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China Signs for World Peace

— Mme. Sun Yat-sen

How China Conquered Inflation

— Yang Pei-hsin

The Chinese Film Industry

— Tsai Chu-sheng

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Editorial: Japan's People Rise in Anger

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JAPAN'S PEOPLE RISE IN ANGER

The people of Japan have at last given vent to their pent-up anger against the MacArthur Occupation that attempts to exploit their nation in the interests of Wall Street. The Japanese people have risen openly to fight U.S. imperialism!

Under the leadership of the Communist Party, the Japanese people have come to realize that their enemies are U.S. imperialism and its lackeys in Japan. The nation-wide movement which took its stand in opposition to these quislings has swiftly developed onto a higher political level. Early this year the Japanese people demanded not only "an all-inclusive peace settlement," but "an end to the colonization of Japan and the enslavement of the Japanese people."

This great political movement which culminated in the openly anti-American imperialist demonstrations of May 30 is one of the most significant developments in Far Eastern affairs. The Chinese people greet the Japanese people as they wage their heroic fight against U.S. imperialism and salute them in joining the ranks of the Asian people's united front against these trans-Pacific aggressors.

The Pentagon and State Department have been left in no doubt that in their attempt to enslave a proud people they will have to reckon with the millions of its patriotic masses. The American imperialists, however, do not appear to have taken heed of the warning so forcefully given by the Tokyo demonstrations. Determined to keep Japan under their permanent control, they are making new attacks on the country's democratic forces. To MacArthur, the Potsdam Declaration is nothing but a scrap of paper. Not satisfied with suppressing the Japanese trade unions, he has now debarred the 24-member Central Committee of the Japanese Communist Party from public life. This further inroad into the already depleted freedoms of the Japanese people proclaims the utter bankruptcy of the U.S. imperialists. It is a sign of their own fear and desperation.

The U.S. imperialists now have a big stake in Japan. The end of the war in the Pacific saw a massive penetration of American monopoly capital into Japan, either in the form of direct investment or under cover of partnership with the Zaibatsu.

Statistics published early this year show that Wall Street has invested a total of US\$2,500,000,000 in Japan. American Big Business, such as du Ponts, Westinghouse, General Electric, etc., has extended its control to such an extent in the economic life of the nation that the Zaibatsu is today synonymous with American monopoly capitalism. As capital is concentrated in the hands of Wall Street, the medium-sized enterprises of Japan and her national

capitalists are being choked to death. Of the 900,000 medium-sized enterprises, 270,000 were forced out of business during 1949. The number of totally or partially unemployed has reached the staggering figure of 13,000,000—almost a fourth of Japan's working population. It was announced in Tokyo that by the end of 1949 the output of Japanese industries had almost regained the level reached during the 1932-36 period immediately preceding the invasion of China. But, what kinds of industry have been given priority in recovering their former productive capacity?—metals, heavy engineering and chemicals, all of which are potential war industries!

While farm produce from the United States, totalling 3,000,000 tons last year, was allowed to be dumped on the Japanese market, the Japanese peasants have been bled white by exorbitant taxation and enforced sales of foodstuffs to the government.

In addition to this, in order to keep step with its imperialist masters' plan to build Japan into a "fortress of the Far East," the Yoshida government has plunged the country into ever deepening bankruptcy by allocating 60 per cent of its budget to military expenditure.

The Police Force has been rapidly expanded and now numbers more than 300,000 men. The army and navy are also in the process of active revival. The navy is being reorganized under the guise of developing a "marine security force." A servile government is rearming Japan in the face of the bitter opposition of the Japanese people.

These are the plain facts about Japan today. It is against this background that the motive for suppressing the democratic forces in Japan must be sought. MacArthur has tried to muzzle the Communist Party because it has consistently unmasked the true aims of American imperialism and has been in the vanguard of the defence of the country's interests. But the voice of the Japanese Communist Party has now evoked a mass response. The hatred of American imperialism which has now found powerful expression in Japan, whether in opposition to a separate peace treaty or in protest against infringements of political freedom, is shared by broad masses of the Japanese people.

It is inspiring to see the stout-hearted Japanese people rise *en masse* to fight for liberty and independence. They will have the support of the Chinese people and of all the democratic forces of the world! All the same, they must not forget that at this juncture they are faced with heavy opposition. With the imperialist U.S. Occupation working hand in

glove with the reactionary ruling class, the liberation struggle of the Japanese people must inevitably be a hard one. But, as they close their ranks and join in the wider struggle of the world peace movement, they will be heartened in the knowledge that however strong the forces of the imperialists may be, the forces of the democratic people are still stronger.

The international situation today is definitely to the advantage of the Japanese people in their fearless struggle against American imperialism. First, the Soviet Union is a powerful friend of nations fighting for liberation. Secondly, China has just herself thrown off the shackles of American imperialism. The Treaty of Friendship, Alliance and Mutual Assistance recently signed between these two great neighbours of Japan is a powerful stabilizing influence for peace, from which the Japanese people can draw strength to do battle with their foe. The U.S. imperialists can be expected

to intensify their oppression of the Japanese people as the liberation movement gathers momentum. But whatever the warmongers may yet do in Japan, they have already tried out in the China of yesterday — with disastrous results to themselves. The great victory of the Chinese people's War of Liberation is eloquent evidence that this American imperialism is nothing more than a "paper tiger." The valiant Japanese people can tear it to pieces, too!

Today, the heroic struggle of the Japanese people, like the already successful struggle of the Chinese people before them, is an inseparable part of the common struggle of all Asian nations against Yankee imperialism. The Japanese people can profit by the lessons of the Chinese people's struggle for liberation. These are the last days of American imperialism.

Unite, people of Japan! Unity is strength!

NEW HUMAN RELATIONSHIPS

The promulgation of the Marriage Law of New China on May 1 is a major act in the eradication of age-old feudalism. The full text of this historic law is reprinted in this number. It ends the marriage system based on the subjection of women to men and institutes a new relationship between men and women based on the principles of equality and mutual help.

While giving special consideration to the national minorities, this law firmly upholds monogamy and the accepted principles of eugenics. It opposes coercion of any kind and by any party. It provides for the security of the children. It strikes at the very root of those feudal relations that kept one half of the nation in subjection to the other.

Armed with the experience of the Marriage Law of the U.S.S.R. and the latest developments in eugenics, the framers of China's Marriage Law have based their decisions mainly on the experience of many years in the liberated areas.

This law, which took 17 months to draw up, competently answers the needs of Chinese society in its present New Democratic stage.

To understand the full import of this Marriage Law, one has to consider the savage nature of China's feudal system which deprived women of the social rights now regarded as fundamental. Until 1930 the legal status of Chinese women did not differ much from what it was in the Tang Dynasty (618-907 A.D.). Women, for instance, could not dream of divorcing their husbands, while men could cast off their wives on any pretext such as jealousy or sterility. The fact that both women and men now have equal rights of divorce is itself a tremendous advance.

These feudal conditions had changed little for the masses under the 20 years of KMT rule. Im-

mediately after the liberation of Hofei, Anhwei Province, it was found that in one of its villages comprising 281 families only 22 families had no child bride living with them. And it is notorious how cruelly child brides were usually exploited. In Nanking, the former KMT capital, a pedicab-driver actually came to the people's court, soon after the KMT retreat, complaining that he had sold his wife for a sack of white rice and that the buyer had not paid up in full! In Honan, shortly before liberation, a widow was beaten to death by village elders for trying to get re-married.

Cases like these, by no means isolated, illustrate the utter brutality of the feudal customs preserved by the KMT. They show the necessity of a law that clearly lays down the elemental principles of democratic marriage.

The new Marriage Law does not only correct social ills. It lays a positive basis for marriage and looks dynamically to the future. While guaranteeing the right to divorce, it emphasizes the health, harmony and comradeship of real married life. Once marriage becomes voluntary and without oppression, the need for divorce should diminish considerably. Article Eight, exhorting husband and wife "to strive jointly for the construction of the new society", imparts a new meaning to marriage which is totally absent from the egoistic capitalist societies.

With this law, the women of China will advance more confidently to their complete liberation. Countless homes will be freed from the legacy of feudal oppression and the way cleared for marital relations of genuine love and co-operation. Thus the New Democracy widens the boundaries of human happiness.

CHINA SIGNS FOR WORLD PEACE

Soong Ching Ling

The Chinese people are signing up for world peace. Szechuan rice farmers, newly liberated from oppression and illiteracy, pause from their toil and proudly affix their names to peace petitions. The factory workers of Shanghai and the Northeast gather at the end of their shift to pen their ardent desire for world tranquillity. The commercial circles, the artists and writers, the youths and students — all are anxious to add their weight. From every village, from every city, the tens of millions are crying out through these petitions which demand that the peace be kept and treasured. It is a mighty stream of voices that grows to a river and gathers other rivers to empty finally into an ocean, where the roar for peace leaves no doubt what the Chinese people want.

The uncertain scrawl of farmers, the accomplished flourish of the intellectuals, the heavy strokes of the Shanghai workers — these signatures are but one manifestation of what the Chinese people are *doing* and *will do* for peace. There are certain concrete things taking place, or about to take place, which fight against the possibility of peace slipping through our fingers, as if it were sand.

For one thing, we are determined to render every support to our People's Liberation Army so that it can terminate the Liberation War as quickly as possible, to expel imperialism from China once and for all, and to stamp out the last impeding relics of feudalism. Every shot fired to bring Taiwan back to its rightful owner — the Chinese people, every step taken to liberate Tibet, means that much more security for the world. For upon the completion of these tasks, the people can devote full time and energy to the reconstruction of this country. Thus, the result of this armed conflict is in the interest of peace. A strong China, completely unified and in coalition with other peace-loving Powers, places an obstacle before the warmongers of the United States and Great Britain. It seriously reduces any chance of victory if they actually begin their Hitlerian adventure to rule the world with force.

The second thing taking place in China today, which is a link in the struggle for world peace, is the stabilization of our economy. For tens of decades, previous governments have tried to effect this. All have failed. Why? Because in reality stabilization was not their purpose. Fleecing the people was. But within this year of the complete liberation of the China mainland, under the People's Republic, finance has been centralized, food distribution has been nationally regulated, statistics can be gathered and economic planning can be accomplished.

SOONG CHING LING (Mme. Sun Yat-sen) is Vice-Chairman of the Central People's Government.

These measures have had a healthy effect upon the psychology of the people. They see the prices of their daily commodities remaining stable for protracted periods. They have come to understand that their own strength can control the economic life under the guidance of their people's government. This naturally gives them confidence in their currency. There is less and less hoarding of goods in preparation for gouging inflations, such as had to be done in the past.

The people have come to have faith. Now they understand what Chairman Mao Tse-tung meant when he said that China had obstacles, but that it had solutions also. Thus, investments in the future of China are increasing. A closer unity of labour and national capitalists is growing in order to accelerate the industrialization of the country. Trade and development pacts have been signed with our great neighbour and ally, the U.S.S.R., to increase even more rapidly our growing strength. And the stronger we get, the more prosperous our people are, the less chance there is for war.

The Chinese people are making a third contribution for the maintenance of peace. That is the unwavering stand they have taken against the so-called "European Recovery Programme," the "Atlantic Pact" and their offspring in other parts of the world. Correlated with this is the fact that we are making a clear distinction between the reactionary governments which promulgate these historic failures and the people of the United States, Great Britain, France, Italy and others who have to bear the consequences.

We have made it quite plain, and will continue to do so, that we want none of the destruction or choking of home industry that accompanies such "recovery" programmes. We want none of the long lines of unemployment. Nor do we want any of the attacks upon the democratic groups, which are part of the price to be extracted for arms and ammunitions received or for unnecessary luxuries, cigarettes and soft drinks. We will do without all of that. We will do what we have to do with our own strength and with whatever fraternal assistance we require, whether it is building up our country's industry, taking care of famine or revitalizing our agriculture. In other words, we recognize such vicious "aid" programmes and arms pacts for what they are — imperialist manoeuvres and preparations for war. We will never submit to the handful of Wall Streeters and their satellites who attempt to shove them down the throats of the people.

It should be emphasized, neither will we stop encouraging, assisting to the fullest and in every possible way, the people of the United States, Great

Britain, Italy and other countries as they resist these crimes against humanity. The Peace Front knows no barriers, national or otherwise. The struggle for civil liberties, for a press and radio which honestly reflect the thinking of the broad masses, for full employment, for equal opportunities, for productive and peaceful relations with the rest of the world—all of these are the battles of the common men and women the world over. Therefore, the struggle is one and the same. If one element for a peaceful life is missing in any of the countries on the globe, that element is threatened in all others. Conversely, a victory, such as that of the Chinese people's, is a victory for all others. It weakens the imperialists, while it infuses strength into the People's Front.

These, then, are the means which the Chinese people are mobilizing for the peace movement in the world today. The mass of signatures that is being obtained for the peace petitions indicates how

wide-spread is our determination to struggle. We have known war in this land almost continuously for 100 years. We are more than ready for peace. We demand it. The Chinese people want to make themselves a bigger bowl for more rice, and they want to contribute to the world's well-being at the same time. This we can do by implementing the measures of our People's Republic of China. This we can do by following the leadership of Chairman Mao Tse-tung and the Chinese Communist Party. This we can do by standing steadfast by that indestructible rock of peace, the U.S.S.R., as led by the mighty J. V. Stalin.

Millions are daily making our government a living and growing instrument. Millions are following our determined leadership. Millions are standing by that rock. And these 475 million awakened Chinese people are leading the whole of Asia to the goal of world peace. You can be certain we will stop at no point short of our objective.

THE PEACE CAMPAIGN GROWS

The campaign for peace signatures continues to gather momentum throughout China. By May 31, according to incomplete reports flowing into Peking, more than 5,000,000 signatures had already been affixed to the Stockholm peace appeal. Between May 14 when the campaign was formally launched and the end of the month, 584,839 people had signed in Peking; 741,032 in Tientsin; 500,000 in Shanghai; 413,044 in Hankow and Wuchang; 180,000 in Hunan Province; and 1,400,000 in Northeast China.

Under the leadership of Emi Siao, who represented China at the recent Stockholm peace conference, a peace delegation is touring the major cities of China to help promote the movement. Many railway trains have turned themselves into "peace trains," providing the passengers with brief talks about the world-wide fight for peace and then collecting peace signatures. All radio stations are setting aside time each day for programmes devoted to the peace campaign. Sidewalk peace stalls to collect signatures have become a common sight in most large cities. Signature stands have also been set up at railway stations, in theatres and cinema halls, and in all cultural centres. Peace troupes performing *yangko* dances and dramatic skits are carrying the drive to schools, factories and institutions as well as to the rural areas.

Li Foo, a worker in Inner Mongolia, wrote after his signature: "We have had enough of the sufferings of aggressive imperialist wars. Now we have succeeded in overthrowing the reactionary KMT regime and winning a peaceful, productive life. Can we now allow anyone to deprive us of our happy and peaceful life? Never!"

* * *

The students of the School for the Blind in Peking carved their names on a thick, stiff piece of cardboard. Below the peace declaration they added the sentence: "Though we have lost our eyesight, we are not blind at heart!"

* * *



Various religious group in China have issued a joint declaration which stated: "From the standpoint of religion and humanitarianism, we urge all Christians, Buddhists, Moslems and the followers of other faiths in China to unite closely with all peace-loving people of the world and to join in the struggle for lasting peace and people's democracy."

* * *

A 65-year old woman, who had encouraged her five sons and daughters to join the PLA, wrote in Sian: "If the imperialists dare to launch another world war, I'll again ask my children to fight to their last drop of blood."

* * *

HOW CHINA CONQUERED INFLATION

Yang Pei-hsin

"The Chinese people have gone through 12 years of untold sufferings caused by inflation brought about by the rule of the Japanese hordes and the KMT reactionaries." — Vice-Premier Chen Yun.

By 1948, commodity prices in KMT China had soared to 7,730,000 times their pre-war level. The total volume of KMT banknotes in circulation, both north and south of the Great Wall, amounted by then to \$600,000,000 million (*fapi*), compared with \$1,400 million in 1937.

The KMT reactionaries were not the only ones to resort to printing unbacked currency as a convenient means for exploiting the Chinese people. The Japanese occupation forces also adopted this method to siphon China's national wealth into Japan's treasury. During their invasion of China, the Japanese issued three kinds of currency which circulated in Manchuria, North China and East China.

In 1948, the KMT government recalled all banknotes then in circulation and issued a new currency labelled Gold Yuan. The KMT originally issued \$200 million of the new banknotes, which they exchanged for the old ones at the rate of three million to one. However, about \$67,946,000 million (G.Y.) had been issued by the time of Shanghai's liberation. During the brief eight months of the Gold Yuan's career, prices rose 10,000,000 times.

Chiang Kai-shek's regime launched still another paper currency in Chungking and Canton during the summer of 1949, called the Silver Dollar. Thus even in the midst of their preparations to flee from China's mainland, the reactionaries did not neglect their systematic robbery of the people.

THE PROCESS OF STABILIZATION

When the Central People's Government was founded in October 1949, it immediately turned to the task of halting inflation. This, of course, was the cornerstone for reviving production, building a planned national economy and stabilizing the people's living conditions.

Our government's deficit in 1949 had been about 60 per cent of its expenditures, which was the direct cause for the four major price fluctuations during the year. The 1950 budget, announced in December, made provisions for cutting this deficit to 18.7 per cent.

In March, the government put into effect a detailed plan for centralizing its control over finance

and economy. By means of this programme, the government announced, it could gradually balance state revenue and expenditures, balance the supply of essential commodities throughout the country, and balance bank receipts and payments. These developments (frequently referred to in China as the Three Balances) would make it possible for the government to stop issuing banknotes.

The prime factor in checking inflation was balancing the national budget. To achieve this, government expenditures have been cut to a minimum and were restricted largely to the following four activities: financing the completion of the war against the KMT remnants; providing subsistence for those engaged in military and government work; relieving suffering in food deficiency areas; and rehabilitating certain key industries. All less urgent programmes are to be postponed for the time being. The government is also transferring as many administrative workers as possible to jobs in state-run enterprises, and rear-area army units are also being diverted to production. At the same time, all government and military personnel have been asked to carry out stringent economy measures.

The government also launched a nation-wide campaign to take inventory of all ex-KMT warehouses in order to recover unlisted and forgotten materials. Tremendous stores of valuable goods, far beyond all original expectations, had already been located during the first half of this four-month stocktaking drive. In many cases, this has meant that orders for foreign industrial goods could be cancelled and government expenditures thereby cut.

However, the most important single factor in balancing the budget was the introduction of a unified, efficient system of tax collection. Under the corrupt KMT rule, state enterprises and co-operatives were not taxed at all and private enterprises, if owned by a politically influential person, could evade tax payments or obtain a reduction through bribery. In those days a high proportion of all tax payments went into the pockets of the collectors. Today this tremendous leakage of government revenue has been plugged up. All enterprises, private or public, large or small, must pay their tax assessments which are based on unified and published rates. All tax returns are now deposited in the people's banks, which function as a national treasury. Public grain, collected as rural taxes, may

YANG PEI-HSIN, whose article "China Tackles Her Financial Problems" appeared in Vol. 1, No. 3, is connected with the People's Bank of China.

be stored locally by regional governments but it remains under the full control of the central government.

The tax collection programme has been so successfully implemented this spring that it became possible, on June 1, to reduce tax rates on the summer wheat harvest by approximately one-fourth. Despite this rate reduction, total rural tax collections will surpass the original budget estimates, which had not taken Southwest China into account. However, due to the rapid liberation of this area and its prompt political consolidation, taxes are coming in from Southwest China in greater volume than during KMT times. Furthermore, almost every part of China has grown a bumper wheat crop. The central part of Shensi Province, for instance, recorded its best harvest in 20 years. For these two main reasons, grain tax rates could be reduced from 17 to 13 per cent of the harvest without reducing the total volume of grain collections. Methods of collecting urban taxes, which already surpass rural taxes in total volume, will also be adjusted soon to lighten the burden of various categories of businessmen.

The second factor in checking inflation consisted of balancing on a nation-wide basis the supply of such essential commodities as grain, cotton, cloth, coal and salt. By shuttling grain and other goods from surplus areas to deficiency areas, the government has put an end to the speculation and hoarding that had led to local or even national price fluctuations. Due largely to this reshuffling programme, which has been directed by the Ministry of Trade, prices in all parts of the nation are now approaching a common level.

Under the KMT, China always imported huge amounts of grain each year, while the Shanghai and Canton areas were almost entirely dependent upon grain imports. In actual fact, however, the country grows more than enough grain to supply its own needs and the only problem is transportation. Formerly grain transportation was left in the hands of private merchants who thought merely in terms of profits, not of relieving food-shortage areas or of stabilizing prices.

This year things are different and the government has taken on the monumental task of balancing grain supplies throughout the nation. The government's grain reshuffling programme for 1950 involves transporting 1,030,000 tons from Manchuria to the East China area; 110,000 tons from Southwest China to Hankow for redistribution; 339,000 tons from Central-South China to East and North China, as well as 401,000 tons to be redistributed within the region, principally to Kwangtung Province. Although this project involves a huge-scale mobilization of transport facilities, including railways, inland shipping, trucks, animal-drawn carts and human carriers, the programme is already

so well along that its effects on market conditions are readily apparent.

The third factor in halting inflation was balancing the cash receipts and payments handled through state banking institutions. The People's Bank of China assumed a highly significant role in this respect by regulating the volume of currency in circulation through its credit policy. State banks also stand ready to place their funds at the disposal of the Ministry of Finance on the rare occasions, when it is necessary. This is another reason why the government has not needed to issue additional banknotes since March 1 despite its heavy investments in reconstruction. State trading companies and co-operatives, which now handle their transactions through state banks, have also exerted a stabilizing influence on the market by carrying out government-regulated buying and selling.

By achieving these Three Balances — the budget balance, the balance of the supply of essential commodities, and the balance in cash receipts and payments — the government was able to bring the 12-year inflation to a sudden halt.

THE RESULTS OF STABILIZATION

The end of inflation immediately manifested itself in the drop of commodity prices throughout the nation. This was sharply depicted in statistics compiled by the People's Bank of China on the basis of 80 assorted commodities. Taking February 28, 1950, as 100, price indices for various major cities were as follows on May 10:

City	Retail Price Index
Canton	79.6
Peking	76.2
Tientsin	75.0
Shanghai	74.8
Hankow	66.6
Chungking	53.3
Sian	50.2
National Average	71.2

The above table also indicates the tendency of prices to become equalized throughout all parts of the country. Prices in recently-liberated Chungking and Sian were much higher than elsewhere in February due to a shortage of commodities. However, little more than two months later, prices in these cities had fallen into line with those in areas liberated earlier.

As prices dropped, interest rates on bank loans fell off abruptly. During the Gold Yuan period when the KMT financial crisis was at its height, interest rates rose as high as 120 per cent per day. In other words, if you took a loan of \$100 in the morning, that afternoon you would have to repay it with \$220. The terms of loans were constantly shortened until they came down to even half-day periods. Today loans are no longer computed on a daily basis, but on a monthly basis. The accompanying table shows how interest rates have dropped since March when prices stopped advancing.

*Monthly Interest Rates on Loans Extended
by Private Banks in Major Cities*

City	Feb. 28	May 18
Shanghai	42.0 per cent	3.0 per cent
Tientsin	43.0 "	4.5 "
Hankow	45.0 "	4.5 "

The interest rates on loans granted by the People's Bank of China are still lower than those of private commercial banks, ranging from 2 to 3 per cent per month. At present, these rates are continuing their downward trend.

As inflation came to an end, popular confidence in the people's currency increased to a marked degree. Under Chiang's rule, KMT paper money virtually lost its function as a medium of exchange and was driven from the market by gold, silver and foreign banknotes.

The newly-founded Central People's Government was, therefore, immediately confronted with the tremendous task of establishing a legal tender. As the purchasing power of the people's currency steadily rose (it has increased 30 per cent since February), the public's attitude toward paper currency changed considerably. Between the end of February and May 11, gold prices in various cities fell 16 to 28 per cent. During the same period, silver prices dropped between 31 and 47 per cent in different areas. Foreign currency exchange rates also gradually declined. Between March 15 and April 22, for instance, Canton's black-market price for Hongkong dollars fell 35 per cent. Due to this development, people are now offering their foreign currency holdings to the People's Bank of China on a scale unprecedented in recent times.

In the course of the past 12 years, the Chinese countryside developed a barter system or in some cases turned to rice and salt as the prevalent mediums of exchange. It became extremely difficult for paper money to penetrate into rural areas. But today the situation is largely changed. The peasants are learning that it is more convenient to keep their wealth in the form of paper currency than in commodities or bulky silver coins.

Another phenomenon brought about by currency stabilization is the sharp increase in bank deposits, a further reflection of general growing confidence in the people's currency.

The volume of deposits is steadily moving toward the pre-war level, when the total amount of deposits in modern and old-style private banks ranged from two to three times the volume of currency in circulation. It is interesting to note by way of contrast that during the height of the inflation, bank deposits fell to less than one per cent of the pre-war amount, when compared in terms of real value.

*Bank Deposits in Major Cities on May 6
(February 28 = 100)*

	State Banks	Private Banks
Shanghai	303	169
Tientsin	257	154
Hankow	239	181
Canton	218	616
Chungking	877	252

The circulation speed of current deposits has also been reduced. Formerly it was quite common for a cheque to change hands three times during a day. Now the average weekly circulation speed of cheques, according to statistics compiled by private banks in Shanghai, has been retarded as follows:

January	1.89 times per week
February	2.49 " " "
March	2.08 " " "
April (3rd week)	0.26 " " "
April (4th week)	0.31 " " "

Because of these healthy developments in the banking field, banks now have a sizeable amount of ready cash to invest in national reconstruction. This phenomenon itself will help to further stabilize China's economy.

All of the above-mentioned factors, taken together, lead to the following conclusions. Inflation has already been halted in China. The purchasing power of the people's currency has been substantially raised in both domestic and foreign markets. The Chinese people now have a solid economic foundation upon which to build their new lives.

Although the reactionary KMT government tried desperately to stabilize its economy for the last 12 years, it failed completely and even huge stocks of American gold could not prop up its collapsing financial system.

Only a people's New Democratic government, a government fully supported by the great bulk of the population, could have ended the financial chaos in which Chiang Kai-shek engulfed the country. Therefore, this is not only an economic victory, but a victory of great political significance as well.



REMAKING SHANGHAI'S ECONOMY

Hsu Ti-hsin

Shanghai has occupied a pre-eminent position in China as an industrial and commercial centre. It has been a metropolis with more than 12,000 factories and over 100,000 shops and trading companies employing over 900,000 of its 5,000,000 population.

This old Shanghai, built on the ruthless exploitation of the people, was essentially the creation of imperialism, feudalism and bureaucratic capitalism. It was used by the imperialists as a base for their aggressive penetration and control of China's economy. The Concessions were a lair for parasitic landlords, bureaucrats and compradores. These factors gave Shanghai its supremely semi-colonial character and made it notoriously a consuming centre with a large number of luxury hotels, restaurants, tailoring establishments, cabarets, gambling dens, and houses of ill-repute catering exclusively for the exploiting classes. It was a place of glaring contrasts between the rich and poor. Such an abnormal city could flourish with all its contradictions only in a semi-colonial and semi-feudal society. There is no place for such a monstrosity in a nation like the new China ruled by the People's Democratic Dictatorship.

Great Democratic Changes

On the establishment of the people's government in Shanghai, great democratic changes were initiated in every sphere of its economic life.

First and foremost, the big bureaucratic capitalist enterprises, banks and factories were taken over. Under the KMT, they had been used as means of speculation. Under the people's control they have become powerful factors for production and rehabilitation of the city's economy.

Speculative activities soon received a mortal blow. Within a week of liberation, the people's government succeeded in wiping out the KMT's Gold Yuan notes. By June 1949, gold, silver and U.S. dollars had been brought under control and prevented from affecting commodity prices.

Speculation in commodities also had to be dealt with, as this was also closely connected with all fluctuations in commodity prices. Since the liberation, Shanghai has experienced two periods of price fluctuations. The first occasion was in June and July 1949, and the second in October and November of the same year. Both price runs, however, were successfully curbed by the people's government, and in the latter case a serious blow was

dealt against the speculators who had no faith in the people's currency. Instead of being the usual source of profiteering, hoarded goods became a source of embarrassment and the speculators suffered heavy losses. Since then, the number of concerns engaged in speculation has been gradually reduced. For instance, compared with pre-liberation days, the number of cotton-cloth firms has been reduced by 54 per cent, cotton yarn firms by 56 per cent, rice shops by 72 per cent and drug-stores by 28 per cent.

To the citizens of Shanghai, long used to inflation, price stability was something of a miracle. But this "miracle" appeared after the liberation when the people's government provided the city with adequate supplies of stable commodities at reasonable prices. Commodity prices became still more stable when the centralized management of the nation's finance and economy was introduced on March 3, 1950. All this brought about a radical change in the way Shanghai residents spent their money. In the past, they would lose no time in exchanging currency notes for commodities, but now, since the value of the people's currency has been fixed and there is no need for hoarding, they do not need to rush to buy goods other than those desired for immediate consumption.

The food problem, from which Shanghai's citizens suffered acutely in pre-liberation years, has also been solved. Food panics and shortages are now a thing of the past. Since the latter half of February this year, as a result of the government's vigorous effort in organizing the supply of grain, Shanghai has been adequately stocked with food at a reasonably cheap price.

Shanghai, under the KMT, used to import an enormous quantity of rice, but never solved its food problems. The people's government has not imported a grain of foreign rice, yet the food problem has been solved. This success has been achieved because, except for the very few dishonest rice-merchants who indulge in dreams of a return of the old days, the citizens of Shanghai have been enthusiastic supporters of the government's food policy.

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It was not to be expected that the great transformation brought about in Shanghai and other cities under the urge of the liberation should have been entirely painless. Shanghai, however, as the main base of the reactionaries in China was the most deeply affected by them and so the process of eradicating their influence here has been more painful than elsewhere.

HSU TI-HSIN is Director of Shanghai's Industrial and Commercial Bureau.

One transitional difficulty has been the slack state of the commodity market. This, in turn, has caused the overstocking of such goods as cotton and wool yarn, cigarettes, matches, cement and flour, and thus discouraged production of these lines. This difficulty in selling goods and the consequent local surplus of goods caused the market prices of certain commodities to fall below the costs of production. For instance, the cost of production of a case of cigarettes is \$3,500,000 in people's currency, while the market price is \$3,250,000, which amounts to a loss of \$250,000 per case. In April, a bale of 20's yarn costing \$5,356,000 could only realize \$4,870,000 on the market, representing a loss of \$486,000 per bale. This situation, together with other causes, has put quite a number of industrialists into debt and some had to close down altogether.

It must, however, be realized that the present market depression in Shanghai is a phenomenon left behind by the reactionary governments of the past. As a result of the prolonged exploitation, the purchasing power of the population was reduced to a minimum. Finally, the inflation policy followed by the KMT reactionaries drained away the last resources of the people.

It must also be understood that the period of inflation and violent price fluctuations engendered a false purchasing power. The people, as we have already described, immediately converted their earnings into commodities largely for speculative purposes and this gave the misleading impression of good business. Since the inflation and violent price fluctuations have ended, this false purchasing power inevitably also disappeared, and business declined to that extent.

There is still another reason to account for Shanghai's pseudo-prosperity in pre-liberation days. The imperialists, compradores, bureaucrats, landlords and speculators, who made Shanghai their special paradise, disposed of a super-purchasing power for luxury goods. With the collapse of this class of big consumers, this special purchasing power has also vanished, with the result that the trade of the high-class restaurants, hotels and other luxury industries has steadily declined. Over 200 of Shanghai's 700-odd restaurants have closed down and 166 of the 177 dealers in gold and silver ornaments have either gone out of business or taken up other occupations.

There is thus an inevitable depression in the trade in luxury goods and services, but this is a natural and necessary phenomenon in the revolutionary transformation of the city.

Finally, the effects of the KMT-imperialist coastal blockade and KMT reactionaries' aerial bombardment must also be taken into consideration.

Democratic Shanghai, boldly facing the difficulties mentioned above, has ample grounds for confidence that it will solve its problems.

The economic depression in Shanghai reached its climax in mid-April this year. Thereafter,

because of a number of new, favourable conditions and especially those enumerated below, its commerce and industry began a new chapter of development.

New Developments

The first condition assisting the revival of Shanghai's enterprises is the centralization and allocation of "all the orders for and processing of goods of the state institutions and state enterprises" as described by Vice-Chairman Liu Shao-chi in his recent May Day address. Under such conditions, both public and private factories will no longer produce blindly. Nor will any of them be able to monopolize the market. In accordance with its productive capacity, each factory will have an allocation of the orders placed by the government or state companies. This should check any further closures of factories.

The second favourable condition is the increasing rationalization of factory management, leading to a reduction of expenditures and increases in productivity. At the beginning of May this year, the Sheng Hsin Textile Corporation, the largest privately-owned textile enterprise in Shanghai, initiated this movement.

It must be mentioned that previously, too many managements devoted too much time and energy to speculative activities. Now merchants and industrialists have come to realize that the New Democracy is the only path for China and that their enterprises can be carried on in the new China only when their methods of business have been transformed in accordance with the new conditions.

The third condition is the improvement of labour-capital relations through the organization of Labour-Capital Consultative Committees. The Third Session of the Shanghai People's Representative Conference of All Circles in the latter half of April this year, initiated the establishment of these committees on a wide scale in all branches of production. They foster mutual consideration between the managements and labour, and the confidence and interest of the workers in improving and expanding production. They will help the capitalists, with the co-operation of the workers, tide over the transitory difficulties of their enterprises.

The fourth condition is the lifting of the blockade of Shanghai following the recent liberation of the Choushan Islands. This means restoring to Shanghai its shipping lanes and overseas markets.

These positive factors have already launched an upward trend in Shanghai's overall economy. In industry, the amount of cloth produced by private mills at the end of April was 38,060 bolts; by the second week in May, a fortnight later, production had increased to 42,723 bolts, a rise of 12 per cent. During May, the amount of electrical power consumed for industrial purposes steadily increased from 11,340,000 kilowatt-hours in the first week to 12,880,000 kilowatt-hours in the third, an increase of

(Continued on page 30)

THE CHINESE FILM INDUSTRY

Tsai Chu-sheng

It was in 1904 that the imperialists first brought their "movies" to China. From then until the victory of the Liberation War ended their domination, they were free to exploit this industry and art with the connivance of the warlord and KMT governments, almost entirely in their own interests as a source of profits and a medium of cultural propaganda. Those progressives who wanted to free this new art in China and direct it to the service of the people had to wage a bitter struggle both against the tainted products that came from the imperialist countries and the ruthless persecution and censorship of Hollywood's and Wall Street's puppets in China. Only the establishment of the People's Republic has brought the necessary conditions for the development of a people's cinema, and the eradication of imperialist influences in China's motion picture industry.

Within a few years of the first moving picture being shown in Shanghai, American and Chinese businessmen began to organize a film industry on Chinese soil. From 1915 to 1931, film companies began operations in 13 different cities with Hong-kong and Shanghai as the main centres. The artistic standard of the 300 films produced in this period, however, was extremely low.

The May Fourth Movement of 1919 gave fresh impetus to the development of China's modern revolutionary culture, but, while contemporary Chinese literature rapidly developed an anti-feudal and anti-imperialist revolutionary spirit, the motion pictures remained strongly imbued with feudal and comprador ideas. With few exceptions, most contemporary Chinese movies were ideological poison. Most were a hodge-podge of superstitious and often indecent stories about supernatural beings. The producers were unscrupulous profit-seekers. Nearly all the script-writers were old-style *literati* or authors of so-called "modern plays" dramatizing the banal incidents of bourgeois life. Progressive literary workers bitterly criticized such films, but the reactionary warlord and KMT governments connived at and even encouraged them.

In 1931, the Japanese began their invasion of China's Northeastern provinces. This new national crisis, added to the widespread economic distress, intensified the popular demand for a war of resistance. The film workers were finally roused from their cosy dreams of art for art's sake to a realization of their social responsibilities. Invading guns thundered inside Shanghai itself, then the film

centre of China, when in January 1932 the patriotic 19th Route Army resisted the Japanese attempt to seize that city. The people of Shanghai rose to the occasion. The film workers toiled with their fellow-citizens to support the army's rear services, and cared for or entertained the troops and wounded. They filmed the battle to produce newsreels for the propaganda front. In this struggle they established new contacts with the progressive literary workers, who acquainted them with the achievements of Soviet films and Marxist-Leninist artistic theories. Eisenstein's "Cruiser Potemkin" had been exhibited in China as early as 1926. His ideas on *montage* were eagerly discussed. China's leading film workers began to promote the ideals of the new cultural movement in the sphere of the cinema. Their activities were like a stream of fresh air in the foetid atmosphere of a sewer. More and more film workers discarded their old viewpoints and turned to face reality and artistic problems in a revolutionary spirit. Those who defended feudal and reactionary ideas, or the theory of art for art's sake, found themselves more and more discredited.

First Progressive Films

The new films attempted not only to expose the corruption of the reactionary KMT regime but also to show the people how to fight against feudalism and imperialism, and it was natural that the KMT dictatorship should answer this new development in the film world with fresh repressions. New censorship regulations were put into force. A "Society for the Extermination of Communists in the Film Industry" was formed and staffed with secret agents.

The progressive pictures, however, were enthusiastically supported by the public. They gained the recognition of the international cultural world. *Song of the Fishermen*, dealing with exploitation in the fisheries, was awarded a prize at the first Soviet Film Festival in 1934. It was noteworthy for the lyrical beauty of its music and photography. Among other outstanding productions, *The Tragedy of Two Students*, *Three Modern Girls*, *The Stray Lamb*, *Escape*, *New Women*, *The March of the Youths*, *Goddess of Liberty*, *Street Angels*, *City Nights*, *At the Crossroads*, *The Spring Silkworm* and *The Torrent* deserve particular mention. At this time the technical level of the industry had also greatly improved.

These films marked the first upsurge of the progressive movement in the Chinese cinema. Their titles are indicative of the new social themes that they dealt with. They strengthened the ideological basis for mobilization of the people in the War of

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Resistance against Japan. They pioneered the road of the future struggle of China's cinematographic artists.

When the Japanese invasion began on July 7, 1937, all progressive film workers mobilized themselves for war work. They only evacuated Shanghai for Hankow and then Chungking when the army itself withdrew.

Films became a vital weapon on the cultural front against the invaders. Despite the usual wartime difficulties, memorable productions came from the studios. *In Defence of Our Land, Baptism of Fire, Storm over the Desert, My Native Town Beyond the Clouds, Long Live the Nation* and *The Special War Album* documentaries enjoyed nation-wide popularity. *The Heroic Defence of Paoshan City, The Little Cantonese, A Brilliant Future* and *The Nation Roars*, produced by our film workers in Hongkong, also found a wide and appreciative audience among the masses.

In 1941, the Japanese fascists extended their aggression to Southeast Asia. Their occupation of Hongkong, then China's main link with the rest of the world, seriously affected supplies for the film industry. The most telling blow against the film workers, however, was administered at this time by the KMT reactionaries. Their anti-democratic activities culminated in the shameless attack on the Communist-led New Fourth Army in 1941 when thousands of its personnel were butchered south of the Yangtze River. The KMT reactionaries now openly admitted their policy of "passive resistance to the Japanese and active offensive against the Communists." Progressive film workers were hounded from their posts and the film industry, as part of the patriotic movement, was brought to a virtual standstill in KMT-controlled territory.

Yenan Film Centre

On the other hand, since the autumn of 1938, Yen-an, headquarters of the people's anti-Japanese revolutionary war, had become a new centre of film activity. In spite of the KMT blockade, the film workers here managed to improvise a studio, and working with "Eyemo's," in the spring of 1939 released their first documentary—*Yenan and the 8th Route Army*. This was followed by many other successes such as *The First Session of the Yen-an City Council, The Revolutionary Festival of October, The Border Regions' Industrial Exhibition and Co-ordination of Production and Struggle*.

With the defeat of the Japanese fascists in 1945, Shanghai, Nanking, Changchun and other big cities again became film production centres. Although the KMT took over practically all the companies, the progressive film workers, drawing on experience gained during their wartime struggles, still managed to produce what the reactionaries labelled "seditious propaganda." Despite severe restrictions, they set up or supported private companies with a core of

talented artists and directors. Their films checked, at least in part, the flood of decadent trash that poured in from Hollywood.

The outstanding films of this period include *The River Flows East (Tears of the Yangtze)* that bitingly contrasts the struggle of the people during the Anti-Japanese War with the selfish and corrupt life of the KMT high officials. *The Ode on Three Women* tells of the coming together in the revolution of three women of different social strata, a worker, an intellectual and a woman of the upper classes. *The Peasant Hsiang Lin's Wife*, based on a story by Lu Hsun, shows the wretched life of women under the old regime. *On the Sungari River, Long is the Journey, All the Families Celebrate, The Inn*, (a Chinese version of Gorky's "Lower Depths") and *A Promising World* all brought crucial social issues to the attention of their audiences.

These achievements attracted new repressions by the KMT. Over 30 film workers were put on the secret-service Black List and, if they had not escaped in time, would have been slaughtered with other progressive intellectuals before Shanghai's liberation.

The nation-wide victory of the PLA has at last made possible a large-scale development of China's film industry in the service of the people. The centres of the industry have passed into the people's hands. The Changchun Film Co., owned and run by the puppet Manchukuo government, was one of the first to be taken over by the People's Government. In 1947-48 it released nine documentary films. The Central Motion Picture Co., a KMT concern, was taken over when Peking was liberated in January 1949. Two more companies have since been formed. The Northeast Film Co. of Changchun has already produced *Three Years of the Liberation War in the Northeast*, a documentary; *The Bridge*, a feature film of railway rehabilitation; *Back to Our Own Army*, a story of how a peasant conscript of the KMT finally joins the PLA; *Daughters of China*, a stirring tale of anti-Japanese girl guerrilla fighters, *Warriors in White*, whose theme is the women of the medical corps; *The Invisible Front* that describes the unmasking of KMT spies; *Chao Yih-man*, a tale of the Resistance and *Brightness*, an episode in power-plant rehabilitation. The Peking Film Co. has produced the documentaries of the decisive *Huaihai Campaign* and the *Victorious Crossing of the Yangtze*. With the liberation of Shanghai in May 1949, five more KMT companies were made public property and amalgamated into the New Shanghai Film Production Co., which is now working on several new films.

The Bureau of Cinematographic Art of the Ministry of Cultural Affairs now supervises all film companies in the Northeast, Peking and Shanghai, the 55 mobile documentary film units and is responsible for the distribution and exhibition of films throughout China. All film workers are now working under its leadership for the creation of a people's film industry. Private film companies, however, also receive encouragement and help from the

Bureau and by agreement have retained the services of a number of gifted artists and directors.

The year 1950 will be an important one for the new film industry of China. With the nation-wide victory, a great number of artists and technicians can now be released from the army. At present over 3,000 people are directly engaged in the making of new pictures in the three state-owned studios in the Northeast, Peking and Shanghai. They will produce this year 26 full-length features, 17 documentary films, one technicolour feature film, 48 newsreels, 40 reprints of Soviet films with Chinese dialogues dubbed in and 36 reprints of Soviet educational films with Chinese subtitles and dubbed dialogues. In addition, it is estimated that private companies in Hongkong and Shanghai will be able to produce about 50 new films as well as a number of Chinese reprints of Soviet films. This year the state-owned enterprises plan to organize more mobile exhibiting units for the rural areas and to establish factories for processing films and to provide the growing industry with equipment.

At a time when many difficulties still face this young industry as a result of the prolonged war, the fulfilment of this programme, modest though it may appear, will constitute a severe test of the courage and resourcefulness of Chinese film workers. But the Chinese film industry has embarked on its new destiny with confidence and vigour. It is systematically eliminating the evil heritage of the past and mobilizing its forces for the future. In the past, imports of decadent and poisonous Hollywood propaganda almost stifled China's film industry on its own soil. Previously, the overwhelming proportion of films shown in China were U.S.-made. With power in the hands of the people, the influences of U.S. film propaganda will be stamped out. Unsuitable U.S. films will be replaced by Chinese productions and those from the U.S.S.R. and other friendly countries. A special publicity committee has been established to popularize the best Soviet films so that

the Chinese masses may know and enjoy them. Such Soviet films as *Lenin in October* and *Lenin in 1918* had a great influence in China during the War of Resistance against Japan. In the immediate post-war period, *The Stone Flower* captivated Chinese audiences with its freshness and brilliance of colour. But the reactionaries restricted the showing of Soviet films. Since the revolutionary victory, Soviet films, particularly *The Young Guard*, *The Common Soldier*, *Song of Siberia* and *The Country Teacher* have enjoyed a wide popularity. The first two of these inspired many young people to join the New Democratic Youth League.

KMT rule, by its oppression and stifling censorship, deprived film workers of creative freedom. They were forced to present the revolutionary message of their films in a roundabout way so as to by-pass the censorship. Their films had a certain positive influence, but much was still needed before works of a high ideological content and great artistic value could be produced. Reactionary restrictions isolated the film workers from the masses to a certain extent and the subject matter of their productions was almost wholly limited to themes from urban life. It is, therefore, little wonder that the city populations formed their main audience.

Widened Horizons

Today the cinema is faced with a widened horizon. The establishment of the People's Government has necessitated a fundamental change in its outlook and creative methods. A film industry must be created for China that fully serves the interests of all its people and that speaks out clearly and truthfully on the burning questions of the day.

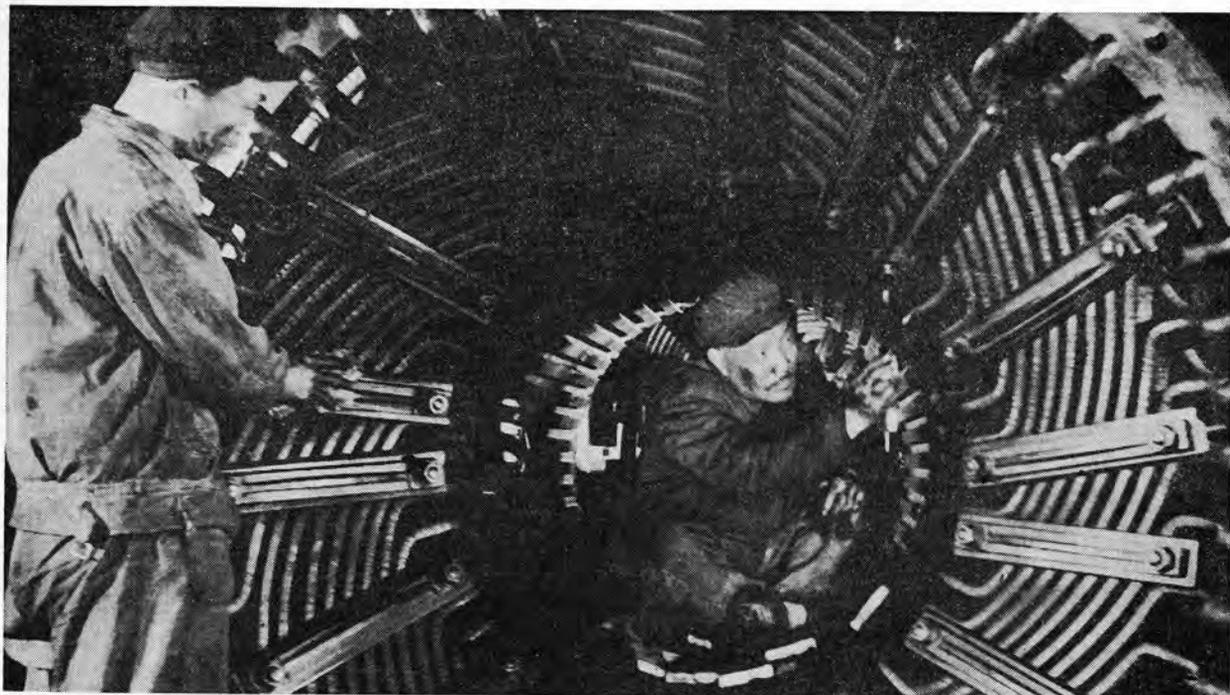
Chairman Mao Tse-tung, brilliant leader of the Chinese people, foresaw these problems many years ago. As early as 1942 in the discussions on literature at Yen-an, he pointed out the way to solve them. He called on all art and literary workers to take the standpoint of the proletariat and try to make their work serve the interests of the workers, peasants and soldiers who form over 90 per cent of the Chinese population. He called on them to go unconditionally to the masses and join them in their struggles for democracy and a better world, to study Marxism-Leninism and from this viewpoint observe the world and society.

Faced with new historic tasks, the cinematographic workers are intensifying their efforts to study and practise Marxism-Leninism and to master and apply the teachings of Mao Tse-tung and the lessons of Soviet cinematographic art. They have gone out to learn from the people by taking a direct part in their daily life. Their latest films have, with a new forthrightness and realism, dealt with the central themes of the War of Liberation and national reconstruction. They have brought new understanding to the masses and inspired them with fresh revolutionary fervour as China advances to accomplish its great new historic tasks.

TO OUR READERS

At the close of the first volume of *People's China*, the Editorial Board has pleasure in announcing that the size of this journal will now be increased from 28 to 32 pages. With this additional space at our disposal, we shall be able to meet some of the requests for additional material put forward by readers in reply to our recent questionnaire. Our new features will include articles on the revolutionary experience of China, short stories and fuller reports of artistic developments in New China.

Overseas subscription rates will remain unchanged.



Brightness — A story of workers' initiative in restoring a power plant smashed by KMT wreckers

THE FILM ART OF THE PEOPLE



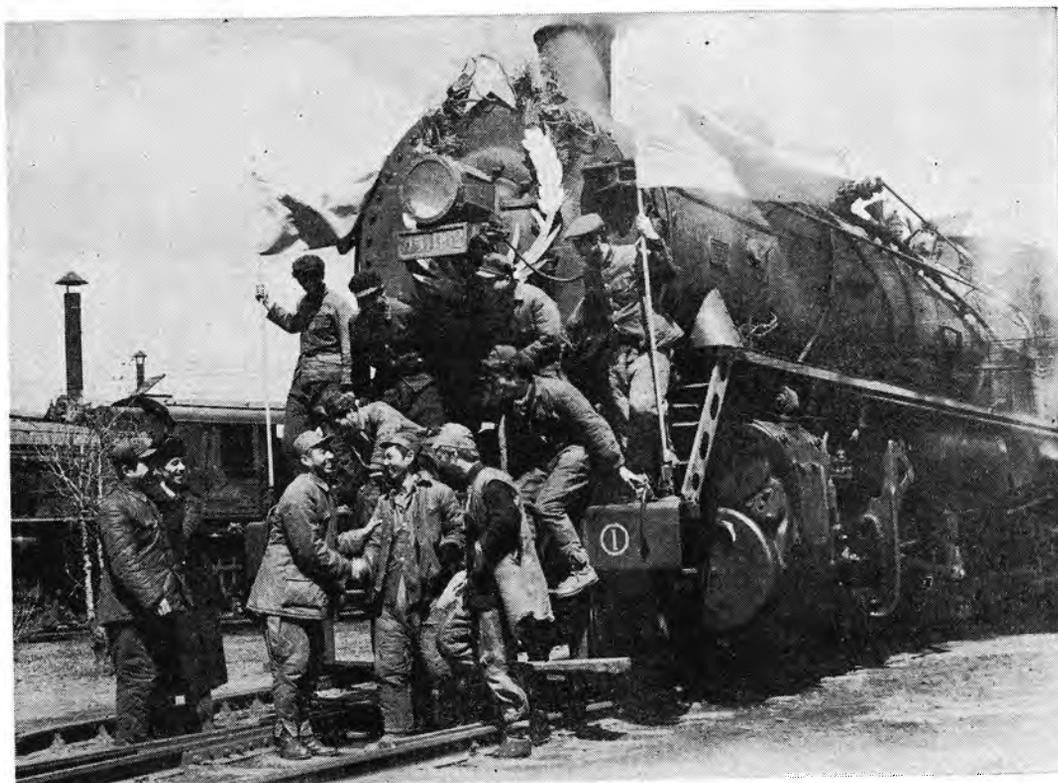
Warriors in White — The life of front-line nurses and their problems in caring for the wounded during the War of Liberation



Chao Yih-man — Woman guerrilla fighter Chao Yih-man discusses supply problems with her comrades during the Anti-Japanese War



Invisible Front — The fight against KMT spies. A girl (right) confesses to a government cadre that she has worked for the KMT



The engineers thought it would take at least four months to repair the Sungari River Bridge. But here the first train crosses after only one month's work



Influenced by Communist Party member Lao Liang (left), a skeptical worker, Hsi, shares in the work



Rebuilt, the bridge is opened to trains carrying supplies urgently needed by the advancing people's army



Anxious moment. Lao Liang and workshop director inspect a restored furnace

Released in the Soviet Union, *The Bridge* was the first feature film produced in China. It is the work of a group of railway workers. The film has met with a warm reception among Soviet audiences because of the effective portrayal of the workers and the technique of its editing. The sound showed marked improvement upon previous Chinese films.

Daughters of China, released this year, tells the story of eight women in the 1930s who joined the Chinese guerrillas in their struggle against the Japanese.

Daughters of China

Spring of 1949, *The*
 first full-length
 produced in liberated
 story of how a
 workers tackled
 reconstruction task. The
 with an enthusiastic
 the masses be-
 tive realism of its
 common people. The
 photography and
 rked improvements
 Chinese productions

ina, released early
 the true story of
 Manchuria who in
 Communist-led
 their long struggle
 Japanese invaders



Peasant Hu Hsiu-chih, whose husband was burnt to death by the Japanese, takes the oath as a member of the Communist Party and becomes a guerrilla fighter



Cornered while decoying superior Japanese forces from their own main units, the eight women leap into Sungari River rather than be captured

Public Grain Flows In



Two brothers get a tag which certifies that their family has fulfilled its public grain quota on time with grain of good quality



Stocks of public grain to ensure supplies to the PLA and to stabilize the market



Manchurian peasants flock to pay their lower-than-ever taxes after last autumn's harvest

The Role of Public Grain

Cheng Lien-tuan

When China's emancipated peasants pay their agricultural tax in kind, they say they are "delivering victory grain." This is indeed true. Right up until the most recent times, it was the peasants who bore the entire financial burden of China's revolutionary war. While urban areas are now in a position to take over an increasing share of the expenses involved in consolidating this victory, without large contributions of grain from the peasants, it would still be impossible to end the war, to stabilize the national economy and to build a new and industrialized China.

Although this year, for the first time, urban taxes have pushed public grain (i.e., rural taxes) out of first place as the largest source of government revenue, the latter still accounts for 37.2 per cent of the state income according to the revised 1950 budget. But heavy though their burden still is, the peasants pay their assessments willingly and promptly. It is not at all uncommon for the peasants to over-fulfil their area's tax quota and to transport the grain to government depots long before the time limit is up. In paying the tax on last autumn's harvest, for instance, the peasants of Northeast China (Manchuria) topped their quota by 4 per cent. The peasants of Inner Mongolia handed in 5 per cent more than their allocation. And in Northwest China the peasants surpassed their tax target by 13 per cent.

Peasants Gladly Pay

How does it happen that, even newly liberated peasants, who not long ago under KMT rule thought only of ways to avoid the tax collector, now so gladly offer their grain to the government.

First of all, the peasants are at last free from feudal exploitation. In the past, they had to pay at least 50 per cent of the produce to the landlords in the form of rent.

They were also weighed down by heavy interest rates on agricultural loans as well as by a vast assortment of sundry taxes. No matter how hard the peasants worked, they could never keep ahead of the rapacious extortions of the feudal ruling class and they inevitably sank deeper into poverty.

Today the peasants living in areas where land reform has been completed have virtually no tax obligations to meet except their public grain. Land rents have been abolished and tax rates are far below those of previous years when tax collectors arbitrarily imposed any levy which they thought could be extracted from the villagers. During the Japanese occupation, Manchurian peasants had to hand over an average of 8,000,000 tons of grain a year in government taxes. Last year, by way of contrast, total public grain collections in Northeast China amounted to 2,300,000 tons.

In newly-liberated areas where land reform has not yet been introduced, the reduction of rent and interest has greatly eased the peasants' burden. After paying both local and national taxes, the peasants still retain a far greater proportion of their crops than ever before in their lives.

Furthermore, for the first time in China's history, tax rates have been unified and adjusted equitably so that they fall heaviest on those best able to pay. A steeply-rising progressive tax has been introduced in the newly-liberated areas where the large discrepancies in land-holdings have not yet been levelled out through land reform. According to the revised rates for the summer wheat harvest, announced on June 1, poor peasants will not be taxed more than 10 per cent of their harvest; middle peasants may be taxed up to 15 per cent; rich peasants up to 25 per cent; and landlords up to 50 per cent. There is also now no chance for wealthy

landowners to conceal part of their holdings in order to evade taxes, formerly a very common occurrence.

In former times when calamity swept through a region, the KMT government did nothing to lighten taxes and even callously forced starving people to give up their last few handfuls of food in payment of taxes. This, for instance, was the case during the great Honan famine of 1942-43, when it became common for peasants to sell their own children in order to procure enough grain to meet their taxes. But last year, when floods, drought and locusts brought hardship to many sections of the country, the people's government immediately lowered taxes in accordance with local conditions, cancelling them entirely in areas that were badly affected.

Political Reasons

The third reason why the peasants cheerfully pay their taxes stems from their enhanced political consciousness following the liberation. It does not take very long for villagers to see how much better off they are under their own government than under the former landlord-dominated regime. They also realize that in order to protect the fruits of their victory, they must provide the government with the grain it needs to supply the PLA and to carry out the vast reconstruction programme. It is also not hard for them to see that as industrial production increases and urban centres contribute a greater share of the national revenue, the peasants' future tax burdens will grow progressively lighter. For instance, in Northeast China where industry has had the opportunity to develop substantially in recent years, the peasants' grain tax declined from 23 per cent of the taxable harvest in 1948 to 19.5 per cent in 1949, and this is being further reduced in 1950. And final-

ly, they know that public grain plays a vital role in halting inflation and controlling market prices, which in turn improves the peasants' own living conditions.

For these various reasons, the collection of public grain assumes the character of a great mass movement whenever taxes fall due. The grain for the government is winnowed and sunned before it is sent to the public granaries. There is a general feeling that "only the best-quality grain must be sent to the government, for it goes to feed our army that helped us gain our land." Families, mutual-aid groups, villages and districts, therefore, eagerly compete for the title of "Model in Public-grain Delivery."

When a village transports its grain to the collection bureau, the peasants turn the occasion into a colourful pageant. The lead cart in the team is decorated with red flags and the procession is accompanied by the village band and *yangko* dancers. Often whole families go along with the group, for in some regions this occasion has become a holiday that almost rivals the lunar New Year festival.

Storage Difficulties

Public-grain storage presents the government with difficult problems, for modern facilities are still lacking in many places. KMT tax officials were notorious for the way they allowed public grain to grow damp and mouldy or to be eaten by rats. But the cadres of the people's government treasure the grain as much as the tillers who laboured to grow it. That is why there are also frequent competitions among various public granaries to discover which has preserved its grain stocks in the best condition.

A granary in Heilungkiang Province, Northeast China, has become nationally renowned for the excellent care given to its supplies last winter. The granary was allocated 65,000 tons of grain to store through the winter. But it had no buildings and no bins. The staff could only pile up the grain sacks in the yard and cover them with mats. However, many ingenious methods were devised for protect-

ing the grain from animals, insects and weather. The staff took turns guarding the stockpile even during the coldest winter months, when the weather falls far below zero.

While the peasants have displayed unusual enthusiasm in delivering the public grain, the people's government on its part has demonstrated equally unusual efficiency in utilizing this form of state wealth.

A Gigantic Plan

Last February, the Central People's Government adopted the Plan for the Centralized Management of the Nation's Finance and Economy. As a part of this historic programme, public grain is put under the rigid overall control of the Central People's Government. A part of the grain, called "financial grain," goes to feed the army and government personnel and is also used for relief and water-conservancy projects. The remainder, called "trade grain," is sold to civilians for the purpose of stabilizing food prices.

The job of stabilizing prices and relieving food shortages has involved a gigantic plan for equalizing grain supplies in various sections of China. Under this nation-wide government programme, the grain deficiency in North China is to be overcome by part of Manchuria's surplus and all the surplus from Inner Mongolia. Part of the Manchurian surplus, with that of Central and South China and Szechuan Province, will make good the grain shortage in East China, including Shanghai. In addition to these inter-regional reshuffles, public grain is being shipped from province to province and from county to county in order to level out food stocks everywhere.

This plan only became possible with the unification of China under the people's government. Implementing it involves organizing millions of peasants and transport workers, and places a heavy strain on communications. The enormous cost of the programme is to be borne solely by the government. But as a result of careful planning and efficient leadership on the part of the government and the Com-

munist Party, plus the co-operation and enthusiasm of the peasants and workers, the work has been progressing very smoothly.

During the first quarter of this year, Northeast China has sent 603,000 tons of grain to areas inside the Great Wall, thus fulfilling more than half of its 1950 quota of 1,030,000 tons. In rice-producing Central-South China, the plan of shipping 339,000 tons of grain to other regions has been over-fulfilled by 3.5 per cent. And of the 401,000 tons scheduled to be reshuffled inside the region, 72 per cent has been distributed. In newly-liberated Southwest China, 110,000 tons of grain is being shipped to East China and 300,000 tons to major cities within the region such as Chungking and Kunming. As for Inner Mongolia, two-thirds of its grain surplus had been sent to Peking as early as in March.

Efficiently handled in this way, public grain has proved to be a great stabilizing factor on the nation's food market. Added to the foodstuff supplies in the hands of the state trading companies, it has virtually eliminated the possibility of any acute grain shortage even in such densely-populated areas as East China.

Moreover, proper reshuffling of the public grain also helps to end the contradiction of importing large amounts of foreign grain while home-grown crops rot in the hinterlands. Before the Anti-Japanese War, the corrupt and inept KMT regime imported at least 2,000,000 tons of foreign grain each year. Nevertheless, large sections of the Chinese population still starved and food prices soared. This year, despite the fact that the nation produced less grain in 1949 due to natural disasters, food prices have been widely stabilized without relying on foreign imports, and food shortages that developed in certain areas have been checked. This is a brilliant success on the economic front and a great deal of the credit must go to the "victory grain" which the emancipated peasantry contributed to their government.

The Breath of Peace In China's Countryside

— By A Special Correspondent

People in and around Changhsintien, a little township south of Peking, have special reasons to know what war means. Just nearby is the famous Marco Polo Bridge, scene of the 1937 incident which touched off the long anti-Japanese war. Local people remember the corpses lying in the brooks and the dead, blown up horses on the roads, as thousands of Peking citizens fled from the Japanese to the then comparative safety of Paoting.

I came here on May 27 for the market, but mainly because this traditional annual event is, this time, the occasion for people from remote villages to sign the Stockholm peace appeal.

I walked from Marco Polo Bridge, and whole peasant families in their new clothes shouted cheerily from carts, offering me lifts. Others, pushing big wheeled barrows loaded with produce, hurried along between the fields of wheat, which, the old hands tell me, is a more promising crop than the district has seen for years.

Some of these folk had trekked 80 kilometres or more from villages in the Central Hopei plain trundling their goods or swinging them along on carrying poles.

At the entrance to the historic townlet, a bright scarlet streamer hung across the road, bearing in big characters of gold the words: "Come and sign here, all lovers of peace!" Below it was a station for signing, surrounded by an eager crowd, busily signing their names. I noticed how many people, even middle-aged peasants, could at any rate manage to write their own names now, and this included women, too.

Formerly, the fair ground had been the temple of a goddess whose speciality was said to be making barren women fertile. Women would go there and burn incense or paper money to the "Child Granting Goddess," but now the place is a primary school and is used by the local health authorities during the four-day fair.

Women were still queuing at the temple, but this time many of them were mothers or pregnant and they were waiting their turn to

get into an exhibition of modern methods of maternity and child welfare and simple hygiene.

As though to add to the contrast between the old and the new, a team of brilliantly dressed schoolchildren came into the open space with waist drums and went through the militant steps of the drum dance. As they finished, a small schoolboy began reading the Stockholm manifesto over the loud speaker.

All this attracted flocks of people to the school and business around the signature tables got brisker and brisker. One old peasant woman pressed through to the table and asked a youngster to guide her hand while she signed. Then she went off and came back with the whole family.

I watched a healthy young peasant with his new pitchfork in his hand, making a tour of the busiest section of the whole fair, the part where shining farm implements were on sale. With their new found prosperity after the land reform, farmers were crowding round buying for the wheat harvest in a few weeks' time. After pondering some further purchase, this young peasant went away, apparently to think about it, listened to the appeal from a signature station and then, pushing his way to the table, said: "Here, let me sign this. How can we have better days without peace." Then off he went back to look once more at the reapers, harrows, drills and ploughs.

As the market's business slacked off, an evening entertainment was given by the local government. Before the show began one of the town's leaders spoke. "We have driven 'old Chiang' away," he said, "and our life is already better. But how can we really have a happy life while, outside our country, imperialists are spending their days and nights plotting new wars with new terrible weapons. Peace signatures will demonstrate the strength of the lovers of peace. The more names, the more strength. So you must persuade all your villages to sign the peace appeal."

As I watched the attentive faces of the peasants in the yellow lights, I reflected on the millions of peaceful people in all the townships of China and the world, who are playing their part in this struggle to keep world peace.

Ku Yu: New Ways of Doing New Things

*How A Young Peasant Couple Got Married in a Little
Village of New China*

Two days before Wang Kwei-teh went to work in the regional government, his marriage was agreed upon by the families on both sides. The parents had sensed what he and his girl had in their hearts.

Wang was a lively young fellow, and his betrothed, Feng-lan, was known as a model worker, capable and industrious. Their engagement was much praised and often discussed by the villagers.

They lived in two different villages, separated by a small brook. But the two villages became one when the brook dried up. Wang used to visit Feng-lan on business. This caused the old women to prattle behind their backs: "They are always together and they are not yet married. This is really a new thing!"

Feng-lan's father had been busy calculating how much rice he had to sell for the dowry. One day he got up very early. He took out a few bags of grain and tied them on his wheel-barrow, ready to start after breakfast for the city fair.

Just as he was about to leave, Feng-lan stopped him and said: "Pa, what are you doing there? It's no easy task to save grain this year. Wasn't it decided at the village meeting that everybody should save four or five bushels of spare grain until the wheat harvest?"

Her father put down the shafts of his barrow and, filling his pipe, said:

"Feng-lan, since you were old enough to work, you've done a great deal for the

family. Pa must do you justice." After taking a mouthful of smoke, he continued, "I intend to buy you four suits of clothes, two of serge and two of calico . . . some pieces of furniture, some pots and bowls, mirrors, face powder, soap cases and the like. What do you think of these things? Won't you be glad to have them?"

Hardly had her father finished when Feng-lan began to laugh. She took down the bags from the wheel-barrow. Her father was bewildered.

"Pa," she said, "didn't Kwei-teh tell you that he won't have us spend a single cent more than necessary? We've all improved our lot. Who hasn't got a cupboard? What's the use of having more than enough? It can't be used to till the land or pull the plough-share. As to the fancy dresses, is there any occasion for me to put them on? Things are different now. In the old days, a daughter-in-law didn't work in the fields for the first three years. But I shall have to work in the fields as soon as I get married. What time have I for rouge and powder? And then, Kwei-teh is a cadre in the regional government, and he won't like it. Pa, please don't bother about these things."

Feng-lan took in the wheel-barrow. Her father sat on the stone-step in the courtyard, with knitted brows and a downcast head; he was still thinking of the dowry.

"Well," he said to his daughter as she came from the straw shed, "it's all right not to sell the grain. But let me sell the little calf. We can't afford to feed two animals."

"Oh no! You mustn't do that either. I've taken care of it ever since it was born. A year has passed, and it can soon be put to use. How can you sell it? There's no animal at Kwei-teh's. If you sell it, where shall I borrow one for tilling the land after my marriage?"

Her father could not argue any longer. Though he was afraid of being laughed at by those who were used to old customs, he had nothing else to say.

* * *

The wedding was set for the ninth of the twelfth moon. That morning, Kwei-teh's mother got up at the first crowing of the cock. While buttoning up her gown, she groped her way to her son's chamber. "Get up!" she shouted to him angrily, "Why are you still sleeping? Is the house spell-bound?"

Kwei-teh was still heavy with sleep, not knowing what the matter was. His mother seated herself on the edge of his bed. Kwei-teh rubbed his eyes and sat up. "Ma, it's not yet dawn. Why get up so early?"

"So early? How can I sleep today? Do you think this house looks like a fit place for a wedding?"

Kwei-teh tried to explain. "Ma, is it because we've got no decorated sedan-chair for the bride? But who'll carry a decorated sedan-chair nowadays? Village folks are busy with side-occupations, indoors or outdoors. Who can spare time for us? Besides, none of the common people will carry a sedan-chair. I'm a cadre in the regional government. Am I going to play with this sort of feudal nonsense?"

His mother got suddenly furious and struck the mattress. Dust flew from under the bed. "What nonsense are you talking? What I mean is that her family is quite well-to-do. Isn't there a bit of dowry? In my time,



your grandma managed to buy me a couch, poor as she was. . . ." She was almost speechless with anger.

Seeing her in a temper, Kwei-teh did not know what to say. But he had to soothe her, in one way or another. "Ma, if Feng-lan's father sells out his grain for the marriage dowry, what will become of him in the coming spring?"

His mother turned a deaf ear to her son, and grumbled on. "Why, that family wouldn't part with anything, even if it was as tiny as the tip of a thumb. When girls and women come to see the bride's chamber this afternoon, your Ma's face will flush like a patch of red cloth. . . . Though I come from an ordinary family, I can't bear this sort of thing."

Kwei-teh remained calm. "You shouldn't do new things according to old customs. We haven't got a cow's leg in our family. Suppose the house were decorated with a rich dowry today, even two sets of red-lacquered furniture, could we use such things to till and plough the land?"

His mother was not convinced. She shouted at her son at the top of her voice: "You talk about production all the time, as if I'd lived my life without knowing it. Production is production. It's all right. But should we lose face for it? Marriage is the greatest event in one's life."

Kwei-teh put on his clothes and washed his face. It was already broad daylight. "Ma," he said, "these days one can have a bright face only by enriching the family through production. Things are different from what they were. When we become prosperous in the future, we'll buy those things. It won't be too late then."

"Stupid!" his mother retorted. "You think Feng-lan's father will buy those things for us after your marriage?"

His mother shouted on. Kwei-teh got a little impatient, and so he shouted back: "I'm going to marry a person. I'm not marrying a dowry!"

This remark hit the weak spot in her heart. She got exasperated and said to Kwei-teh: "Well, you stay at home. I can't stand these things. Let me go to your grandma's and have a few days' rest there."

She turned to go, but rushed straight into the arms of the village head who had come to decorate the place with a pair of scrolls for the wedding. Hearing the quarrel inside, he dropped in to Kwei-teh's room to see what had happened. At the sight of the old woman's angry face, he asked what the matter was, and was told the whole story. He explained and pleaded, and at last, put an end to the quarrel.

"Aunt," he said, smiling, "I'm afraid you are wrong there. Suppose there are two girls: one has a dowry of four cupboards, eight trunks and three sets of bedding but no ability in production, while the other has nothing but two bare hands competent for work. Which one would you take for your daughter-in-law?"

Seeing his mother calmed down, Kwei-teh likewise asked her: "Ma, which one would you choose?"

His mother smiled. "We are peasants. We would choose the one who can work. That goes without saying."

* * *

After breakfast, the room for the ceremony was most becomingly decorated with many fresh scrolls of greetings on the walls. In the middle was hung the portrait of Chairman Mao Tse-tung. There were also presents from the regional government. The room was crowded with villagers, pushing against one another in order to get a glimpse of this and that. Old and young, male and female, they looked around and buzzed among themselves, but none could tell what they were talking about.

An old woman, being pushed about in the crowd, talked to her neighbours about Feng-lan, "People say they have seen her very often, but I've never seen her before. Yes, it's not bad, this simple wed-



ding. In my days I had to sit in a sedan-chair, and I felt dizzy the moment I entered it—to spend money for torture! This wedding is far better, both frugal and smart."

The village band started to play and the ceremony began. The village head made the opening speech. People thronged like a swarm of bees. It was with great difficulty that the chairman of the Women's Association brought Feng-lan in through the crowd. The bride was dressed in a blue gown and a pair of dark-green cotton-padded trousers, with a handsome kerchief on her head. She sat by Kwei-teh's side, with a cheerful face and big eyes.

"Villagers," shouted the village head at the top of his voice, "be quiet, please. Let's proceed with the ceremony. To begin with, I should like to tell you that Kwei-teh and Feng-lan have chosen each other of their own free will. They've worked together, and each has come to know the other as a good worker. That's how they got engaged. About Feng-lan you must have heard a lot. She is an excellent worker. In response to the call for austerity and for production, her father hasn't wasted a single dollar for the dowry. . . ."

At this, the audience began to chatter again. "Let the bride tell us how she found her man and how she was wooed," exclaimed some rude young fellow.

At this moment a loud voice said: "Uncle Lokai is coming!" All eyes turned to the courtyard.

There came a man of forty, with a black moustache. Everybody recognized him to be no other than the head of Feng-lan's village. He was leading a calf by one hand and holding a little whip in the other.

Kwei-teh stood up at once to offer him a seat and asked him: "What do you bring this little calf for?"

"It's Feng-lan's dowry," replied Uncle Lokai. The other village head was overjoyed and shouted to the inner room: "Aunt, come out! Quick! The bride's family has sent a handsome dowry." Ma rushed out. She could not make out what the matter was when she found Uncle Lokai with the little, fat, glossy-haired animal.

"This little calf is from the bride's family," Uncle Lokai said. "Feng-lan is now married to Kwei-teh and will live in your house. Her father heard that you have no animal. So he's sending you this calf as his daughter's dowry. . . ."

Ma had never yet owned an animal. She was choked with ecstasy, not knowing what to say. She stretched out her hands to pat the calf on the head. The little animal wagged its tail, licking at this and that with its tongue, stamping and kicking the ground with its hooves. One could easily see that it was a strong, able-bodied animal. With its velvety hide and a white spot on the scalp—a really lovely creature! Ma opened her toothless mouth and could not help smiling. It was long before she could speak, "My son is always out, and I've never fed an animal before. I really don't know what to do with it."

The people present burst into loud laughter. "Aunt," the village head said, "you're confused with joy. Don't you remember that your daughter-in-law is a model worker?"

"This little animal was brought up by Feng-lan herself," Lokai explained to the mother.

Then old men came forward through the crowd to have a good look of the calf, setting their eyes

now on its teeth and mouth, and then on its hooves, feeling its hide, and then patting it on the hip. Old women also tried to push forward to have a look. "It's really good, so thickset and useful," said someone. And another remarked, "You see, models always do model work."

The chairman of the Women's Association said to those beside her, "Good luck to our village! Let's begin our production drive after a few days." The married women whispered to each other. "Why didn't people in our days find out this good method?" murmured a woman. "Furniture is something dead and uneatable. How can it be compared with this living and productive creature?"

People talked merrily. They insisted that Kwei-teh's mother should make a speech. They said, "This is an auspicious occasion. You've a new member added to

The West Lake

West Lake in Hangchow, one of China's famous beauty spots, will take on an even more enchanting appearance in the coming five years as the recently adopted five-year plan, for beautifying the city is put into effect by the municipal people's government, guided by local horticulturists including 20 professors of National Chekiang University.

To give the lake a spring-like aspect all the year round, over 10,000 blossoming trees will be planted along its banks and in the immediate surroundings. Part of this work has already been done during the spring.

Parks along the lake have been planted with some 5,000 beautifully clipped trees, fenced in with green fences. Trees will also be planted along all the city's sidewalks. Large numbers of saplings are being reared for this purpose.

Hangchow's temples and monasteries, most of which have been allowed to fall into decay, will be repaired and preserved where they are of historical value. The rest will be reconstructed for use as libraries, museums and exhibition halls, so as to make the lake district a centre of scenery and culture.

Thirteen regular traffic lines will be built between the city and the beautiful mountains in the neighbourhood. Orchards and rare plants will be planted in these areas in addition to the belts of trees which have already been completed this spring.

The lake scenery has been spoiled by KMT officials who cut into some of the most attractive spots to erect scattered villas. Now that Hangchow has returned to the people, the people's government is exerting great efforts to improve its attractions and make it a beauty spot of national significance.

your family. You must say something."

Ma was pushed forward through the crowd. She reached the new couple. She looked at her son, then at her daughter-in-law, and then at the villagers. She was very happy. She was all smiles, but could hardly utter a single word. After a long while she began: "I'm an old woman with old brains. Now I've come to understand that in these days new things have got to be done in a new way."

All the people burst out laughing. For many days the story of this new-fashioned marriage continued to be talked about among the villagers.

KU YU, a young story-writer, is a member of the Literary Section of the Hopei (Provincial) Branch of the All-China Association of Writers and Artists. The text here is based on a translation prepared by the Information Service of the All-China Federation of Democratic Youth.

THEATRE OF THE WORKERS



The Muses now dwell beneath the factory chimneys of New China. Dramatists, writers, musicians and artists in organized groups guided by their associations are now regular visitors to the factories, works and mines. They have gone as learners as well as teachers to all the main industrial towns and centres. There they study China's industrial life at first hand and help the workers organize their own artistic and entertainment activities.

As a result of these many-sided cultural contacts, literary and artistic activities have already become an integral part of the life of the workers. Theatrical performances, written and acted by themselves, have proved to be the workers' greatest delight. Rich dramatic talent has been discovered in the ranks of the working class. Several of their plays have been highly commended by the critics.

* * *

NOT A CICADA has so far been one of the most successful plays written and produced entirely by the workers' amateur dramatic movement. Wei Lien-tseng, its author, a railway wagon repairer at the Shihchiachuang Railway Works, had only four years' primary school education, but he has made up for this by his creative talent and the wealth of his experiences. After trying his hand at two short plays, *Not a Cicada*, his latest, in four acts and ten scenes, has proved to be an artistic triumph.

This is a play about a backward worker, Ma Shen-pao, who pals up with a gang of loafers. Pretending to be wounded, he refuses to work. His wife, angered, leaves him. His father, head of a peasant association, pays him a visit, is disgusted at his rascally son's behaviour and refuses to help him. To cap all, Ma's house is robbed.

In the midst of his misfortunes, mechanic Pai, a model worker and member of the Communist Party,

comes to his aid and finally succeeds in reforming him.

Describing how he hit on the idea of his play, the worker-dramatist writes: "One day, after lunch, we sat discussing our work under the trees. A cicada sang overhead and was so disturbing that everybody cursed it. After several intolerable interruptions, one of us climbed the tree and caught it. Then I thought 'What a fool the cicada is to sit and sing there all the time! If he were as industrious as a bee, people would love him!' It was then I thought of the cicada theme. But I would not call a fellow worker a cicada, so I call my play *Not a Cicada!* With the main theme in mind, I took the incidents of the play from our own factory life."

Not a Cicada was a striking success when it was first performed by the workers' dramatic group with Wei Lien-tseng himself playing the role of mechanic Pai. When produced at the Peking Youth Palace, theatre critics, including the Director of the Central Dramatic Academy, Oyang Yu-chien, have praised it as a "representative creation of the workers' dramatic art."

* * *

UNLOADING, a short, forty-minute play, written collectively by a team of Dairen dockers, has been another recent "hit." Its first performance in the Workers' Drama Contest of the Port Arthur-Dairen area (where 39 other plays were produced) showed its great strength and poetic beauty. It won a special first-prize. It has since been published in the Literary Gazette, organ of the All-China Association of Writers and Artists.

Its plot is simple. A movement to break industrial records is spreading and the dockers, conscious of the better life the liberation has brought them, pledge themselves to beat the record for unloading. One group of dockers

sets a new record by a more rational division of labour and other groups are stirred to emulate it. The fourth and last scene is a dance drama of labour. The dockers take their work positions and begin unloading a big log from a lumber vessel. They chant their popular labour rhythms and, their actions rising to a dramatic climax of movement and sound, finally land the log on the ground.

This play is built of the very stuff of dockers' life—hence its interest to the general public; it reflects their own folk culture and impresses one with the grandeur of their labour. For the dockers themselves, it has the charm of the familiar seen in a new light. Its poetic stress has given them a new attitude to their life and work. The action of the labour scene is not merely a display of physical beauty, but an expression of collective strength.

According to the *Literary Gazette*, "*Unloading* has shown us not only the labour consciousness of the Chinese working class; it also marks the beginning of our workers' new cultural consciousness."

* * *

WORKERS IN TANGSHAN, Hopei Province, have also recently held a review of their dramatic art. Three plays, three musical dramas and a dance ensemble were produced by six factory workers' and miners' dramatic clubs. In their play *City and Country Relations*, the workers of the Hwa Sin Textile Mill gave a dramatic account of their visit to an area devastated by flood and of the peasants' heroic struggle in the "Relief by Production" movement. The Tangshan Railway Works produced *Five Courageous Workers*, a true episode about repairing a lightning rod on the top of a high factory chimney, while the Kailan miners performed the *Sino-Soviet Friendship Yangko Dance* to celebrate the treaty between the two great nations.

CURRENT CHINA

May 26—June 10



BUMPER CROPS

Summer harvesting is completed in southern China and is now spreading northward to Shantung and Hopei provinces. In colder regions, such as Manchuria and parts of Northwest China, harvest season is still one month away.

This year's total area under winter grains, principally wheat, is estimated at 26,670,000 hectares, a larger planting than any previous year. Bumper harvests are reported in many localities, while both Shensi and Fukien provinces are reaping their best harvests in 20 years. Favourable planting weather gives promise of high yields for later crops, and many regions have already exceeded their planting quotas.

Wheat

Central-South China: Good crops of wheat and barley are reported from Kiangsi and Hunan provinces, where harvesting is nearly completed. Yield per hectare ranges from 11 to 15 quintals. In Honan Province, China's biggest wheat-growing province where 70% of the arable land is under wheat, the average yield is expected to top last year's by 10-20%.

East China: Fukien reports an average yield of 10 quintals per hectare—the best in 20 years. Shantung, having 3,000,000 hectares planted to wheat, may achieve the Fukien average yield despite excessive rains in certain sections. In North Anhwei, where serious floods occurred last year, two-thirds of the area reports a good harvest.

Northwest China: Shensi Province has started harvesting its biggest wheat crop in 20 years. The yield per hectare is expected to reach 15 quintals on the best of the 1,300,000 hectares planted to wheat.

Cotton

The 1950 plan of sowing some 3,333,000 hectares to cotton has

been surpassed by 152,000 hectares. This represents an increase of 867,000 hectares over last year's total cotton acreage. According to preliminary statistics, compiled early this month, Northeast China has planted 270,000 hectares; North China, 1,348,000 hectares; East China, 875,000 hectares; Central-South China, 739,000 hectares; and Northwest China, 253,000 hectares. The cotton acreage of newly liberated Southwest China has not yet been announced. This year's target for the production of ginned cotton is 650,000 tons.

Tea

The tea industry in Central-South China—and particularly in the major tea-producing provinces of Hunan, Hupeh and Kiangsi—is steadily reviving due largely to assistance from the China Tea Corporation. In addition to giving extensive loans to tea growers, this state trading company has bought 5,000,000 kilogrammes of tea since April 12 through local stations set up for dealing directly with growers. Tea production had been so stifled under KMT rule that in 1948, Kiangsi Province produced less than one-tenth of its prewar output.

TAX REDUCTIONS

Public-grain taxes on the summer harvest have been reduced by an average of 25 per cent in newly-liberated areas. This decree was announced on June 1 by the Government Administration Council. According to this ruling, state grain collections shall not exceed 13 per cent of taxable crops (the former limit was 17 per cent).

On the same day, salt taxes were cut 50 per cent.

ECONOMIC PROGRESS

China's industrial and commercial leaders, representing public and private interests, met in Peking from May 8 to 26 to co-ordinate plans for expanding both the public and private sectors of the nation's economy. The conference was presided over by Chen Yun and Po Yi-po, Chairman and Vice-Chairman of the Committee of Financial and Economic Affairs.

Private Firm Aided

It was agreed at this conference that the government will continue to extend all possible assistance to private industries which benefit the people. Private merchants will be encouraged to increase trade between rural and urban areas. State trading concerns will help stabilize prices at levels which allow legitimate private businessmen to make reasonable profits.

State trading companies have already done much to restore private industry and commerce. In April alone, the China General Stores, one of the biggest state trading agencies, placed orders with private concerns worth \$232,000,000 of the people's currency (over U.S. \$6,000,000). As a result, at least one million Shanghai spindles are busy turning out yarn for this company.

The China Silk Company has reached an agreement with 23 private silk manufacturing concerns in Shanghai under which it will provide them with raw silk and buy their finished fabrics.

In addition to offering technical advice and assistance through various government bureaux, the government has set aside large funds for loans to private enterprises. In Tientsin alone, state banks granted loans totalling \$20 billion (people's currency) to private business during April.

Machine Industry

Government orders amounting to the equivalent of U.S. \$60,000,000 are now being placed with various public and private machine-building factories south of the Great Wall. This is the result of a decision taken at the National Machine-Building Conference which closed in Peking on May 23. From 60% to 80% of the capacity of all private machine firms in Shanghai and Tientsin will be kept busy to the end of the year filling this huge order.

PRICE STABILITY

During the first ten days of May, retail prices of essential manufactured goods tended to level out, halting the rapid slump that occurred during March and early April. In Hankow, these prices registered a slight drop of 0.5%. In Shanghai, Peking, Tientsin and Nanking, prices of manufactured goods fell from 1% to 4%. In Canton, there was a slight rise of 0.5%. Such a degree of price stability has not been known in China for more than 12 years.

Brisk Market

As a result of price stability, industrial consumer goods have been selling briskly. In Hankow, cotton yarn transactions during the first ten days of May were four times their total volume for the month of April. During the same period in Peking, piece good purchases doubled their daily rate for April, while purchases of cotton yarn rose 50% above the April rate.

April Budget Balanced

Increased government revenues during April virtually wiped out the state deficit for the month, and no additional banknotes have been issued since March. Profits from public enterprises covered 16.7% of the government's expenditures in April, whereas in February revenue from this source had been very small. At the same time, local governments have cut their expenditures tremendously so that most regions are now delivering surpluses to the Central People's Government instead of asking for subsidies.

MacArthur Versus Democracy

MacArthur's latest offensive against the Communist Party of Japan is in direct violation of the Potsdam Agreement and the basic policy of the Far Eastern Commission, the Peking *People's Daily* pointed out in an editorial of June 9. Referring to MacArthur's order that the Yoshida government remove and exclude all members of the Central Committee of the Japanese Communist Party from public office, the *People's Daily* declared:

"Unless the Japanese people deal effective counterblows, they will once more be driven along the path of destruction by Japan's modern Tojo — MacArthur. . . .

"MacArthur's directive," the editorial warned, "is part of the U.S. policy of war preparations in the Far East. The reason that MacArthur has launched this new sinis-

ter attack against the Japanese Communist Party is to speed up the transformation of Japan into an American military base in the Far East and to utilize the Japanese people as cannon fodder in the new aggressive war which is being actively prepared in the U.S. . . .

"We firmly support the Communist Party of Japan and the patriotic and democratic forces in Japan who are determined to smash MacArthur's attack. It is the duty of all the peace-loving people to unite and protest strongly against the American government and MacArthur; to demand both the annulment of the reactionary order which persecutes the Japanese Communist Party and the termination of the tyrannous rule of MacArthur and the American occupation troops in Japan."

INTERNATIONAL

The Central People's Government announced the appointment of three ambassadors to the East European People's Democracies on June 8. These were: Gen. Wang Yu-ping, assigned to Bucharest; Gen. Tan Hsi-lin, assigned to Prague; and Gen. Peng Ming-chih, assigned to Warsaw.

Strong support for the courageous anti-imperialist demonstrations recently staged by Japanese students has been officially expressed by many Chinese organizations, including the All-China Democratic Youth Federation and the All-China Students' Federation.

The action of the French courts in preferring charges against Madame Eugenie Cotton because of her staunch opposition to the French colonial war in Viet-Nam has also evoked vigorous denunciations from numerous Chinese organizations.

HERE AND THERE

Shipping between Chankiang (Kwangchow) in Kwangtung and Hongkong has resumed following the liberation of Hainan Island. Shanghai shipping services will be restored this month as a result of the liberation of the Choushan Islands.

Inventories of former KMT warehouses in Chengtu, Szechuan Province, have led to the recovery of 14,794 ounces of gold, 248,698 silver dollars and over 370 tons of iron and steel.

Pedigree Livestock from the Soviet Union have arrived at a state breeding station in Manchuria. Among the first shipment of 1,200 prize animals are white Ukrainian hogs, which can attain a weight of 300 kilogrammes in a year, and sheep bearing high-quality wool.

Archive

THE MARRIAGE LAW OF THE PEOPLE'S REPUBLIC OF CHINA

Promulgated by the Central People's Government
on May 1, 1950

CHAPTER ONE General Principles

Article 1.

The arbitrary and compulsory feudal marriage system, which is based on the superiority of man over woman and which ignores the children's interests, is abolished.

The New Democratic marriage system, which is based on free choice of partners, on monogamy, on equal rights for both sexes, and on protection of the lawful interests of women and children, shall be put into effect.

Article 2.

Polygamy, concubinage, child betrothal, interference with the re-marriage of widows and the exaction of money or gifts in connection with marriage shall be prohibited.

CHAPTER TWO Contracting of Marriage

Article 3.

Marriage shall be based upon the complete willingness of the two parties. Neither party shall use compulsion and no third party shall be allowed to interfere.

Article 4.

A marriage can be contracted only after the man has reached 20 years of age and the woman has reached 18 years of age.

Article 5.

No man or woman in any of the following instances shall be allowed to marry:

- a) Where the man and woman are lineal relatives by blood or where the man and woman are brother and sister born of the same parents or where the man and woman are half-brother and half-sister. The question of prohibiting marriage between collateral relatives by blood within the fifth degree of relationship is to be determined by custom.
- b) Where one party, because of certain physical defects, is sexually impotent.

- c) Where one party is suffering from venereal disease, mental disorder, leprosy or any other disease which is regarded by medical science as rendering the person unfit for marriage.

Article 6.

In order to contract a marriage, both the man and the woman shall register in person with the people's government of the sub-district or village in which they reside. If the marriage is found to be in conformity with the provisions of this law, the local people's government shall, without delay, issue marriage certificates.

If the marriage is found to be incompatible with the provisions of this law, no registration shall be granted.

CHAPTER THREE Rights and Duties of Husband and Wife

Article 7.

Husband and wife are companions living together and shall enjoy equal status in the home.

Article 8.

Husband and wife are in duty bound to love, respect, assist and look after each other, to live in harmony, to engage in production, to care for the children and to strive jointly for the welfare of the family and for the building up of a new society.

Article 9.

Both husband and wife shall have the right to free choice of occupations and free participation in work or in social activities.

Article 10.

Both husband and wife shall have equal rights in the possession and management of family property.

Article 11.

Both husband and wife shall have the right to use his or her own family name.

Article 12.

Both husband and wife shall have the right to inherit each other's property.

CHAPTER FOUR

Relations Between Parents and Children

Article 13.

Parents have the duty to rear and to educate their children; the children have the duty to look after and to assist their parents. Neither the parents nor the children shall maltreat or desert one another.

The foregoing provision also applies to step-parents and step-children. Infanticide by drowning and similar criminal acts are strictly prohibited.

Article 14.

Parents and children shall have the right to inherit one another's property.

Article 15.

Children born out of wedlock shall enjoy the same rights as children born in lawful wedlock. No person shall be allowed to harm or to discriminate against children born out of wedlock.

Where the paternity of a child born out of wedlock is legally established by the mother of the child or by other witnesses or by other material evidence, the identified father must bear the whole or part of the cost of maintenance and education of the child until it has attained the age of 18.

With the consent of the natural mother, the natural father may have custody of the child.

With regard to the maintenance of a child whose natural mother marries, the provisions of Article 22 shall apply.

Article 16.

A husband or wife shall not maltreat or discriminate against a child born of a previous marriage.

CHAPTER FIVE

Divorce

Article 17.

Divorce shall be granted when husband and wife both desire it. In the event of either the husband or the wife insisting upon divorce, it may be granted only when mediation by the sub-district people's government and the sub-district judicial organ has failed to bring about a reconciliation.

In the case where divorce is desired by both husband and wife, both parties shall register with the sub-district people's government in order to obtain divorce certificates. The sub-district government, after establishing that divorce is desired by both parties and that appropriate measures have been taken for the care of children and property, shall issue the divorce certificates without delay.

When only one party insists on divorce, the sub-district people's government may try

to effect a reconciliation. If such mediation fails, it should, without delay, refer the case to the district or city people's court for decision. The sub-district people's government shall not attempt to prevent or to obstruct either party from appealing to the district or city people's court. In dealing with a divorce case, the district or city people's court must, in the first instance, try to bring about a reconciliation between the parties. In case such mediation fails, the court shall render a verdict without delay.

In the case where, after divorce, both husband and wife desire the resumption of matrimonial relations, they should apply to the sub-district people's government for a registration of remarriage. The sub-district people's government should accept such a registration and issue a certificate of remarriage.

Article 18.

The husband shall not apply for a divorce when his wife is with child. He may apply for divorce only one year after birth of the child. In the case of a woman applying for divorce, this restriction does not apply.

Article 19.

The spouse of a member of the revolutionary army on active service who maintains correspondence with his (or her) family must first obtain his (or her) consent before she (or he) can ask for divorce.

As from the date of the promulgation of this law, divorce may be granted to the spouse of a member of the revolutionary army who does not correspond with his (or her) family for a subsequent period of two years. Divorce may also be granted to the spouse of a member of the revolutionary army who had not maintained correspondence with his (or her) family for over two years prior to the promulgation of this law and who fails to correspond with his (or her) family for a further period of one year subsequent to the promulgation of the present law.

CHAPTER SIX

Support and Education of Children After Divorce

Article 20.

The blood ties between parents and children will not end with the divorce of the parents. No matter whether the father or the mother acts as guardian of the child or children, they still remain the children of both parties.

After divorce, both parents still have the duty to support and educate their children.

After divorce, the guiding principle is to allow the mother to have custody of a baby still being breast-fed. After the weaning of the child, if a dispute arises between the two parties over the guardianship and an agreement can-

not be reached, the people's court shall render a decision in accordance with the interests of the child.

Article 21.

After divorce, if the mother is given custody of a child, the father shall be responsible for the whole or part of the necessary cost of the maintenance and education of the child. Both parties shall reach an agreement regarding the amount of the cost and the duration of such maintenance and education. In the case where the two parties fail to reach an agreement, the people's court shall render a decision.

Payment may be made in cash, in kind or by tilling the land allocated to the child.

Such an agreement reached between parents or decision rendered by the people's court in connection with the maintenance and educational expenses for a child shall not prevent the child from requesting either parent to increase the amount above that fixed by agreement or by judicial decision.

Article 22.

In the case where a divorced woman remarries and her husband is willing to pay the whole or part of the cost of maintenance and education for the child or children by her former husband, the father of the child or children is entitled to have such cost of maintenance and education reduced or is entitled to be exempt from bearing such cost in accordance with the circumstances.

CHAPTER SEVEN Property and Maintenance After Divorce

Article 23.

In case of divorce, the wife shall retain such property as belonged to her prior to her marriage. The disposal of other household properties shall be subject to agreement between the two parties. In the case where an agreement cannot be reached, the people's court shall render a decision after taking into consideration the actual state of the family property, the interests of the wife and the child or children, and the principle of benefiting the development of production.

In the case where the property allocated to the wife and her child or children is sufficient for the maintenance and education of the child or children, the husband may be exempt from bearing further maintenance and education costs.

Article 24.

After divorce, debts incurred during the period of marriage shall be paid out of the property acquired by husband and wife during this period. In the case where no such property has been acquired or in the case where such property is insufficient to pay off such debts, the husband shall be held responsible for paying these debts. Debts incurred separately by the husband or wife shall be paid off by the party responsible.

Article 25.

After divorce, if one party has not remarried and has difficulties in maintenance, the other party should render assistance. Both parties shall work out an agreement with regard to the method and duration of such assistance; in case an agreement cannot be reached, the people's court shall render a decision.

CHAPTER EIGHT By-Laws

Article 26.

Persons violating this law shall be punished in accordance with law. In the case where interference with the freedom of marriage has caused death or injury, the person guilty of such interference shall bear criminal responsibility before the law.

Article 27.

This law shall come into force from the date of its promulgation. In regions inhabited by national minorities, the people's government / Military and Political Council of the Administrative Area or the provincial people's government may enact certain modifications or supplementary articles in conformity with the actual conditions prevailing amongst national minorities in regard to marriage. But such measures must be submitted to the Government Administration Council for ratification before enforcement.

REMAKING SHANGHAI'S ECONOMY

(Continued from page 11)

11 per cent over the April figure and of 14 per cent over that for March. In April, 23 more steel and iron works resumed production. In May, another 29 restarted work.

Commerce, too, reflected this upward trend. If trade in December 1949 is taken as 100, then in May the sales of the leading department stores — Sincere's, Wing On, etc. — rose from a low of 42.3 in April to

99.5 in May. The amount of yarn sold outside the mills in the third week of May showed an increase of 16 per cent over the second week, and in the fourth week, an increase of 22% over the third.

Shanghai is consolidating the victory of the liberation. The old Shanghai is dead. The new Shanghai is being born. Its people, with their glorious revolutionary tradition, under the leadership of the people's government, have courageously grappled with their problems and are triumphantly entering the new day.

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