasons. The first is to rid itself of U.S. control. France's will to self-determination "is incompatible with a defence organization in which it is a subordinate," said de Gaulle. As an atomic power, he added, France must assume its own "political and strategic responsibilities." Secondly, as a result of the U.S.-Soviet *detente*, there is no justification for NATO's "integration" because it does not fit the new circumstances. Thirdly, France does not want to get involved in the U.S. war of aggression in Vietnam because countries of the Atlantic Alliance have nothing to do with what is being done in Asia.

NATO has always been the principal instrument by which the U.S. exercises control over its Western



- | | |
|----------------|------------|
| 1 PIURA | 4 AYACUCHO |
| 2 JUNIN | 5 CUZCO |
| 3 HUANCAVELICA | 6 PUNO |

Sketch map by Lu Chuan-yu

March 18, 1966

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allies, and the latter know it, swallowing this bitter pill because they had to. But today, when the West European countries have recovered from the scourge of World War II and become relatively sound economically, this is no longer acceptable. As France sees it, the present, when the U.S. is considerably weakened politically, militarily and economically as the result of the war in Vietnam, is a particularly good time to act.

INDIA

The Mizo Revolt

Under heavy pressure due to the acute food shortage and the deteriorating economic situation which have caused unrest among India's poverty-stricken millions, the Gandhi government must be thinking that it never rains but it pours. The strikes and anti-hunger demonstrations in New Delhi, West Bengal and elsewhere, had hardly subsided before the first gunshots cracked in the air in the mountainous Mizo region which lies at the southernmost tip of the Assam State bordering on Burma and East Pakistan.

At midnight on February 28, about 10,000 members of the Mizo National Liberation Front attacked Aijal, the capital, Lungleh, the second largest town, and the local arsenal. Communication lines were cut and the insurgents in three days established control over virtually the whole region except Aijal. Large numbers of Indian troops were flown in by helicopters because of the difficult terrain. The armed suppression by the government troops, however, met with strong resistance. When the armed Mizo tribesmen captured Lungleh on March 5, they forced part of the Indian garrison to surrender.

The Mizo or Lushai region, so named because it is inhabited by 266,000 Mizo and Lushai tribesmen, became part of India after it was ceded to the British East India Company by Burma in 1826. The Mizos who fought alien and colonial rule in the past, have waged prolonged struggles against the Congress government which adopts a policy of discrimination against these minori-

ties. Government posts were attacked by the Mizo tribesmen two years ago. According to AFP, G.G. Swell, a Mizo member of the Indian Parliament, ascribed the present armed uprising to neglect of the region and the imposition of the Assam language on the Mizo people by the Government. The Prime Minister, Mrs. Gandhi, has admitted that most of the region is very backward and the Indian Government has not "looked into" its problems. At the same time she announced that her government was determined to "put down the disturbance."

U.S.A.

Nostalgia for Nuclear Monopoly

Testifying before the Congress Joint Committee on Atomic Energy, Defence Secretary McNamara made a statement on March 7 on the so-called question of non-proliferation of nuclear arms. Apart from the calumnies which he heaped upon China, his statement boiled down to this: The U.S. will go on piling up its nuclear armament without a stop and the Soviet Union may do the same, but the development of nuclear weapons by non-nuclear countries will "cause important and destabilizing shifts in the regional power balance."

What is meant by "power balance"? It means Washington's desire to preserve its nuclear monopoly, which it enjoyed for a time in the past but which has long been broken. Ill at ease and still nostalgic for "past glory," it is now clinging to this "non-proliferation" policy in the hope of

at least retaining nuclear superiority and thus being able to carry on its nuclear blackmail.

McNamara's statement also indicates that the U.S. Government is equally anxious with the Soviet leaders to reach an agreement to prevent "the spread of nuclear weapons" in order to pave the way for further U.S.-Soviet co-operation for world domination. He emphasized that there was no conflict between the American "NATO sharing policies," i.e., sharing nuclear weapons with West Germany, and its non-proliferation policy, adding that American "intentions should not be misunderstood . . . by the Soviet Union."

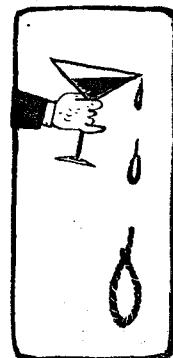
The U.S. Defence Secretary's statement shows too that Washington's moves for a "non-proliferation" treaty are part of an international conspiracy to "contain" China, this "containment" to provide an excuse for the U.S. strategy to subject to its further control and aggression countries "on her [China's] periphery." Playing up what he called the "threat" posed by China's nuclear development for self-defence, McNamara alleged that this was a "threat" to these countries, to which he offered American "protection."

To put it briefly, McNamara is like the magistrate in a Chinese anecdote "who allows not others to light a lantern but gives himself the power to set off fireworks." He ignores reality. U.S. imperialism is no longer a nuclear overlord and the brandishing of its nuclear hardware cannot prevail against the revolutionary people.

THE PASSING SHOW

Catching 'em Young

Because a Calcutta college has lately contributed the largest number of officers to the Indian State service, an American official in India named Leppard has been particularly keen on inviting its students to his parties to foster "Indian-American friendship." One of his guests was so overpowered by Leppard's hospitality that he said he was ashamed of having been born an Indian. But, according to the Indian weekly *Link* (Dec. 26, 1965), when his other guests began to ask unpalatable questions on Vietnam, Leppard flared up, called them "Indian dogs" and told them to get out.



NEWSCAST

Worldwide protests against U.S. aggression in Vietnam continue to gain momentum.

Crime in the capitalist world thrives because it pays as part of the system.

Airplane crashes in Japan. News from Zanzibar. . . .

CANADA has just wound up the "Canada-Vietnam Week" in Ottawa and 13 other cities across the country. Demonstrations, teach-ins, talk-ins and sit-ins were held.

- In exchange for U.S. purchase of Australian small arms ammunition, Canberra has decided to send another 3,000 men to fight for the Americans in south Vietnam. Students of call-up age at Sydney University, the University of New South Wales and Monash University demonstrated their opposition. Officials of 44 Victorian trade unions have signed a petition protesting against the government decision to send conscripts to Vietnam.

- Four U.S. warships serving in the Vietnam theatre of war got a hostile reception from the Malayan people when they anchored off Penang early this month. The people also demonstrated against William Bundy, the U.S. Assistant Secretary of State for Far Eastern Affairs, when he arrived to peddle the U.S. policy of expanding its Vietnam war. The demonstrators assembled before the American Embassy and stoned the building.

- In the Philippines, eight large anti-U.S. demonstrations have been held so far this year. The Governor of Pampanga Province said that the plan to dispatch Filipinos to south Vietnam has aroused strong opposition because it is "selling out our compatriots and killing Filipinos just for some millions of U.S. dollars."

- The American people themselves have staged hunger strikes in protest. These took place in various parts of the country and involved students and sailors. A New York architect named Robert Nichols also went on hunger strike and asked

Johnson why the U.S. was talking about "helping" the south Vietnamese people to grow more food while its troops and planes were spraying chemicals to destroy the crops.

* * *

CRIME has become a "growing evil" in major cities of capitalist countries, reported the London Sunday paper *The People*. In London, it said, indictable offences soared to 276,004 in 1965, nearly 5,500 a week. In Tokyo, "Police are making more than 100,000 arrests a year." Paris "is today the hub of European crime, brilliantly organized." In the U.S., President Johnson in a special report to Congress on March 9 revealed U.S. crime's "unrelenting pace" as follows: "a forcible rape every 26 minutes, a robbery every five minutes, an aggravated assault every three minutes, a car theft every minute, a burglary every 28 seconds." American people, he added, are like "captives imprisoned nightly behind chained doors, double locks, barred windows" who dare not "walk city streets by night or public parks by day."

* * *

THE U.S. lost \$1,664 million worth of gold in 1965, three-fourths of it going to seven West European countries, according to a U.S. Treasury announcement. France converted \$884.2 million into gold, or more than half of the total.

* * *

IN four weeks in February and March three air accidents bringing death to 321 passengers and crew members took place in Japan. The planes were a Boeing 727

of All-Nippon Airways, a Douglas DC8 of Canadian Pacific Airlines and a Boeing 707 of the British Overseas Airways Corporation. The root cause of these disasters, reported *Akahata*, is congestion of civil air lanes since many of the best airports in Japan and much airspace known as an "air bulwark" are reserved for the exclusive use of the U.S. military. The Japanese Boeing 727, before it crashed into the sea on February 4, for instance, was not permitted to land, three American military aircraft having priority. At Tokyo's Haneda Airport, the number of arrivals and departures of U.S. "civilian aircraft" too has increased considerably, most of them being chartered planes shipping troops and war supplies to south Vietnam.

* * *

JAPAN is to put forward a 3-year plan for "economic co-operation with foreign countries" at the forthcoming "conference of ministers for development of Southeast Asian nations." The *Nihon Keizai Shimbun* reported that overseas capital investment under the plan would be increased from 1966 and the total would amount to \$870 million by 1968. To step up its economic expansion in Asia, and Southeast Asia in particular, the Japanese Government will also support overseas private investment by Japanese monopoly capital.

* * *

ZANZIBAR'S Ministry of Health and Social Welfare has set up rural health services. Five new health centres have been built in the densely populated countryside. There are 27 adequately equipped rural clinics operating throughout the islands and six more under construction.

* * *

FOUR thousand and six hundred Yemeni girls are now studying at schools. Since the founding of the Republic, the Yemeni Government has paid much attention to developing education for girls, who had few chances of schooling in the past. Primary schools for them have been founded in Sanaa, Taizz and Hodeida.

LITERATURE

Factory Group of Worker-Writers

China is witnessing an unprecedented development of spare-time writing. Thousands of workers, peasants and soldiers are writing articles, reportage, stories, plays and poems that reflect their life and struggles and those of their comrades. Among those thousands, a good example is the small group of worker-writers of the No. 1 Tool Factory in Harbin, Heilungkiang Province.

This was formed in June 1956 and named Meng Ya—The Sprout. Typical of such factory groups, it now has 37 members, most of them young workers, highly politically conscious, skilled operatives and good comrades, popular with their fellow workers. They publish a wall-newspaper entitled *Meng Ya* that is now approaching its tenth anniversary. Of the thousand and more articles it has carried, 250 have been republished in the city and provincial newspapers and periodicals. Over a score of their short stories, including *The Hind Legs of a Stage Dragon*, *Home* and *My Apprentice and I*, poems and reviews of plays and films, have also been republished and won the approval of many readers.

Healthy Roots

Not long after the establishment of the group, the bourgeois Rightists began their widespread attacks on socialism. In the factory they put up another wall-newspaper named *Tuo Huang* (Opening Up Wasteland) as a rival to *Meng Ya*, and used satirical essays and fables to make covert attacks on the Communist Party and socialism. Directed and guided by the Party in the contest with *Tuo Huang*, *Meng Ya* gave a clear-cut working-class lead which immediately mobilized the enthusiastic support of the broad masses of workers. The group stood the test well. They learnt that to serve the cause of socialism better, literature must take a forthright revolutionary stand in the forefront of the struggle.

The factory's Communist Party Committee has fostered this young group by enlisting them as a regular propaganda force in the struggle for the socialist revolution and socialist construction. Leading them politically, the Party entrusts them with special assignments, helps them solve their ideological problems, gives them reports on the domestic and international situations, recommends literature to them and assists their study of the best modern poems and ballads and novels on contemporary themes. On its urging, the group has written items for performances and entertainments, broadcasts, wall and blackboard newspapers.

Like all such groups they are making a keen study of Chairman Mao Tse-tung's works.

One of the group noticed that in the factory club he was often meeting with people who were not interested in script writing and neither acted, sang nor played any musical instrument. Yet they were regular comers. They readily helped with all kinds of miscellaneous jobs during the shows—scene shifting, handling the curtains, tending the doors and so on. At first he thought they came simply to lend a hand as a convenient way of watching the performances. But then he found that their self-imposed tasks often precluded their uninterrupted enjoyment of a show. This impressed

him so he wanted to write about it. But he wasn't sure how he should approach the subject. He finally got the clue from studying Chairman Mao's *In Memory of Norman Bethune* where he writes: "We must all learn the spirit of absolute selflessness from him.... A man's ability may be great or small, but if he has this spirit, he is already noble-minded and pure, a man of moral integrity and above vulgar interests, a man who is of value to the people." The flame of this spirit burnt in these backstage helpers and that was well worth writing about. With this inspiration he wrote the popular short story *The Hind Legs of a Stage Dragon*. Many believed that a worker in a factory or factory club led such a circumscribed life that "there was nothing to write about" and anyway the technique of writing was too difficult to master. This short story, widely read, showed, on the contrary, that there was much to write about, that writing could be mastered but that what was important was "the seeing eye"—having the ability to discern the significance of ordinary matters, the nobility of spirit in seemingly ordinary actions.

In Step With the Main Task

The Meng Ya group finds that their best piece grows out of the bustling life and work of the workers and in close contact with the key



Ballad singing in our plant

Woodcut by steelworker Chiang Chung-hsi

tasks of the factory. In serving the masses, serving socialist construction, they make it their first task to serve the political campaigns and production goals of their plant; and their creative work has, in fact, helped materially to promote the work of the plant. They have learnt to keep a keen eye on concrete examples to guide the workers' enthusiasm on to the right track in fulfilling the main task of the moment — whether that is to popularize technical innovations or to boost the campaign to increase production and practise economy.

The group played an effective role, for instance, in handling the contradictions between workers and checkers. When one member learnt about the checker in the plant's No. 7 workshop who enjoyed an especially high esteem among the workers he asked to be allowed to go and work there for a spell. Among other things he learnt that as soon as the checker spotted a flaw, he let the worker responsible know and helped to find the cause and eliminate it. This made for excellent relations between him and the men on the production line. The feature story written about this was broadcast and was a big help in passing on good experience. It also provided the group of worker-writers with a fine model of how to do reportage.

Elevation Based on Popularization

How should such a literary group help the political struggle and the struggle for production? Should it write short, popular pieces or concentrate on something at a "higher literary level"? They have studied and discussed Chairman Mao's works on this point and come to the conclusion that the urgent need in the factory is to provide "fuel in the snowy weather" as they say, and not put "more flowers on the brocade." They have concentrated wholeheartedly on writing scripts and texts for the factory club and broadcasting station. As one of them said: If you just want selfishly to mine material among the masses for your literary work and not provide them with "fuel in the snowy weather" which is what they need, then you'll soon find yourself losing contact with your

fellow workers and running out of material.

The members of the group have no literary pretensions and seek no privileges; everyone knows their efforts are dedicated to the needs of the workers and so they are constantly getting tips and ideas from all over the factory. The workers carefully read every issue of the blackboard and wall-newspapers and never hesitate to suggest improvements either in content or form. Articles are submitted to the city or provincial press by the group's members only after they have been read by their fellow factory workers and finalized on the basis of their suggestions.

The Meng Ya group had a representative at the national meeting of young spare-time writers held last December in Peking. They wrote the following verse to express their thanks to the Party and people:

*Their roots are young, but under
the warm sunshine,*

*In fertile soil, well-watered,
these sprouts will grow apace.*

MODERN DRAMA

"Storm Over the Andes"

Peking theatre-goers are now seeing the first full-length play written by Chinese authors which deals with revolutionary struggle in Latin America. *Storm Over the Andes* takes as its theme principal contradiction on that continent today: the mortal struggle between U.S. imperialism and its agents on the one side and the oppressed nations and peoples on the other. In eight acts, it gives a revealing and fast-moving picture of the revolutionary storm rising among the Latin American peoples in cities and countryside.

In an imaginary South American country, a coup d'etat has been staged by a representative of U.S. imperialism and the owner of a big estate. Its aim is to suppress the rising mass movement of the people. Under the pretext of crushing the "communist menace," they build a

military base on the estate from which to attack the developing guerrilla struggle. They carry out bacteriological experiments on the Indian peons. Tenant farmers who come to ask for their rents to be lowered are refused. They are even forced to give up the land they have reclaimed, and their cottages are burnt down. The farmers realize that they cannot win freedom and happiness by begging. They take up their machetes, ready to fight.

Marxists in a guerrilla area in the south send a seasoned revolutionary to explain to the farmers how to fight for national independence. He leads them to the Andes Mountains where they set up a revolutionary base, mobilize the local farmers and Indians, and prepare to wage a protracted, armed revolutionary struggle.

Once the flames of revolutionary guerrilla warfare begin to blaze, the U.S. representative tries another counter-revolutionary trick. He sends a local parliamentary deputy to the Andes to conduct peace negotiations with the guerrillas and attempts to fool them into giving up their arms. The intrigue is exposed by the guerrillas, who devise an ingenious plan to escape the enemy encirclement and themselves launch a surprise attack on the military base. After their success, they withdraw into the mountains for they know there is still a long way to go.

Storm Over the Andes was written and produced by the modern drama troupe of the Chinese P.L.A.'s General Political Department. It has a well-knit plot, and the production has several strongly delineated characters, both positive and negative. The writing began in March last year. Guests from Latin American countries visiting China gave invaluable help during rehearsals. They were able to give useful criticism and acquaint the cast with many incidents of the anti-U.S. revolutionary struggles in Latin America and with the customs and habits of that continent. Some coached the actors in Latin American folk dances. Thanks largely to this fraternal help the acting is enriched with an authentic Latin American flavour.

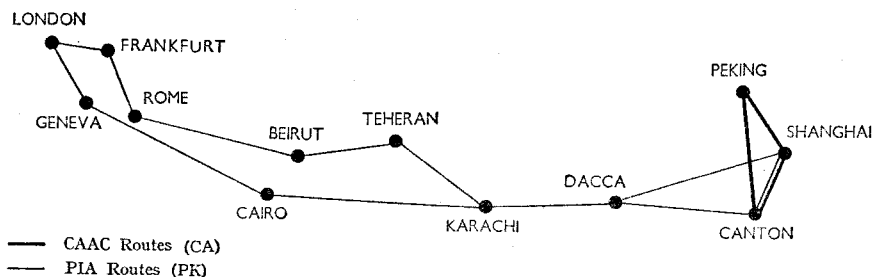


PAKISTAN INTERNATIONAL AIRLINES

RESUMES TWICE A WEEK JET FLIGHTS

DACCA — CANTON — SHANGHAI — DACCA (Every Wednesday)

DACCA — SHANGHAI — CANTON — DACCA (Every Saturday)



Schedule as from March 1, 1966

(All Times Local)

Sat. PK 753 720-B F/T	Sat. CA 035	Wed. PK 751 720-B F/T	Wed. CA 053	Wed. CA 031		DAYS FLIGHT No. AIRCRAFT CLASS		Wed. CA 032	Wed. PK 750 720-B F/T	Sat. CA 036	Sat. PK 752 720-B F/T
...	08.20	...	08.30	12.10	d	PEKING	a	21.10	...	22.25	...
← 10.40	11.40	← 11.15	...	↓	a	SHANGHAI	d	↑	...	20.05 ←	18.25
20.00		20.30		15.55*	a	CANTON	d	17.30	17.15	16.35	↑
21.50	14.25	...	...	...	a	DACCA	d	...	16.25	...	...
22.50	...	22.55	...	...	a			...	11.10	...	12.10
00.05	...	...	...	...			
Sun. PK 711 720-B F/Y		Thur. PK 705 720-B F/Y				DAYS FLIGHT No. AIRCRAFT CLASS			Wed. PK 702 720-B F/Y		Sat. PK 708 720-B F/Y
02.00	...	00.30	...	...	d	DACCA	a	...	10.20	...	10.50
04.25	...	02.55	...	...	d	KARACHI	d	...	06.00	...	06.30
07.30	...	06.30	...	...	a			...	03.45 Wed.	...	03.35 Sat.
08.45	...	↓	...	...	a	TEHERAN	d	...	↑	...	23.35
09.25	...	↓	...	...	a			...	...	...	22.55
10.10	...	↓	...	...	a	BEIRUT	d	...	...	...	19.20
11.10	...	↓	...	...	a			...	...	...	18.20
↓	...	08.15	...	...	a	CAIRO	d	...	20.25	...	↑
13.20	...	09.00	...	...	a			...	19.25	...	14.25
14.00	...	↓	...	...	a	ROME	d	...	↑	...	13.45
↓	...	11.55	...	...	a			...	14.50	...	↑
15.40	...	12.35	...	...	a	GENEVA	d	...	13.55	...	12.10
↓	...	↓	a	FRANKFURT	d	...	↑	...	11.05
16.30	...	↓	a			↑
16.50	...	12.55	a	LONDON	d	...	11.30	...	08.45
									Tues.		Fri.

* connecting PK 750/751

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