China: A Modern Social-Imperialist Power

An Integral Part of the Capitalist-Imperialist System

An Analysis by the
Central Committee of the Communist Party of India (Maoist)
Translator’s Foreword

In May of 2017, the Central Committee of the Communist Party of India (Maoist) initiated a study posing the question of whether China had or had not become a new imperialist power. The resulting report answers in the affirmative: In the view of the CPI(Maoist), the People’s Republic of China has become a social-imperialist power. Further, the Chinese Communist Party, and its ideology of Socialism with Chinese Characteristics deceives and misleads socialists the world over, rejecting internationalism and revolution for a suite of revisionist justifications upholding and furthering the bourgeois dictatorship in China. The CPI(Maoist) calls on the CCP to abandon its current capitalist-imperialist trajectory, and for progressive comrades within the party to initiate struggle against the imperialist and monopoly capitalist ruling clique.

Among the hallmarks of Chinese social-imperialism, the CPI(Maoist) identifies capital export, financialization, deployment of troops and advisors, rapid armament and weapon sales, interference in the affairs of small nations and national liberation struggles, big-power chauvinism, support for free trade and globalization, and inter-imperialist rivalry. This last threatens to bloom into all-out wars of redivision as the western imperialists attempt to retain their flagging positions and expand their spheres of domination.

We do not take this question lightly. On the one hand, China is a nation whose working class is oppressed and parasitized by western imperialism, and the western powers would give anything to reverse its development and neutralize the threat it poses to their current and former spheres of influence. However, we cannot ignore the principled criticism of long-established and inspirational parties like the CPP-NPA-NDF, or the CPI(Maoist) when they decry Chinese social-imperialism. We do not ignore revolts by Papuan villagers who storm Chinese-owned nickel-mines, or when Zambian workers rise up and murder their Chinese bosses, or when said bosses shoot and kill their striking Zambian workers. Nor can one easily ignore targeted killings in Balochistan by insurgents who purport to fight “the colonization of Balochistan” by Chinese corporations. No one could have missed the stunning turnaround experienced by the Sri Lankan government, from near-defeat to victory, in the war to suppress the Tamil national liberation movement. This turnaround was largely due to China’s military and financial aid. For the sake of its oil supply and future access to the Indian Ocean, the PRC joins the reactionary and expansionist Modi government in India in its support for former western puppet Aung San Suu Kyi and the Myanmar military’s ethnic cleansing of Rohingya.

Wars of redivision are just over the horizon, and at least in that regard the tasks of the small anti-imperialist movement based in the core countries has not and will not change. But as for the advent of rising imperialisms, we gain nothing by lying about the way the world truly is, and on that note, we thank the CPI(Maoist) for providing this report as a starting point for an investigation of the nature of Chinese social-imperialism, that a greater understanding of the balance of powers and the coming crisis might be reached.

We would also like to thank the comrades who translated the document, MIM1 comrades for giving feedback, and especially LOOP2 comrades for important edits. We hope the present piece is put to

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1 MIM: http://prisoncensorship.info/
2 Org4LOOP: https://fight4loop.org/
good use.

The Revolutionary Anti-Imperialist Movement has undertaken this translation to better understand the position of one of the world's foremost communist parties and to make it available to other comrades in English. It is unofficial and imperfect. Its quotations and data are, with a few very minor exceptions, checked against easily available sources. The footnotes in the original were for a non-western audience (clarifying what Wall Street is etc.) and were removed for brevity. All sums and statistics are rendered in western units from the Indian numbering system and may contain minor errors. Previously phonetically spelled names have been rendered in their common English variants, and the entire document has been edited for length while retaining the meaning of the text.

We have been made aware of a purported English translation appearing in the days preceding publication of this version. We welcome many eyes on this question, and if the purported translation is official, we defer to it.

Revolutionary Anti-Imperialist Movement
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If you come across any spelling or translation errors, please contact us at revolutionaryaim@yandex.com
INTRODUCTION

In its 9th Congress held in January 2017, the United Congress of the Communist Party of India (Maoist) (CPI-Maoist) decided to conduct a special study on emerging trends in social, economic, political, and cultural changes with regard to strategy toward capitalist-revisionist China. The Central Committee was authorised to execute this decision. As per the decision taken by the Central Committee during its 4th Conference, it considered mainly two things: the trends within China, and whether China has become a social-imperialist power. These were their two study points. After investigating, the Central Committee adopted the following thesis at its 5th Conference: “Today China has become a modern social-imperialist power, an integral part of the capitalist-imperialist world system, while also playing the role of antagonist towards the oppressed classes and people in general.”

The Marxist-Leninist-Maoist parties, groups and powers are in solidarity with the worker-peasant, suppressed, and other oppressed classes of society with the objective of world socialist revolution, marching toward a creative struggle to win over antagonistic imperialist China and end its conceptions of revisionism, social-imperialism, and obscurantism. Our two communist parties have two global responsibilities: to support the working class and to support its revolution. To accomplish these tasks, the social-imperialist nature of China must be exposed thoroughly. We must understand the process by which China transformed into a major and competent imperialist state among the imperialist nations of the world. We must also succeed in the process of segregating global alliances and enmities in accordance with the principles of international class divisions. We must evaluate ever-changing structural variations and their specific conditions prevailing in the world. Unless we study these aspects, we cannot understand modern wars, the politics of modern revisionists, and the incidental variations in the imperialist system.

Leninism holds that imperialism is the highest stage of capitalism – it is war, it is moribund. Imperialism affirms the rise of the socialist movement, and the 20th century has proven this. The Leninist theory of imperialism applies even today. War is the supreme tool by which imperialism divides and reorganises the world for its vested interests. Imperialism indulges in war for the sake of its monopoly on the world. It principally gains through war. Wars are inevitable so long as imperialism exists in the world. It penetrates into underdeveloped nations in the guise of neo-colonialism to continue its obsessive compulsion for loot. It sucks the blood of the common people and the oppressed, and it is the cause of their extreme misery and distress. “Modern wars are the result of imperialism,” said Lenin, time and time again. The two world wars in first half of the 20th century broke out among the imperialist countries as a contest to gain supremacy over the world by dividing and reorganising it. “The attempt to escape the new political and economic crises of the imperialist countries led to the last two world wars,” said Mao.

America has plundered the wealth of the world through imperialist war. It acquired windfall gains by selling weapons in abundance to countries who have engaged in war. In this way, America has become the imperialist superpower of the capitalist world. When America’s imperialist economic system incorporated a war economy, it focused only on wars. Hence, it orchestrated aggression and war. We can see this trend from Korea, Vietnam to Afghanistan, Iraq, Libya and Syria. War will continue so long as imperialism prevails. If we want to abolish war, we must eradicate the capitalist-imperialist
system.

The cold war between the then superpowers of the US and the USSR had an impact on the developed and underdeveloped countries. This gave rise to wars directly or indirectly among them. From 1945-1990, at the least 125 regional wars, civil wars, and armed conflicts led to the deaths of more than 40 million people, while millions more were victimized and displaced. The economic crisis that resulted in these countries because of imperialist war is greater than that of the crisis that caused the World War II.

Wars continued to break out during the 1990s. American forces waged treacherous wars in Honduras, Ukraine and in Egypt, and America fomented incessant armed riots. Military interventions by Britain and America’s other allies have led to the deaths of nearly 3.2 million Muslims. The wealthiest and the most secular country in Africa, Libya, was destroyed by America. Libya, which once warmly embraced migrants, is now being destroyed, displacing half its population. More than 1 billion people live in extreme poverty and suffer from malnutrition. Moreover, nearly 17 million people are dying due to poverty every year. Half of them are children. America is trying to cover the ever-increasing expansion and expenditure of Israel. Leaving aside the welfare of its own people, America is amassing more than 20 trillion-dollars in debts to pay the debts of Israel and massacre Muslims. America is directing trillions from its budget to do this, subjecting its own people to misery and thereby causing the deaths of more than 200,000 of its own people every year.

The imperialist riots unleashed in Syria with the intent to overthrow the government of Bashar Al Assad have led to the deaths of 500,000 people and another 2 million wounded or displaced. Moreover, millions of people were made homeless, migrating to neighbouring countries as well as some European countries. America destroyed many communities that had lived together amidst their shrines and holy places in brotherhood, peace, secularism and non-violence. The imperialist wars of aggression waged under the leadership of America on Afghanistan, Libya, Syria, Iraq and many other countries have caused countless deaths and injuries, destroyed countless homes, and forced countless people worldwide to migrate.

In order to secure the imperialist system and deceive the people of the world, imperialists and revisionists mislead the people in all possible ways with various fictions according to the changing scenery of the contemporary world. It is time to expose and mortify them. The contemporary political vengeance of imperialism is a predictable result of the capitalist economic system. Imperialism is extending its political machinery to suppress the people by implementing its fascist dictatorship far and wide. The stronger the repression, the stronger the resistance. The worker-peasant classes, the petty-bourgeoisie and other oppressed classes of society, even the endangered species, are relentlessly waging wars against Imperialism. Our party, the Communist Party of India (Maoist), is relentlessly striving to exterminate imperialism from the earth, to install communism, and to unite the oppressed classes and masses. Our party leads them and shoulders the responsibility to fight alongside them.

In light of China’s rise as a social-imperialist power, the present task is for all working-class parties around the world to develop manoeuvres to sustain themselves. Party leadership, on these principles, must gather the oppressed classes and people of their societies and lead them in the march towards socialism. This document was released by the Central Committee to elucidate how socialist China transformed into a capitalist and imperialist power and how to develop strategies to combat it. Let us study this document thoroughly. In the light of five inherent features and three special aspects of imperialism taught by the great Lenin, let us analyse and synthesise in the light of Marxism-Leninism-Maoism in order to build a correct scientific understanding of China’s social-imperialist development.
The 1949-1976 Socialist Revolution

After the advent of the New Democratic Revolution in 1949 in China, the Chinese Communist Party (CCP), with the guidance of Mao, put forward the slogan “Three Years of Preparation, Ten Years of Planning.” As a result of this campaign, individual management in agriculture, crafts, capitalist industry, merchandise, and productive manufacture was basically wiped out by 1956. Collective agriculture came to predominate throughout the country. A new society took shape in China as a result of socialist construction. China’s New Democratic state became a socialist state. Progressive plans were focused mainly on consumer goods useful to the society rather than profitable products. Socialist China did not have any internal or external debts during this time. China was the centre of progressive socialist revolution at this time and was virtually the only country that remained free and independent from subordination under the spheres of influence of the then superpowers (the US and the USSR) and the capitalist-imperialist market system.

Relying on the policy of self-reliance, socialist China experienced a “Great Leap Forward.” Mass movements arose in socialist China under the slogan “Understand Revolution, Improve Production.” Socialist China brought forward and applied new slogans and concepts, such as developing agriculture and industry equally (“Walking on Two Legs”), class struggle with coordination, struggle for production, development of science and technology, development using native resources, and many more. Revolutionary changes occurred in industry, and standards of working-class and peasant living increased to a remarkable level. Unemployment was eradicated. Guaranteed work for all was introduced.

For over a decade during the Great Proletarian Cultural Revolution (GPCR), industrial production in China reached up to 13.5% per year. The speed of industrialisation in China at that time was more than remarkable. It surpassed the rates obtaining in Germany, Japan and the Soviet Union. Although there were a few disturbances by revisionists during the GPCR, growth in productivity continued. China saw an increase of 9.2% per year in coal, chemical and electrical production. Capitalist roaders including Liu Shaoqi, Lin Biao and Deng Xiaoping formed an anti-revolutionary trend, giving rise to internecine internal conflicts. Complex and sharp conflicts continued between revisionism and the theoretical perspective of Marxism-Leninism-Mao Zedong Thought. Modern socialist features matured in the GPCR, including in education, democracy, industry, agriculture, the struggle against patriarchal domination, in breaking down the inequality between men and women, healthcare, culture, and defence. In this way, the GPCR blasted the two bourgeois headquarters that belonged to Liu Shaoqi and Lin Biao and prevented the restoration of capitalism.

Under the leadership of Mao Zedong, the Chinese Communist Party built a substantial society through socialism without any social barriers among the people. Workers, peasants, women, students, intellectuals, and other oppressed groups in China laboured to transform their motherland into a modern industrial country, a country that could provide education and healthcare to all the people within the span of three decades. They transformed their country into the most progressive system from a social, political and economic perspective. The outstanding achievements of the people resulted in their country becoming the 6th largest industrial power in the world.

Yet there will continue to be opportunities for the bourgeoisie and other inhibitors of growth to arise and multiply, even in socialist society. The new bourgeoisie can arise in many places – production of essential commodities, money-exchange and distribution according to work, such as pay in 8 vari-
able grades. Even with the bourgeoisie overthrown, means of production and money still exist; some peasants and petty-bourgeois classes retain properties. These become the foundation for small-scale production. Nascent capitalism can grow from these seeds by leaps and bounds. There remain under socialism basic differences between mental and physical work, agriculture and industry, working class and peasantry, towns and villages and different areas and communities. Backward factors such as hangers-on in culture, traditions, and practices then become bases for attacking the foundations of socialism, as all remain present in the superstructure. Resistors of socialist construction, revan- chists and revisionists become a “holy coalition” with support from the external imperialist powers. Neo-bourgeois power-blocs arise due to growth in capitalist elements. To develop the productive forces and superstructure in accordance with the economic base of socialist society, it is necessary to revolutionize the relations of production constantly. One of the prime duties of the dictatorship of the proletariat is to create conditions unsuitable for the emergence of the neo-bourgeoisie to prevent it from gaining a foothold in the superstructure.

Exploiting these conditions, very few capitalist roaders who captured upper-level power in the CCP openly crafted schemes to restore capitalism in China. They implemented their revisionist “productive forces” policy both secretly and openly. The waging of internal struggles exposed capitalist conspiracies. Mao taught that revolution should continue until communism is reached. The great Chinese working class continued its cultural revolution in accordance with Mao’s call to “Break the Centres of Capitalism” for over ten years (1966-76) under the leadership of the CCP. However, after the demise of Comrade Mao followed by the leadership of Hua-Deng, the capitalist roaders in the state apparatus seized power by conspiracy and were successful in dismantling the GPCR. As previously mentioned, they were successful in installing capitalism in all spheres, be they theoretical, political, economic and cultural. They succeeded in their goal of changing the communist party into a revisionist party, working class dictatorship into bourgeois dictatorship, and it was an outstanding achievement on their part to install a capitalist state in place of a socialist state within the span of 3 years. In this way, the global proletariat met a formidable historical defeat by the restoration of capitalism in China.
After the death of Mao, the revisionist, renegade Hua-Deng gang formulated a counter-revolution, deceptively strengthening their position in the party while waving the red flag. The Hua-Deng strategy was the continuation of the Liu Shaoqi-Lin Biao counter-revolutionary line. In this way they proved themselves devoted and covert followers of capitalism. Comrade Mao Zedong said: “The rise to power of revisionism means the rise to power of the bourgeoisie.” Indeed, in his time, the Soviet Union was “under a dictatorship of the big bourgeoisie, a dictatorship of the German fascist type.” Addressing these renegades during the period of GPCR, Mao identified representatives of the bourgeois class “who have snuck into the party, the government, the army, and various cultural circles” as “a bunch of counter-revolutionary revisionists. Once conditions are ripe, they will seize political power and turn the dictatorship of the proletariat into a dictatorship of the bourgeoisie.”

At first these revisionists cloaked their counterrevolutionary ideology in red to mislead the people theoretically and ideologically. They set about ideologically converting followers towards a restoration of capitalism. They used the services of the Deng gang’s capitalists, the Soviet capitalists, and both native and foreign anti-progressive elements. The Deng revisionist gang – theoretically, ideologically and politically bankrupt – published articles blaming the revolutionary values the people during for the GPCR for any and all misfortunes. The capitalist roaders claimed that the GPCR was an ultra-left error and repudiated it, denying its revolutionary character. All its values were repudiated, its gains reversed, which effectively ending the dictatorship of the proletariat in China. These traitors made many false accusations on the person of Mao Zedong. The Deng clique substituted pragmatism for Marxism-Leninism-Mao Zedong Thought. Deng’s capitalist roaders resorted to atrocities, such as defaming Mao’s followers, scheming to prosecute them criminally, suppressing them, and even killing them. In this way the Maoists were unable to regroup and launch a counter-attack.

The Deng clique published a number of articles and launched a campaign of reform whose technocratic watchwords were political stability, discipline, economic growth, incentives, skills, foreign technology, and unrestricted foreign investment. These were the bases on which the restoration of capitalism rested.

The capitalist roaders restored the bourgeois dictatorship by defending the rights of the bourgeoisie over all relations of production. In the words of Deng: “We must continue to combine economic planning with regulation by market forces. This should never be changed... The combination of planning and market regulation will be continued. The important thing is that we must never turn China back into a country that keeps its doors closed... And on no account must we go back to the old practice of keeping the economy under rigid control.” Conflicts inevitably arise in issues like socialisation of the product and the scale of private production. This becomes the prime conflict and gives rise to the following changes:

Unhealthy competition and conflict among the private producers leads to the poor becoming poorer and the rich becoming richer. This leads to disintegration of society and reintroduction of antagonisms between the people. The rich become capitalists who gain profits by the exploitation of labour. The poor sink to the state of workers, who must sell their labour. In this way, the “market system” was the means by which capitalism disseminated through the whole of society.

To develop capitalism, the means of production and labour power must be purchasable. Markets in
means of production and labour power must be established. Means of production must be purchased by lines of credit and investment. In this way, a “socialist market economy” is a fiction.

Hence, when the Chinese revisionists state that we need “reforms” to build a market economy, what is in mind are “reforms” to develop capitalism. The objective of these “reforms” is nothing but developing “capitalism with Chinese characteristics.” China implanted a phase of reforms from 1978-1989 known as the 1st Generation Consolidated Economic Reform. The reforms of the 1990s are referred to as the 2nd Generation Simplified Economic Reforms.

First Generation Consolidated Economic Reforms

Agricultural reforms began in 1979. Urban reforms were introduced in 1984 with the “Open Door Policy” for foreign capital. China joined the International Monetary Fund (IMF) and World Bank in 1980. Thus, the revisionists became partners in the world capitalist-imperialist system. China’s state-capitalist economy transformed into a monopoly-capitalist one by phases. As a result of immense privatisation and massive lay-offs, independent private capital sprouted like mushrooms after a rainstorm. Revisionist China re-introduced the rule of the law of value, that is, the economy became dependent on the market value of labour required to produce a good or service. These reforms gave way to exploitation and accumulation of capital which has had numerous effects on Chinese society. Multinational corporations (MNCs) entered China without restrictions. In 1982 there were 26,000,000 private companies in China, which grew to 58,000,000 by 1983. At this time, the World Bank approved a 20-year loan of 220 million dollars for the extension of railway lines.

The commune system in China was very strong. From the beginning, the revisionists in China used every means at their disposal to break the commune system at the grassroots level. The breakup of the communes became a boon to growing capitalism in China. With the excuse of “agricultural reform,” they uprooted the most equal sector of the socialist economy. To achieve this, collective management of land, agriculture, animals and agricultural tools were all banned and the contract system was introduced. Communal land was slowly transformed into private property, solidifying capitalism in agriculture. Industry, trade, mining, education, health, children and elderly welfare, entertainment and more were under collective management by the communes in socialist China. Capitalist policies were implemented in these sectors. The following reforms were declared in agriculture.

1. Agricultural communes and agricultural co-operative societies were liquidated. The state only upheld contracts to buy agricultural products from every farming family. Individual farming was re-introduced, which placed the responsibility for success or failure on individual producers instead of wards/villages.

2. Farming families were allowed to sell their additional produce, beyond that agreed upon via contract, on the local market. When the government began the campaign for free trade in food grains, there emerged private traders of food grains.

3. The duties of communes were revoked, including providing voluntary labour for government services and other related duties. They changed the name of the ward/village authority. In order to increase productivity and provide incentives, they increased prices on agricultural produce by 20%. Due to all these factors, inequalities in consuming village land, domesticating animals, management and means of production arose. Land use can be transferred as per the Constitution’s Amendment Act of 1988. Farmers were left at the mercy of market fluctuations. These left hundreds of thousands of farmers homeless. Hence, many farmers became “free” labour. According to one estimate, there were more than 150 million “free” labourers created in the immediate aftermath of the first generation reforms. These measures were used extensively to develop rural industry, private companies, and joint ventures between state and foreign capital. Local bodies imposed taxes on the peasantry to raise capital.

The “urban reforms” encapsulated three core features:

1. The monopolists of the coastal cities were empowered with the creation of the Special Economic Zones (SEZs). Existing restrictions were removed on small and middle-scale private business, foreign trade, and commerce operating in these zones.

2. A state-planned, consolidated economic policy ceased to exist. The main objective of running
companies became profit for its own sake, orchestrated vaguely by indicative planning. Relations between firms and government policy were consolidated, forced into a framework of mutual support and co-ordination in socialist China, but now they could engage in virtually unrestricted competition in free markets.

3. Most importantly, finance and planning were reorganised to reflect and facilitate the new bourgeois dictatorship.

The revisionist Deng clique did not gradually phase in competition and phase out state control of consumer goods manufacturing. They destroyed the industries which played the most constructive role in state management. Qualified managers were selected through competition and not subjected to oversight. The government gave them rewards, increased or decreased their assets, and even awarded compensation depending on their ability. The management of enterprises by workers was unthinkable. Small companies under state management were sold to conglomerates and individuals. Some were even given back to their old owners.

As Deng said, “A market is not only for consumer goods or for policy, but also for elements necessary for production; for example, funds, workers, technology, information and real estate.” Revisionists implemented the following distribution forms right from the time of their first reforms (1979-89). They reintroduced the idea of interest on bonds, dividends to shareholders, bonuses for managers who take risks, and incentives to firms that hire certain numbers of workers, and the concomitant state guarantee of such through violence.

The “Open Door” policy and the 1st generation reforms allowed the imperialists to plunder the labour of the Chinese people. Multinational corporations received the facilities they wanted. The state’s overall control over foreign trade was cancelled. The Chinese state granted permission to companies to manage foreign trade independently. China thus became an inseparable entity in the imperialist world market by transforming itself into a market for imperialist goods and by opening doors to their investment. Special rights were given to foreign companies to increase their profits. For example, the right to fix wages and salaries as they desired, the right to cut compensation and benefits to workers at will, and so on. They allowed nearly 1,860,000 companies to receive foreign investments totalling 150 billion by 1994.

These “Profit Partnership Agreements” began a trend local government officials and factory managers hunting for profits. This was commonplace in the Special Economic Zones. Chinese enterprises located in Taiwan, Hong Kong and other East Asian countries repatriated small investments, which led to a speedy development of small-scale business and industry in the country. The demand for labour in the private sector was fulfilled by the farmers from the peasantry who were betrayed by the agricultural reforms, and also by workers who became jobless due to layoffs and privatisation, thereby creating a large, exploitable reserve army of labour. Capitalist enterprises grew apace as the immense new fields of labour and investment opened to them. As a result, Township and Village Enterprises (TVEs) were developed on a large scale, which in turn caused the capitalist economy to grow by leaps and bounds, and market anarchy multiplied accordingly.

The central government ran massive deficits because of the Profit Partnership Agreements and the extraordinary giveaways to private industry. When deficits increased, loans were granted easily by the banks, which were not reformed to restrict increased inflation and resulting shortfalls in foreign trade. In response to increasing inflation, the government started paring back its investments in the state sector and tried to balance the situation. This was not only to save government investment, but also to help reduce the budget deficit. Because of this, there was a great fall in planned product quotas in the state enterprises. The government moved to approve the sale of a major part of their product on the open market. The market price for heavy industry products for the private sector were reduced. In order to rectify these imbalances, they introduced even more liberal reforms.

First, more “reforms” were introduced to make state owned enterprises (SOEs) even more profit-driven than they already were. Even more powers were granted to directors and managers to run their enterprises as they saw fit. They minimised the interference of party secretaries and the influence of politics in running the industries, ensuring that only bourgeois politics were in command. By introducing Profit Partnership Agreements, they increased the decision-making of management over investment and production. The government introduced a Product Based Pay Structure, relegating the existing National Pay Scale Structure to some select SOE managers. Time-based contract employment
was introduced in the place of guaranteed lifetime work. Secondly, they tried to reduce control over government funds. A standardized taxation scheme was introduced. Taxation was fixed as a percentage of profits instead of fixed quota amount. And, finally, the banking sector was reorganized on the basis of centralisation.

Socialist China, under the dictatorship of the proletariat, confined compensation in its commodity economy to the eight pay grades. The differences in the eight pay grades were not great, but the socialist state slowly reduced the differences in the pay scales. Though there were pay variations, there were many benefits, such as labour protections for workers, low rent residences, free healthcare, financial assistance for pregnant and postpartum women, compensation to workers in case of loss, different types of insurances, pensions, entertainment facilities, schools and more. Begging, slums, and unemployment were eradicated between 1949 and 1976. Later, the revisionists introduced many fraudulent reforms which resulted in the re-emergence of capitalism, and many of capitalism’s attendant maladies penetrated the lives of the people. The restoration of capitalism coincided with the dismantling of working class support structures. Harmful factors like poverty, unemployment, illegal hoarding of commodities, corruption, smuggling, prostitution, female infanticide, drug trafficking, human trafficking, robbery, rape, murder, grotesque beauty contests, and so on, were at their peak.

The efforts to raise subsidies in order to motivate an increase in agricultural production within the country had aggravated the problems of inflation in the cities. If the government subsidises the food supply, the budget deficit is increased. Otherwise, if there is a hike in food price, unrest in the cities rises, as the urban working class is already pressed between the high prices of consumer goods, the cost of living, and low wages. By the late 1980s, the increasing political and financial problems in the country led to a drag on enthusiasm for liberal reforms.

Along with the development of capitalist production relations in China, there emerged a small private capitalist class. There were 98,000 small private enterprises in China in 1990. Their total investment was 4.5 billion yuan. This private capitalist class was not a part of the government and had no political power. It earned profits by exploiting workers the old-fashioned way. There are nevertheless conflicts between the autocratic state-capitalist class and the private capitalist class. The latter, in order to achieve a “free market economy” for all and to gain some political momentum, took up the slogan for bourgeois democracy. To achieve this free market economy, it needed a stable legal system, protection from the autocratic government, clear rights on private property, and pluralistic politics. The autocratic governing capitalist class amassed hundreds of billions of yuan in private property. It had full control over government property as a ruling class sanctioned by the Chinese Communist Party. The new ruling class used its political power to gain monopoly over profits and controlled the privileges of the private capitalist class. Hence, the private capitalist class demanded “democracy.” A minority in revisionist China supported this movement. The majority of Dengist leadership opposed this movement and sought to repress it. The consequence was the Tiananmen Square incident. Zhao Ziyang, who played a major role in liberal reforms, was toppled, and the reform process became more cautious.

Under the revisionist Deng clique, industry remained under state management, even after the thorough restoration of capitalism. Rather than impeding the restoration of capitalism, state ownership merely saw the transformation of all state enterprises into monopoly capitalist ones. As a part of the reforms in China, the state monopoly capitalist policy transformed into an old-style private monopoly capitalist policy. Thus, when China transformed partially into a regime of private monopoly capital, the capitalist-imperialist state eventually began to resemble to some extent that of imperialism in America, Europe and Japan. Similarly, when capitalist restoration took hold in the Soviet Union, it implemented state monopoly capitalist policy, and did not survive to transition to private monopoly capital.

After the Khrushchev-Brezhnev wrecking crew conspired in the Soviet Union to seize the party and therefore state power, the Russian bourgeois privileged stratum expanded its political and economic authority on an ever-greater scale. This privileged class strengthened its status in the party, government, army, economy and the cultural sphere. This privileged class formed into a bureaucratic monopoly capitalist class and exercised its sole authority over social wealth and state machinery. It used its power to transform socialist management into capitalist roader management, the socialist economy into a capitalist economy, and a politics-first party-state into a state monopoly capitalist one.
Important internal factors, such as the integration and uniqueness of China’s “red” monopoly capitalist class, played a central role in repressing the Tiananmen Square incident in 1989. These incidents proved that capitalism by its very nature is anti-democratic and oppressive. A capitalist-fascist system of control can only be imposed upon the working class by the repression of popular uprisings, brutal violence, and the use of state power. The single-party state was still useful to Chinese monopoly capitalism, and repression paved the way for its solidification.

Second Generation Reforms

The Tiananmen Square incident and the disintegration of the Eastern Bloc – namely, Boris Yeltsin’s reforms were implemented to open the free market for the East European bourgeoisie, in league with the imperialist bourgeoisies of Europe and America – were a great shock to the revisionist Chinese Communist Party. It consequently began reorganising central control over the party and government, which had lost its grip on administration as a result of the first generation reforms. CCP leadership regained its control over the budget and re-inculated financial stability under the aegis of the state. Deng introduced the second generation of reforms after visiting SEZs in South China in the summer of 1992. The expansion of SEZs to many more cities and provinces was the prime issue of these reforms. The ruling clique were now certain that capitalist reforms could be implemented without succumbing to the fate of the Eastern Bloc.

Foreign investment stood to reap a massive windfall on China’s cheap labour power and infrastructure. Multinationals were salivating to acquire state industries, while China began to outpace the economies of East Asia, due in part to the first generation reforms and greater labour productivity, but also because of the infrastructure and coordination built during the socialist period. China was able to provide local inputs and services as a result of an already strong industrial base, supplemented by its fully developed social and financial infrastructure.

Whether capital adhered to the rules or not, it was closely partnered to the party and state in the second generation reforms. Opportunities were relatively poor for foreign capital. If foreign investment wished to gain massive profits, they had to make agreements with the government. Since the economy was very strong, China was in a position to make a hard bargain with MNCs. China allowed only a few foreign companies, and even in those cases under certain conditions, to directly invest in productive forces such as heavy industry. Joint venture arrangements arose between state-held corporations and multi-nationals when the investments were large enough in scale. The state sought to use MNCs to benefit the Chinese economy, trading access to Chinese labour power for real infrastructure and productive forces. MNCs built modern plants with cutting-edge technology and provided the state capitalists access to western capitalist methods of organization and technical knowledge. Multinationals could even foot the bill for the required marketing, sales, and distribution networks to sell the products produced in such joint venture companies. Naturally, the capitalist state offered cheap and efficient labour power, labour residences, roads, communication networks and other economic infrastructure. The profits gained through these joint ventures were shared by the government and MNCs.

Foreign investment in China was initially small-to-middle grade, usually from Hong Kong, Taiwan and Japan. During the second generation reforms, the government, with a new accommodating attitude, gave provision to allow large-scale investment in more than one sector. As a result, Foreign Direct Investment (FDI) in 1992 was a little more than 1 billion USD, whereas by 1994 it had increased to 50 billion USD. Export-oriented manufacturing industries grew rapidly due to the flood of FDI into the country.

This FDI flood brought many immediate benefits to the government and the state-capitalists. Firstly, the government was able to fill the deficit in its budget with massive new revenue flows from the profits of joint ventures. Secondly, as a result of FDI, exports increased slowly and transformed China’s trade deficit into a surplus. Thirdly, high-level positions in the state sector were opened in the joint venture companies. The diminishing industries run and owned by the state were soon reorganised to create an atmosphere more amenable to the capitalists.
Reorganising State Industries

The first generation reforms of the 1980s focused on small and middle-scale industries as well as agriculture. Central public sector industries were plagued by a lack of investment and thereby a decline in progress due to the government’s focus on the expansion of town cooperatives, town-village enterprises, private business, expansion of industries, and so on. The government focused on the important state enterprises during the second generation reforms. The CCP in its 15th Congress of 1997 declared that it would reorganise the entire state sector. The main objective was to transform the popular State Owned Enterprises (SOEs) into profit-oriented corporations.

The first step in this reorganisation was the privatisation of small state-owned enterprises, mainly through the management or the trading of labour power in the form of privatisation. The second step was transforming the remaining state-owned enterprises into western-style joint stock companies. Some shares were sold to private investors on the newly-minted Chinese stock exchange, but most of them remained non-tradable shares. Generally, those shares were owned by various government bodies. As a result of this, in all the large-scale industries, the majority of shares were transformed into shares under state-owned enterprises. By separating ownership from management, as is the case in the West, these institutional reforms made it easy to start joint ventures with foreign investment. There was now a chance to modernise the companies and update technology, paving the way to the third step, “Corporatisation.” All state enterprises went over to a profit-oriented system, and the gains of the working class were all but reversed. The rights and privileges acquired by revolution and socialism were betrayed and forfeited to the needs of international capital by the bourgeois state. This phase represented the most intense stage in the capitalists’ war on the broad masses of China to date.

Private investment, massive layoffs and the upsurge of privatisation were the object of this reform. Layoffs were ruthlessly imposed as the law of value retook the entire public sector. According to CCP statistics, between 1998 and 2002 more than 25 million workers were terminated from public sector companies and cooperatives. In order to compete in the world market and boost exports, enterprises had to be “modernised.” This led to a tremendous increase in construction, while simultaneously laying off multitudes of workers. Another attack on the Chinese working class was affected by the replacement of the lifetime employment system by the contract system, wherein workers were expected to renew their contract every year on their own accord. In spite of workers’ long-time protest against this policy, government monopoly administration, fascist repression, and division amongst the workers all ensured the implementation of the policy. Yet another front of the bourgeois war against the Chinese working class opened with the implementation of piece-rate wages. Piece-rate wages are the purest form of reactionary bourgeois self-discipline for the workers, who are now atomized into particular work units and individuals, and paid different wages for different outputs.

The reorganisation drastically transformed the state sector. Most production moved to the private sector, which came to occupy 70% of GDP. The government share in the industrial assets of the public sector enterprises dropped from 68.8% to 42.4% between 1998 and 2010. At this time, employees were also reduced to 19.4% from 60.5%. The export share of the public sector industries was reduced from 57% in 1997 to 15% by 2010. The size of public sector industrial units was reduced by consolidations and lockout. Hence, thousands of industrial units were reduced to a minimum during 1990s. The World Bank encouraged this, commenting that: "Most entities have been corporatised and are run as for-profit enterprises. Budget allocations have been phased out and subsidies eliminated." The World Bank congratulated the Chinese bourgeoisie on their profit rates and worker productivity.

Although the state-capitalist sector is relatively small, it plays a prominent role nonetheless. Fixed asset investments by China’s private enterprises in public sector enterprises are as high as 35%. It is interesting to note that 2/3rds of the top 500 companies in the world are public sector companies of China. All banks and insurance companies, including the shares of major public sector units and state-owned assets, are under a single commission authority: the State-Owned Assets Supervision and Administration Commission (SASAC).

The New Bourgeoisie

The revisionist ruling class continued to depend on oppressing and robbing the worker class, and this only intensified with the development of capitalist production relations in China. This public authoritarian sector changed slowly into a state-monopoly capitalist sector and finally into private
Revisionist China after the Restoration of Capitalism

Monopoly. It was not always compulsory private assets or public assets (the people’s property) that needed to transform into private assets to develop capitalist relations. For in the process of capitalist development, members of the ruling class procured their private assets by the most dishonest means.

The most important ways the bourgeoisie used to illicitly procure private assets from public assets (that is, under people’s management) in revisionist China during the 2nd Generation Reforms are as follows:

1. **Buying and selling with monopoly power:** According to experts’ statistics, 400 billion yuan per year in profits accrued to the bourgeoisie as a result of exploiting differentials in price, interest and exchange rates.

2. **Illegal trade with monopoly power:** They bought and sold shares in real estate and stocks instead of goods or services. Shares on the stock exchange are akin to speculative investments. They have values many times greater than that which they actually produce. Naturally, land has no value unless it is changed into a commodity, but once it is subject to the transactions of real estate markets, its value can skyrocket into the millions or billions of yuan. In this way, amassing wealth by illicit means and monopoly power is preferable to accumulating through sales and purchases.

3. **Trade run by monopoly power:** The number of private firms in China in 1992 increased to 420,000. This was 88.9% more than the previous year. All the new companies were run by public enterprises, while more than 60% of trade was run through the public sector. The People’s Liberation Army (PLA) opened luxurious hotels, and factories under PLA management were used to produce refrigerators, pianos, TV sets, passenger aircraft, etc., on a large scale. There were sales offices in Shenzhen for more than 400 factories. The businesses that ran by absolute monopoly power were far more profitable than legitimate, private businesses.

4. **Foreign investment:** The Chinese state helped foreign investors to rob the people. The state monopolists gained super-profits through foreign investment, and foreign investors found many ways and means to avoid taxes, regulations, and trade restrictions. They tried to procure land at cheap rates, or even at no cost utilizing other privileges. To achieve this, they needed friends in the ruling class, and what better way as a foreign investor than to make individual state monopolists the beneficiary of your foreign investment? It just so happened that the top positions in the public sector were in the control of the sons and daughters of famous leaders in CCP. These individuals conspired with American and Japanese banks, and many other multinational corporations. Party, government and public sector enterprises were hand-in-glove relations without any differences among them. Government revenue and wealth was robbed on an enormous large scale by the ruling class. As a result, state revenues were met with serious losses. This was one of the prime reasons for the increased rates of inflation. To overcome inflation, revenues had to be increased and expenditures reduced. How did they increase revenues? By increasing the price of consumer goods. And in order to decrease expenditures, there is no other way besides cutting social welfare structures. A very small number of people amassed a very large amount of wealth at the expense of public property. That means, in the final analysis, the wealth built by the working class was robbed by the state monopolists and their new bourgeois allies.

**Liberalisation of Trade – Joining the World Trade Organisation**

The East Asian Crisis rocked Malaysia, Indonesia and Thailand during the reorganisation of government enterprises in the 1990s. This represented the imposition of a new kind of capitalist policy, introduced by imperialist forces like America, Europe and Japan. These became known as the Asian Tigers. The imperialists tried to build a great wall against communism while reshaping the region in their own image. The Asian Tigers liberalised rules and regulations to those countries interested in investing in the form of loans. Western banks and investment funds ran to buy shares in Asian ventures and get their share of the Asian Miracle. At first, foreign investment led to a predictable boom.

The rate of accumulation started slowing down with successive slumps in the demand for labour power. The miracle investment soon became a speculative bubble. Expected profits are not achieved through these speculative investments, so foreign investment found eventually came to its senses and
moved to other countries. When they rushed to take back their investments and change them into US dollars, the currencies of the Asian Tigers collapsed in the face of the dollar. The Asian Crisis spread over the whole globe from 1997 to 1998. Global capital was afraid to invest in this kind of economy. With Latin America and Russia also in severe crisis, where to turn?

Though China had close relations with the Asian Tigers, it was able to emerge from this economic slump without much difficulty. The main reason for this was extensive government regulation of the economy. China was able to funnel foreign capital into true productive capital and avoid speculative bubbles. The state also strictly controlled capital flows in and out of the country, minimizing the risk of capital flight. There was no chance for foreign investors to take back their investments, that is, they could not recoup their capital from China even if there was a severe financial crisis. In this way, China was able to mitigate the financial crisis resulting from the collapse of the Asian Tigers.

But there was a steady decrease in foreign investment coming into China, particularly export-oriented investment. When China began the “Go Global” policy, it spurred FDI. For this reason, CCP leadership approved certain loss-oriented conditions in December 2001 and joined the WTO. As a result, the import tariff was reduced from 40% to 34%, lower than other important developing countries. At the same time, export subsidies were also cancelled. Backwards agriculture in China faced many problems as a result of the new liberal policy. WTO partnership limited the number of tools available to the Americans to isolate China. China implemented almost all the directions and recommendations of the WTO with regard to trade, the liberalisation of industry, and issues related to de-regulation. In a way, China determined the new global economic policy of America by becoming a member in the WTO. After the dot.com bubble burst, foreign investment entered China, which further solidified and reinforced its export-led economy. Hence, in 2004 China raked in unprecedented amounts of foreign direct investment. The Chinese ruling class achieved this position with the intention of dominating America and the other imperialist countries. China accepted the rules and regulations of the game and moved forward. China became an economic superpower. This transformation is only a conditional phase in a much larger process. This transformation will only increase the power of the Chinese government. China merged its huge stores of manpower with global investment, becoming a critical spoke in the wheel of global capital accumulation.
China as a Primary Economic Power

China’s economy grew quickly by intensifying capitalist policies, as per the second generation reforms of the early 1990s. Authority and control over state assets is the key in the development of the modern Chinese economy. Profits from public enterprises and increasing FDI made the state capitalist bourgeoisie comfortable enough to provide subsidies and incentives to exporters. Public investment, FDI and exports have become the three pillars of the successful export-led economy. China’s share in global GDP on the basis of FDI and exports increased by leaps and bounds. For example, China’s production was 4.1% of the world total in 1991, and this was increased to 14.3% by 2011. This made China the second largest economy in the world. At the same time, the US share by 2011 was 24.1%, which then dropped to 19.1%. The manufacturing sector had the strongest rise in the value of capital. China has now reached its zenith in terms of an economic sector of the world. The position of the US as the world’s main manufacturer, which it held for 110 years, is being challenged and replaced by that of China. One-fifth of world productivity came from China – 19.8% by 2011, whereas 19.4% came from the US. China has become the largest exporter in the world. It produces 50% of all cameras, 30% of air conditioners and TVs, 25% of washing machines and almost 20% of refrigerators. It also produces cars 20% above market demand. It reached up to 33% of its GDP in exports by 2003, at a value of 438.87 billion dollars. That same share was just 18% in 1996. Foreign investment funds exported a value of 240.34 billion dollars, representing 62.4% of the total exports of all companies.

The export value of manufacturing goods is at present 403.56 billion dollars. This is 92% of total exports. Of this, the value of high technology products is more than 110 billion dollars. Processing trade value is 241.85 billion dollars. This is 60% of total exports.

The magnitude of China’s financial and export power is matched only by its lack of debt. China’s foreign debt was only 9.3%. Debts and services occupy only 2.5% of the Gross National Income of the country. At the same time, the other capitalist countries rely on China to purchase bonds and finance their debt and deficit spending. Hence, China is no longer dependant on any capitalist country. China, which had never robbed other nations to sustain itself, had by 2014 unquestionably transformed into a new social-imperialist power. As a result of super-exploitation, China has evolved into an imperialist power. The evolution of China as a global factory is not only strengthening global economic reorganisation, but also changing the dynamics of supply and demand chains in the global economy. It has become a hungry dragon for resources, from iron ore to natural rubber and other raw materials.

The Nature of Capitalism Never Changes

Though imperialism had been somewhat weakened by the drastic changes in the world after World War II, the epoch of imperialism has not ended. Mao said repeatedly: “We are still in a phase of imperialism and working class revolution.” The scientific analysis of Lenin, based on the fundamental principles of imperialism, is wholly valid and not outdated. The principles taught by comrades Lenin and Mao is the basis for our theory and practice. Marxism-Leninism-Maoism knows that imperialism is moribund. At the dawn of the world revolution, when imperialism is at its parasitic height, even then it will not go willingly out of this world. Imperialism can be eradicated permanently from the earth only when the oppressed classes and people of the world unite and make socialist revolution. But imperialism fights fiercely, crossing its own purported limits to survive, even when it is at the end of its life. That is the nature of imperialism.
We are now in the 21st century and living in the global revolutionary era. Our present world has been subject to many changes since the deaths of Lenin and Mao. The history of development unquestionably proved Lenin’s revolutionary principles correct and Marxism-Leninism-Maoism immortal. But history has its own twists and turns. The birth of Bernsteinian and Kautskyite revisionism after the death of Engels, the emergence of Khrushchev-Brezhnev revisionism after the death of Stalin, and similarly, Hua-Deng revisionism arose after the death of Mao. By 1956, under the leadership of Khrushchev, capitalism was restored in the USSR under revisionist Brezhnevite leadership, the Soviet Union transformed thoroughly into a social-imperialist power. Under the leadership of the revisionist Hua-Deng clique in China, capitalism was restored and the foundation of social-imperialist power was laid.

The present world scenario reminds us of the importance of implementing the following responsibilities:

Revisionism must be exposed and wiped out globally. The nature of the social-imperialist ruling class of revisionist China must be unfolded, we must centre the historical-materialist method, and if this is done then capitalist-imperialism and social-imperialism will fall. We should fight against imperialists, revisionists, and all kinds of resisters to progress to carry forward the movements led by the world’s workers, peasants, and oppressed masses.

For a decade, Marxists have struggled with the question of whether revisionist China has become a social-imperialist power, and for the answer to this question we must look to Lenin’s theory of imperialism. So, let us briefly, analyse Lenin’s theory of imperialism.

Lenin explained thoroughly what imperialism is. Imperialism is a distinct phase in the development of capitalist.

Its nature is threefold: Imperialism means

1. Monopoly.
2. Parasitism and general decay.
3. Moribund capitalism.

The economic aspects of imperialism are fivefold:

1. The general victory of monopoly.
2. The formation of financial oligarchies that unite industrial and bank investment.
3. The primacy of capital export over goods export.
4. Formation of monopolies which split the world among themselves.
5. Accomplishing the division of the entire world among the different major capitalistic states.

This is the macro- and microscopic view of Lenin’s theory of imperialism. Now let us analyse in light of Lenin’s principles.
China’s Monopoly Enterprises

Bureaucratic monopoly capitalism and private monopoly capitalism are in power in China. The ruling class of China regulated the authority of foreign monopoly enterprises on its economy even though the investments came mostly from the imperialist Western nations and Japan. The ruling class of China developed government and private monopoly enterprises, and State Owned Enterprises (SOEs) were officially under government management, but they functioned like private corporations in national and international markets. That means they were like ordinary MNCs and TNCs. The state and the Communist Party of China have more impact on private corporations than that of other imperialist countries in the world because most of the managers and owners of these private corporations are themselves members of the CCP. Similarly, the bureaucratic class and private bourgeois class were inseparably associated together. One-fifth of private industrialists were CCP members by 2002. Two-thirds of them are “Red Investors.” The biggest “Red Investors” of China are now on the Forbes billionaire’s list.

The foremost private monopoly enterprises in China have become global players, and if we analyse the progression of monopoly enterprises in China when compared with the largest corporations in the world, we find that China occupied the 3rd rank among the largest and the most powerful companies in Forbes’ Global List in 2000. China has 121 companies on the list whereas 524 companies belonged to the US. The average profit of these 121 companies was 168 billion dollars, which is 7% of the Gross Profit Margin of the 2000 largest companies in the world.

The Fortune Global 500 is yet another index, and it utilizes different standards for assessing the biggest corporations. We can find China’s share continuously increase with the same dynamic on this list as well. Three of the ten largest corporations (super monopolies) in the world belonged to China. These are Sinopec Petroleum Corporation, China National Petroleum and the energy giant State Grid Corporation. China has already surpassed Japan if we merely observe the top 500 corporations in the world in 2000. Today, Japan ranks behind China. Among these top 500 world corporations, America has 132, China has 73, and Japan has 68, whereas France and Germany both have 32. China’s share in exports in the world’s premier production is increasing at a fast pace. The top position of America as an imperialist nation is steadily weakening. Out of 500 companies in the Fortune Global Index in 2000, the 197 companies that belong to America dropped to 132 by the year 2012.

Many corporations in China are run by foreign capital. Some doubt that China’s exports are under the control of MNCs. In fact, the export percentages of the enterprises run by foreign capital are slowly limping towards bankruptcy. According to 2012 statistics, the export percentage dropped down to more than 50%. The exports of the companies which were under private ownership were increased to a maximum of 21.1%. So now in China the private companies that are locally owned occupy a larger share in the export market.

In fact, according to China’s statistics, the enterprises regarded as being run by foreign capital are not really run by foreign capital at all. Companies catered by Hong Kong – part of China since 1997 – are also considered in these appraisals of “foreign” capital. Hong Kong is the single largest entry point for Foreign Direct Investment (FDI) in China. For example, FDI that entered China from Hong Kong deposited 456.2 billion dollars (41% of the total) by 2010. Compare the FDI deposited by America by 2010 was only 78.7 billion dollars (7.1% of the total).
There is a myth that powerful countries like the US, Britain and Germany dominate the economy of China. This is false. The accumulated FDI that is added from all the countries like America, Britain, Germany, France and Japan was only 197.4 billion dollars in 2010, not even equal to half the FDI from Hong Kong. Similarly, some investment (as per the statistics) coming from Taiwan, South Korea, Singapore and even from tax havens such as Macau also make up a substantial portion. But we cannot consider that these sums “dominate” the Chinese economy in any way. Thus the claim that the Chinese economy is primarily invested in and controlled by the Western powers is totally wrong.

For the first time in Chinese history, the number of millionaires reached two million in 2013. Among these 251 tycoons are dollar billionaires. There were only 15 billionaires six years ago. Among these, half of them are shareholders in different companies, investors in real estate, or high-level executives. Most of China’s super-rich are private businessmen.

China is home to fewer wealthy persons than its other imperial rivals. According to Cap Gemini in 2012, China is the fourth wealthiest country behind the US, Japan and Germany. Yet China’s monopolies are the most powerful, with unquestionable direct control in their sectors. Thus, China has not only grown into a social-imperialist power – it has much more room to further develop than the West.

More Profit Margins

Exploitation and super-exploitation are the motive forces of the Chinese imperialist system. The presence of organised, centralised, fascistic and bureaucratic state enterprises enabled China to exploit working people mercilessly and oppress revolts against exploitation. Its imperial capability arose as an outgrowth of super-profits accrued by the exploitation of Chinese labourers, as well as aiding in the super-exploitation of the Chinese people by foreign capital. This is the mystery behind the “Chinese miracle.” China’s monopoly capitalists have become more merciless.

The government of China has successfully transformed the power of its working class, once the predominant political power in the state, into a commodity by maintaining a reserve army of labour via layoffs, reorganising and minimising the government sector, and nurturing the private sector parallel to the government sector. The policies of the socialist period under Mao Zedong, based on slogans including self-reliance, discipline, undeterred sacrifice, overcome pains to serve to people and the country, also played a major role in paving the way for the monopolists and making the super-exploitation of the working class achievable.

The extreme poverty in rural regions, coupled with available sources of employment in the towns, drove the young peasantry to migrate to the cities. The ex-farmers or peasant youth who moved to the towns are called migrants. "Migrant" is a word mostly used for people who migrate from one country to another country, but in China the term refers to people who have moved from the countryside to the cities. The workers who moved to towns from villages did not gain secure residences, education, health services, any recognised jobs, or even social security. Their living conditions were miserable. They used to take shelter in dilapidated houses, tents, tunnels, under the bridges and even in the trunks of cars. Very soon they became an important resource for super-exploitation by capitalists. According to China Bulletin, some 200-300 million workers migrated from the countryside to the city. Among them, more than 140 million used to work in towns. More than 40% of the population of Beijing were migrant workers at one point. These migrant workers were and are usually thrown into dangerous or low-wage jobs. Migrant workers make up 58% of the industrial workforce and 52% of the service workforce. The huge numbers of migrants, their uncertain legal and social position, and their vulnerable economic situation gave rise to a large, unorganized working class susceptible to super-exploitation. According to official statistics, in the towns 30-37% of workers are unionized in the first decade of 21st century.

The real source of the wealth of the Chinese monopolists is the super-exploitation of the working class, the paying of wages below the value of labour power. Foreign companies also ruthlessly exploit the Chinese workers. The declining situation of Chinese workers is shown by their falling share of the national income. The industrial worker’s wage share in 1983 was 57%, whereas in 2002 it was 52.3%. In 2005 it continued to drop to 37%, and by 2008 it was only 26.2%.

Dong Tao, a banker and analyst, published statistics of the rate of exploitation of manpower in China for the last two decades. The total share of remuneration in the industrial sector was less than 10%,
whereas at the same time this was more than 50% in developed countries. It is very interesting to note that not only did labour remuneration fall, the profit rate dropped as well from 240% to 43% in the government sector and mega-industries in China from 1993 to 2004. It became mandatory to exploit the working class in order for China to sustain itself as an imperialist power. If China wishes to compete with other imperialist powers such as America and Japan, it has to move its factories to backward countries. It must exploit the labourers of the world as well.
FOREIGN INVESTMENT IN CHINA

The first economic principle of imperialism is monopoly. The second is the formation of some financial investment, thereby forming into financial monopoly (oligopoly). Along with the evolution of monopoly in the industrial sector, there emerges monopoly in the banking sector. Major banks infiltrate the industrial sector by investing money in shares of the industries. Monopoly brings finance and industrial concerns together to form monopoly-finance capital. Some of the investors who are in the process of gaining authority over the largest financial investments have emerged as financial oligopolists in China. The central government has unassailable control over this sector. For example, beverage manufacturer, Hangzhou Wahaha group chairman, and the richest man in China in 2012 and second-richest in 2013, Zong Qinghou, had an annual income of 68 billion yuan. Similarly, the family wealth of Wu Yajun, the chairwoman of Longfor Properties in Beijing, is 40 billion yuan. Moreover, she is the richest woman in China. Former Prime Minister of China, Wen Jiabao, is the patriarch of a billionaire investment family with 2.7 billion dollars in assets under its control.

Four of the top ten banks in the world belong to China. The biggest one is the Industrial and Commercial Bank of China (ICBC). Its property is valued at 2.8 trillion dollars. The others are China’s Constructions Bank (2.2 trillion dollars in assets), the Bank of China (2 trillion dollars in assets) and the Agriculture Bank of China (2.1 trillion dollars in assets). These banks are the centres for monetary investment. These four banks are under purview of senior men within the leadership of the CCP. All the major banks in China are under strong governmental and party control. They have become the main tools by which the government rewards or punishes certain trends, sectors, or individuals, and they are the linchpins of government policy. They encouraged mainly bank loans to SOEs. This is one of the main reasons that the government needs long-lasting control over the public sector. This strong control over finance in China is not like the significant control in the hands of beneficiary of Wall Street in America. The bureaucratic private monopoly capitalist class which entered the CCP has rotted the state from the inside out and refashioned China in their image.

The financial oligarchy in China not only has a grip over political power, but also on different sectors of the society. For example, nearly 70 members in the National Peoples’ Congress (NPC), China’s parliament, have accumulated vast wealth. The total wealth of these members surpassed the combined wealth of the 585 members of the American Congress and its president, cabinet members and the Supreme Court. The net collective income of these 70 lawmakers increased up to 565.8 yuan (89.8 billion USD) in 2011, and has risen since.

Banks in China have two roles. One is to finance corporatisation in the public and private sectors. The second is to accumulate investments according to the direction of the government. These banks, however, are individually wildly profitable firms. For instance, nearly 50 billion dollars of tax-free profit was netted for ICBC in 2012. The top four banks in China earned nearly 150 billion yuan (30 billion dollars), equal to 3/4th of the total profits of China, by the end of 2012. At the same time this is also 3/4th of the total profits gained by the top four banks in America.

Labour Aristocrats

There emerged two social tiers, namely labour aristocrats and the petit bourgeoisie in the development of capitalist China. Their number might be 100 to 150 million. There are two aspects of this.
Firstly, there were trade unions and farmers’ unions in large numbers in China for a long time. The leadership of these unions was taken over by revisionists during the period of capitalist restoration. The private and public leadership was concentrated. This became a prime resource to the rise of a labour aristocracy. Secondly, there was also a bourgeoisie among the people in occupations such as factory management, service management, and millions of broker agents, lawyers, educators and engineers. Those tiers that received recognition as professionals and managers served major local and foreign corporations and the emergent capitalist class in China. This special layer of people reflects the birth of imperialism in China. Subsequently, the majority of workers and farmers were subjected to super-exploitation. The massive profits gained through monopoly investment are the financial foundation for this labour aristocracy, and so to the development of revisionism within the working class movement. The birth of a labour aristocracy under conditions of an emerging imperialism gave rise to revisionist policy and ways to protect this fledging imperialism. Labour aristocrats are in fact the agents of the unseen bourgeois class. Revisionism is bourgeois ideology in the mask of Marxism.

**Economic Anarchy in Capitalism**

China was affected least by the global overproduction crisis, as well as inflation, as it has developed more and faster capacities to balance the weight of credit/debit transactions. There were attractive stimulus packages during the inflationary period of 2008 to 2009. However, as a part of competition in the monetary sector, China was moving towards allocating investments by irrational means. This is inevitable under capitalism in the view of Marxism-Leninism-Maoism. It can be compared to the dot.com bubble in the US in the late 1990s, when huge investments in internet companies were allocated irrationally. Many of them could not make any profits and met with billion-dollar losses. There was a new wave in attracting investments after this crisis from 2000 to 2006 in America, which transformed into the prime housing loan crisis and sub-prime crisis at the end of 2007. The same crisis happened in Japan in the late 1980s. The Japanese real estate bubble burst in the early 1990s.

Crises continuously develop in the Chinese monetary system, the same as all other capitalist-imperialist countries. For example, a housing crisis is forming in China – in truth, it has been present for many years. For the first time in 2013, the sale of new houses crossed the trillion-dollar threshold. The total value of new houses increased by 27% per year ahead of this boom. Average new housing sales in Beijing before one year to this boom increased to 16% in 2013. Moreover, average new housing sales were increased to 18% in Shanghai and 20% in Guanzhou and Shenzhen. There is also a banking sector in China (though with different characteristics from Western countries) under the control of the government. At present in China, overproduction is underway, just as in all capitalist economies. One such manifestation is the phenomenon of “Ghost Cities,” as well as apartment and office blocks that stand empty.

There are no ideological differences between the other capitalist-imperialist countries and China in economic anarchy. There will be wealth bubbles and expansion of debts in times of economic boom in any country. Economic anarchy is ensconced in the nature of capitalist policy.
Capital Export leads to the Global Primacy of Finance Capital

Export Investments in the Form of Bonds and Loans

Lenin taught that the rise of monopolies and the importance of capital export are the two most important defining features of imperialism.

The sudden development of export capital is the prime cause for this transformation. The impact of extreme accumulation via industrial investment, financial investment (bonds and debts, etc.), imperialist rent, and industrial productivity coupled with massive bank investment – these factors make capital export both possible and necessary. This can be clearly seen when there is an abnormal, sudden growth in local and foreign stock exchanges. These stocks increased to 3,305 billion dollars in March 2012 from 165 billion dollars in the year 2000. Interestingly, foreign stock exchange is equal to the total foreign stock exchange values of the next six countries. Foreign stock exchange is utilised by financial capital in the form of debts. The share of additional value gained from the country which drew the loan will be realised by shareholders. Usually, foreign stock exchange should have some special consumer rights. These will be secured in the form of foreign government bonds or IMF bank deposits (as per international contract laws) which are very relatively secure and transparent. In fact, 3.3 trillion dollars of China’s economy is exchanges in foreign stock only.

Presently, China has become the largest capitalist creditor to America in the form US treasury bonds. At present, China buys shares of government loans from countries in the Eurozone.

Even in bilateral debts, China is an active lender to many countries. According to the Financial Times, Chinese banks have emerged as prominent world financial institutions in the last few years. China loans more to backward countries than the World Bank. Banks like the Export and Import Bank of China and the China Development Bank were ready to give loans up to 10 billion dollars to many other imperialist countries and companies, and they even made agreements during 2009 and 2010. The World Bank made an agreement for 100 billion dollars to lend to other countries between the years 2008 and 2010.

Foreign Direct Investment (FDI) as Export Capital

China began their “Go Global” strategy in 2000. The object of this slogan is the need to re-centralisation export capital partially in the place of cheap goods exports in the economic sector. According to Xinhua, on 15 March 2011, then Prime Minister Wen Jiabao stated: “We must implement the Go Global policy in a more accelerated way. The policies that support this Go Global policy must be improved. Scrutinising and approving processes must be simplified. We must help the companies or enterprises and people who can invest in other countries. Let us encourage the companies to work globally very fast with prime policies. We must reinforce macro guidance. Let us improve the necessary machinery to take them forward to uphold and prevent capital from disasters.”

There are some primary goals for the “Go Global” policy of China: creating “global champions” and encouraging them is one strategy. This means that multinationals headquartered in China should compete effectively with global brands in the international market. For example, Pearl River is the
manufacturer of the best pianos on the market. It has surpassed its competitor Yamaha even in quality. Similarly, as a multinational in the modern world, it has access to a world-class technological base. Backwardness does not exist for Chinese multinationals. It is possible to get foreign technology through OFDI, rather than FDI. It is possible to solve substantial hurdles, like import quotas and tariffs, by utilizing different companies and their world branches. In this way, the “Go Global” strategy has matured as a basic precondition for modern export capital. It is a basic necessity for all imperialist countries to find the most profitable places in the world and exploit them to the fullest possible extent.

China came out of the world financial crisis as a major capital exporter. The 2008 crisis began in the US and led to the insolvency of many major firms and public banks. To maintain stability, the Western government bailed out MNCs with large stimulus packages. This opportunity was seized by China and utilised to invest in other countries. Hence capital export rose significantly. The Chinese imperialists are investing capital in huge sums for raw materials and industrial assets in other countries, rather in their own country. The scarcity of credit after the crisis, and a sharp demand for cash by growing corporations in countries north and south, was skilfully played upon by Chinese capital. This enhanced enormously the capital investments of China in other countries.

Chinese OFDI in the past was as low as 2.5 billion dollars. It took until 2007 for it to grow to 18.6 billion, but shot to 52.2 billion dollars by 2008. According to data from Standard Chartered, OFDI reached 65 billion dollars by 2009, while FDI into China was at 150-180 billion dollars. China has emerged as an imperialist power only recently. It is weaker than the Western imperialist countries and Japan, who rule international finance. Hence FDIs are more in the hands of the old imperialist powers than in China. Their shares are as follows in China: America 21.1%, Britain 8.1%, Germany 6.8%, France 6.4%, Hong Kong 4.9%, Italy 2.4%, whereas China has 1.7%. However, China has been developing very rapidly towards investing FDIs from 2005 onward. According to official statistics, China’s FDIs reached 344.8 billion dollars between 2005 and 2012. Chinese FDI has surpassed some of its opponents, including Canada and Italy. It has reached the level of Germany.

As per Heritage Foundation data, the most important countries in which China kept capital between 2005 and 2010 are as follows – Australia: 45.3 billion dollars, America: 42 billion, Brazil: 25.7 billion, Indonesia: 23.3 billion, Nigeria: 18.8 billion, Canada: 17.2 billion, Iran: 17.2 billion, Kazakhstan: 12.3 billion, Greece: 5 billion, and Venezuela: 8.9 billion.

China has the highest savings fund interest. The highest surplus in current accounts is about 195 trillion dollars, which is the highest surplus in the world. At the least 80 million foreign employees working for Chinese companies live in the semi-colonial and semi-feudal countries. The role of China is growing rapidly in backward countries. Monopoly enterprises of China are focusing investment on important infrastructure projects such as harbours in addition to other strategic investments like oil refineries. China has already sunk 200 million dollars in the construction of modern harbours at Gwadar in Pakistan. The Ramu Nickel Mine, worth 2.1 billion dollars and situated in Papua New Guinea, was captured by the Metallurgical Corporation of China (MCC). It reflects the highest Chinese investment in the South Pacific and has come under armed attack by disgruntled villagers resentful over the destruction of their homes and the poisoning of the waters with nickel and cobalt by-products.

Similarly, COSCO, the massive Chinese shipping giant, acquired a 51% controlling share of Piraeus, an important Greek port in the eastern Mediterranean.

By the end of 2006, China had made 5,000 regional investments and TNCs installed 10,000 FDIs in 172 countries around the world. Accumulated FDIs in other countries totalled only 90.63 billion dollars.

China was saved from the global economic crisis because the banking sector in China is under the control of the government. Due to this strong position, China was able to invest in other countries and approved 100 million dollars in local investment in Chinese companies, encouraging local enterprises to invest more in other countries. China is focusing mainly on minerals and electricity resources, and it has consented to arrange a 46 billion dollar investment to supply oil on a long-term basis from countries like Russia, Brazil, Venezuela and Kazakhstan. Along with this, China is investing huge amounts of capital in power resource companies. Chinese conglomerates are inevitably re-organizing to compete on a global level. It was also mandatory for China to create or buy marketing networks, bonds, and technology to develop.

In order to carve itself a place among the top conglomerates, China regularly engages in shady and/
or unethical business dealings, as well as massive acquisitions. China arranged a joint venture with ALKATEL, a French manufacturer of telecom machinery, and TCL, the massive television and electronics manufacturer. China gained control over operations for THOMPSON, one of Europe’s largest TV and DVD manufacturers. Zoomlion, a producer of concrete heavy machinery in China, acquired Italian construction machinery firm CIFA in 2008. Although foreign investment surged, Chinese businesses and bureaucrats feared for the stability of the US dollar. China has kept its 1.95 trillion dollars of foreign exchange in treasury bills and other American companies as capital. Chinese leaders are tense about the security of their assets and their value and feared the US stimulus package might endanger their holdings. China established the China Investment Corporation with an intention to invest 200 billion dollars in MNCs and global monetary enterprises in 2007. It established the Asian Infrastructure Investment Bank to gather investment and to gain a strong foothold in Asia and Europe, in order to solidify the dream project of an integrated “One Belt, One Road.”

Heavy currency holdings enable China to extend its economic and political impact on other countries. China has become one of the sources of investment, debts and support for backward and indebted countries. For example, when Jamaica’s traditional allies such as the United States and Britain languished in the financial crisis, China advanced $138 million to “save” that country. China lent large sums to Russia and Kazakhstan. To overcome the global financial crisis and to support northwest Asia, China declared a 10 billion dollar capital co-operative fund and a 15 billion dollar loan for Asian alliances. Countries such as Thailand, Malaysia, and the Philippines, which have strong alliances with America and Japan, are at present looking to China for capital investment.

In this way, imperialism is the strongest foundation for the exploitation of markets at the highest level, as well as exploiting the poorest nations.

*China’s Investment in Asia and Latin America as a Neo-Colonial Style of Exploitation*

To see how China squanders and exploits the resources and labour of Latin America and Asia, let us look at some key examples.

Laos is one of the poorest and most backward countries in the world. It is located south of Yunan in China. Laos was destroyed during the imperialist wars in Indo-China, and it is now experiencing a new kind of investment and exploitation. China imports timber and minerals on a large scale. Huge numbers of farmers cultivating rubber do not own their land, but instead are toiling under Chinese contracts. China is building a $7.2 billion rail line from Boten on the border to Vientiane, the capital, for the looting of timber, rubber, food crops, and minerals from Laos. Nearly 50,000 workers are involved. This route is important for China to organize its programme in Southeast Asia. This route connects Vientiane to the important business centre of Bangkok. It will then expand to encompass Rangoon in Myanmar. In Laos, China operates a number of special economic zones. Many projects are being constructed. In turn, if Laos is not becoming a state of China, then it is certainly becoming a state for China.

*China’s Influence in South Asia*

It is important to understand China’s imperialist interests and the impact of Chinese expansion into Pakistan, Afghanistan, Sri Lanka and Nepal.

**Pakistan:** Pakistan is currently the strongest and most trusted ally of China. China has provided diplomatic support and broad military aid to Pakistan, including nuclear technology, for decades. The objective of China’s operations in Pakistan is to create a source of commercial and energy resources to the Gulf and Africa. Pakistan’s support to China is not only against India, but also aligns with its strategic rivalry with the United States. China has provided two new nuclear reactors to Pakistan as a direct response to the US-India Nuclear Agreement. China provided significant counter-insurgency assistance to Pakistan and continues to make massive investments in the country. Business between the two countries grew rapidly in the past decade. The Pakistani economy has stagnated, foreign direct investment slowed, unemployment and prices have risen, and exploitation has intensified. China’s investment in the Pakistani economy is especially fruitful on this latter basis.

China is providing an investment of $50 billion with the goal of creating a China-Pakistan Economic Corridor (CPEC) by 2030. This corridor will have strategic importance for China as a naval base and
as a source of energy, connecting Xinjiang in western China to Balochistan in Pakistan.

China has been involved in large-scale infrastructure projects, including nearly three thousand kilometres of roads and railways, as well as pipelines. Part of this is to upgrade the Karakoram Highway connecting Xinjiang to Pakistan. There is a plan to add a train route, and China has purchased rights to use the Gwadar Port in Pakistan for over 40 years as part of the CPEC project.

China is dependent on the Malacca Strait to cross the Indian Ocean. This has become a repeated source of tensions in a time when China is sorely in need of allies in this region. America is clearly still the dominant power. CPEC came into existence with the stated goal of managing export and trade with Pakistan, but in reality, Gwadar Port is the true prize. This subservient relationship of Pakistan to China is solidified by the paternalistic financial aid agreement obtaining between the two. This debt taken on by Pakistan does not help the local people, but all the Pakistani people will have to pay it. However, China has been hampered by the burden on the politicians in Punjab and Rawalpindi in Pakistan. Chinese officials who work on the project were provided 15,000 Chinese soldiers in the name of defence. This will make China politically, economically and strategically stronger in the region.

China is also attempting to suppress Indian supremacy in the Indian Ocean. China’s presence there is a growing concern to India’s ruling class, who are worried that these routes might go through Gilgit-Baltistan in Kashmir and deliver the Peoples Liberation Army into the Indian Ocean. China will of necessity abandon the neutral attitude adopted since 1963 in Kashmir. On the other hand, Russia has united its Eurasian economic project with CPEC, as Russia’s growing strategic alliances between India and the US have not proved amenable to the idea. India cooperates with US military exercises meant to isolate Pakistan. In this context, 100 million dollars were spent developing Chabahar port in Iran.

China’s rise in the Arabian Sea, along with the CPEC project, will continue. China’s route in the Persian Gulf and the Hurmuz Strait has been shortened to 600 kilometres. The 12,000 kilometre stretch of the old sea route to the Persian Gulf via the Malacca Strait is between the South China Sea and the North Indian Ocean, from Sri Lanka to the Arabian Sea. This will streamline the process of importing oil from the countries of Central Asia and Africa for cheap sale. In fact, these markets represent the largest oil supplies in the world. With the completion of this project, China will have direct connections with 60 countries and will control the flow of oil and petroleum products to other nations. As competition from China has increased, intolerance is increasing in rival imperialist countries, but others are not threatened by the CPEC project. England, for instance, is interested in investing in the CPEC project.

On the other hand, people from Balochistan and Sindh have been displaced due to CPEC. Pakistan is not willing to pay to relocate them. China also does not mind these expatriates. In this way, CPEC has become a life and death issue to Baloch and the Indus people. In the meantime, local small and medium-sized manufacturers and handicraft producers are pushed into a severe crisis with the shipment of Chinese goods into Pakistan. Overall, the China-Pakistan economic project reminds one of the American-led Marshall Plan. In the end, it is also dangerous for Pakistan’s sovereignty.

Afghanistan: As NATO withdraws in Afghanistan, China has accelerated its economic, political and security operations. In recent years, China has launched some major economic projects in Afghanistan, including copper mines at Mes Aynak, as well as oil and gas exploitation. China has now become the largest foreign investor in Afghanistan, after the collapse of aid and investment by Western countries after 2014. China has improved its political and security ties in Afghanistan. In June 2012, China and Afghanistan developed their relationship in the form of strategic and cooperative partnerships. China is not only strengthening relations with the government, but also encouraging dialogue, both public and secret, with the Afghan Taliban. Recent security agreements include intelligence, co-operation in counter-insurgence and more training for Afghan security forces. The Shanghai Cooperation Organization (SCO) has been active on Afghan issues since 2002. In 2012, it hosted Afghanistan as an observer. Both China and Russia are expected to have a high level of investment in Afghanistan in the future. Overall, China has made strategic, economic, and military movements to bring Afghanistan into its sphere of influence.

Sri Lanka: Despite good relations between China and Sri Lanka, ties have significantly strengthened since President Rajapaksa’s rise in 2005. Today, China is Sri Lanka’s largest financier and defence sup-
Sri Lanka’s strategic place in the Indian Ocean is important for Chinese designs. 90% of China’s energy imports are funneled through Sri Lanka’s adjacent seafaring routes. For this reason, China wants a strong political partnership with Sri Lanka, which includes infrastructure development and harbour facilities for Sri Lanka. In this way, China continues to curb India’s dominance in South Asia.

China has backed non-interference policies in the case of China, but in practice, utilizes its “backyard” countries as part of its global strategy. China gave all manner of support to the Rajapaksa government’s war against Tamil national liberation. The LTTE (the Liberation Tigers), and all Tamil people, have suffered immensely as a result. Thousands of Tamil people, from infants to fighters, were ruthlessly killed during the war, and continue to be murdered in state-sponsored pogroms. China repeatedly objects to United Nations proposals for war crimes investigations in Sri Lanka, as well as making significant profits on weapons sales during the war. China has continued to train the Sri Lankan armed forces long after the war’s end. Plans for US operations continue.

Since 2009, China has been a huge financer of major projects within Sri Lanka, offering huge liabilities for infrastructure projects. Most projects funded by China are in southern and central Sri Lanka. Land squabbles abound. America is ready to abandon Sri Lanka. With no intention to support reparations for war crimes, with no intention to improve the rights of oppressed peoples, it is clear that China’s imperialist interests are responsible for much of the abysmal state of Sri Lanka today.

Nepal: Since China and India border Nepal, it is strategically important for both countries. Nepal was always a close ally of India while maintaining good relations with China. Relations with China have increased since the fall of the monarchy in 2008. The main goals of China in Nepal are to force Nepal to suppress the political activities of Tibetan refugees, to acquire Nepalese support for China’s security forces across the border, to enhance its influence in South Asia, open up new business routes through Nepal, and expand Chinese influence while isolating India. Amidst all these strategies Nepal’s condition is as follows:

Since 2008, China has dramatically intensified its political and economic security operations in Nepal. In 2012, the Prime Minister of China visited Nepal for the first time in a decade. He announced a large amount of Chinese aid. China has expanded its diplomatic presence in Kathmandu to encourage the arrival of people and build Chinese study centres across Nepal. The growing Chinese influence in Nepal is a serious concern for India. While the Nepalese Army has traditionally been in close contact with the Indian Army, it is expanding relations with China’s security forces across the border, to enhance its influence in South Asia, open up new business routes through Nepal, and expand Chinese influence while isolating India. Amidst all these strategies China’s operations in Nepal are among the largest in the economy. China is one of the five countries that provide “aid” to Nepal. Since the end of the civil war, it has significantly increased its business and investments in Nepal. China offers loans for Nepalese infrastructure and hydro-power projects. China’s investments in Nepal have contributed to increased tensions between China and India. For example, in 2008, Tibet signed a plan for a railroad project to Nepal. While India is likely to benefit from this expansion of Nepal’s economy, the ruling class of India are seriously concerned about this. It also reduces Nepal’s dependence on India’s ports and Indian energy resources, while China supplies a new corridor to enter South Asia. Beyond this, India fears that China has gained an opportunity to make the PLA as fast-deploying as possible on the Himalayan border.

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China’s Imperialist Influence in Africa

China has targeted the great continent of Africa that America, Europe and Japan have largely ignored, save for a few strategic resources. There are enormous reserves of minerals in Africa, such as oil, iron, copper and gold. 30% of all the world’s mineral deposits are located on the African continent, including 42% of the world’s bauxite, 38% of the uranium, 42% gold, 55% cobalt, 44% chromium, 82% of the manganese, 95% of the vanadium, and 73% of world platinum. China is the world’s top importer of many of these materials. In this way, China continues to exploit Africa in the neo-colonial style. China’s social-imperialists are now doing the work of the Western imperialists in Africa. Chinese economic dominance will grow rapidly in Africa in the very near future. China is now the single largest trade partner with Africa.
Currently China is buying about 1/3rd of the oil from Africa, mainly from Angola and the Sudan. China is opening a new oil field valued at 800 million pounds in the Sudan, and has built a 900-mile pipeline there. It has invested 8 billion pounds, spending 1.2 billion to establish new oil facilities off the coast of Nigeria. China has become a strategic partner in oil and mining sectors in the Congo, at the same time acquiring retail trade development projects in each country’s capital, including mines in Zambia, Lesotho’s garment factories, and railways in the Central African Republic and Uganda. In order to supply Chinese imperialist schemes, there is a need for new markets for more raw materials and productive goods. China’s oil consumption is likely to increase at the least 10 percent each year. Depending on the level of demand, in 20 years this need will be insatiable, and hence the exploration for foreign oil. Already the world’s largest reserves are located in the US and the Western hemisphere. Saudi Arabia and Iraq contain 45 percent of the world’s oil reserves. In turn, relations with China have grown. The Sudan is the 4th largest oil supplier to China after Saudi Arabia, Iran and Oman.

In Africa, 3 Chinese public oil companies operate CNPC, China National Offshore Oil Corporation and SINOPEC. Chinese operations in the oil sector continue in the Sudan, Angola, Nigeria, Algeria, Equatorial Guinea, the Congo and Gabon.


The government published a document that year outlining policy in Africa. It stated China’s targets and ways to achieve them. The bilateral trade of $20 billion in the year 2000 increased to $55 billion in 2006. The United States and France became China’s 2nd and 3rd largest trading partners. In 2004, China provided 156 loans worth $1.38 billion to 31 countries and taxed over 190 products. By the end of 2005, China had taken up 720 projects from Africa.

In Africa, China implements socialism in words and imperialism in actions. The socialist foreign policy is characterized by intense exploitation of the working and middle classes, chanting their 5 principles: honesty, equality, mutual benefit, solidarity, joint development. “Mutual exchange,” “respect for diversity,” and “peace” are included in every statement issued by the imperialists for Africa. These words are pleasant to the local looting governments. In this way, China is cheating African workers and farmers who are themselves struggling for socialism. China is pressuring African traders by exposing them to bankruptcy. As China exports cheap goods to Africa, industries close down. The imperialists have destroyed the environment. China is making the demand from people for independent and united Africa, all the while subjugating and malforming its economies. Human rights are violated and bourgeois governments corrupted even further. There is a growing anger among Ghanaian farmers about China’s illegal mining excavations due to the pollution of drinking water. China has repeatedly violated the laws of host countries. In this way, the Chinese imperialists have intensified the neo-colonial style of exploitation rather than developing independent, self-reliant economies.

Chinese Investment in Latin America

China’s FDI is rapidly growing across Latin America. The imperialists operate like a mafia, looting the countries and destroying the environment. Trade between China and Latin America reached $261.2 billion by 2012. This is equivalent to China-Africa business figures, but China has gone even further in Latin America than in Africa. The development loans provided by the China Development Bank and the Export-Import Bank of China in 2005 were much larger than the loans provided by the World Bank and Inter-American Development Bank. These ongoing development activities are being carried out for the benefit of the imperialists, whose investments are in competition with one another.

In Latin America, China produces many resource infrastructure facilities. In Argentina’s Santa Cruz state, Zhejiang Corporation is building two new hydroelectric projects with loans of $4.7 billion from China. The Chinese company Sinohydro will build a plant in Ecuador with the help of a $2.2 billion loan. China is investing in Chilean copper, iron ore in Brazil, and soy crops in Argentina as part of the acquisition of raw materials and natural resources. 87% of China’s OFDI (Overseas Foreign Direct Investment) is exposed by Chinese public sector companies. Chinese private corporations are now also exporting capital.
FORMATION OF ECONOMIC AND MILITARY BLOCS: INCREASING GRIP OF CHINA’S IMPERIALISTS

Shanghai Cooperation Organization (SCO)

The Shanghai Cooperation Organization (SCO) was formed on April 26, 1996. Six countries – Russia, China, Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan – are permanent members of the SCO. The observer countries, India and Pakistan, have received full membership in the SCO conference held on 9 June 2017. SCO nominally deals with political, economic and security issues. Under its aegis, China and Russia have regularly conducted wargames since 2005. Through these, Russia and China realize a collective strategic pact against the West, with the SCO serving as a kind of counterpart to the US-led NATO. Further, SCO is a partner in the Collective Security Treaty Organization (CSTO) formed by Russia as part of a military alliance of 6 post-Soviet states, in addition to two observers, Afghanistan and Serbia.

BRICS

The two imperial economies in the BRICS, Russia and China, are accordingly the only two with the ability to invest large sums of finance capital. Brazil, India, and South Africa formed the precursor to BRICS, despite some contradictions and conflicts between these countries. BRICS was established to pursue common interests of developing economies, despite their various advantages and disadvantages. The largest and the fastest growing economy is of course China. The US, its next closest rival, has monopolized international institutions of credit like the IMF, the World Bank and other imperialist tools. There are no plans to withdraw the BRICS countries from IMF and World Bank schemes. But BRICS nations, including China, are looking to build new international economic and political institutions as a substitute for western-dominated meddling that comes with their expensive credit. BRICS leaders decided at its 2013 Durban meeting to set up an international development bank as an alternative to the World Bank. It is meant to join Chinese alternatives in competing with the World Bank to provide access to credit for infrastructure projects around the world. Member states will also set up a contingent reserve fund that will allow for $100 billion cash withdrawal for future fiscal crises.

Precisely in the way that the US dominates credit to underdeveloped countries, China desires to do the same with their various development banking schemes. According to the initial plan for this bank, the BRICS countries must provide equity balances. They decided on initial investments of 10 million dollars, but China obviously wants to invest much more. Large investments equal large returns. The BRICS countries signed the agreement in a meeting of the bank to reduce dependence on the US dollar and the euro. China’s economic power is growing as rapidly as its economy, while the United States recedes and destabilizes. This financial competition will increase, and with economic competition in the era of imperialism, aggravated by capitalist crisis, military competition will inevitably result.

Chinese Military Power

China is not only a financial power but also a politically and militarily growing force. Between 2002
China increased its defence budget by 170%. According to the Stockholm International Peace Research Institute (SIPRI), China now has the second largest military budget in the world. Only US military spending surpasses that of China. China is the world’s 5th largest nuclear power after the United States, Russia, Britain and France. The Chinese army has rapidly modernized over the last decade, and today it maintains a huge capacity for offensive war, acquiring every advantage for its navy and army to access strategic passes and islands. Flamboyant displays, such as shooting down satellites, have taken pride of place. According to SIPRI, China’s arms companies occupy 4th place among all competitors in the arms market. China is continually developing a military capability comparable to the United States and other imperialist countries. The wages paid to a division of soldiers in China, and other costs including food, homes, and training, costs less than in the US. Similarly, the cost of a tank, jet, or missile submarine in China is very low compared to the US, meaning that China can outfit and train its military at a drastically lower cost than the US, offsetting their seemingly lopsided defence budgets.

China is rapidly expanding the development and production of drone aircraft. Opponents’ drones are easily countered with modern missile systems. By 2011 there were 280 operational drones in China used in intelligence, public surveillance, military reconnaissance programs, and electronic warfare.

The key to understanding China’s rate of armament is that it came into play late as a new social-imperialist power. Its neighbouring areas are already under the influence of other imperialist powers. Russia is to its north and west. The most important threats to the south and east of China are the US and Japan. China can create and expand its neo-colonial sphere of influence in backward countries only by outmanoeuvring other imperialist countries. The growing conflict between China and the neighbouring countries of Japan, South Korea, Vietnam and the Philippines in the East and South China Seas must be understood in this context.

The American budget deficit, as well as the lingering effects of the economic crisis in the United States and the world, continues to cut into US military spending. In western countries such cuts are being made. Seven countries have already reduced military expenditure by more than 10 percent since 2009: Britain, Germany, France, Italy, the Netherlands, Poland and Spain – the principal funders of NATO in Europe. It is perhaps worth noting that the collapse of the Soviet Union and its social-imperialist economy was heralded by a sharp decrease in military expenditure.

Chinese Imperial Military Operations

In other countries, China already intervenes militarily in many ways. While China has not yet emerged in major imperialist wars, it has been actively supporting local governments in suppressing revolutionary struggles, intervening in civil wars, people’s rebellions, and national liberation struggles. After Chadian President Idriss Deby recognized Taiwan and began doing business in the oil sector almost exclusively with Taiwan, China supported, both diplomatically and militarily, uprisings against him. Since then, China has seemingly won Deby to their side with immense bribery. China intervenes in many military conflicts in the world. For example, consider their role in the war against LTTE in Sri Lanka. China has strategically handed Pakistan nuclear weapons to change its fortunes in South Asia. Nepal and Afghanistan are subject to direct and indirect meddling. Other aspects of Chinese imperialist foreign policy include particular political and diplomatic support in Africa, military assistance, military advisors in foreign diplomatic missions, as well as interference by military personnel. Most of the military equipment sales China conducts are to regimes it favours. In this case, the imperialists of the other countries and the imperialists of China do not disagree. China is already one of the most active imperial states. It is no surprise that China had become the third largest arms exporter by 2012.

The Chinese military is rapidly developing capabilities close to those of US imperialism, increasing its ability to interfere abroad, especially in backward countries. As China further develops a modern network of imperialist domination, it will find itself mired in open wars outside of its borders, much like the US.

China joined the UN with a permanent seat on the Security Council in 1971, and by 2005 China had sent small numbers of troops to Liberia, Western Sahara, Sierra Leone, Ivory Coast, and the Democratic Republic of Congo. The Gwadar Port of Pakistan (Balochistan Region) and the Djibouti military base in the Indian Ocean will increase their deployments from 20,000 to 100,000. China maintains
high-level military cooperation with at least six African countries, including the Sudan, Algeria, Nigeria and Egypt, and provides training to these for Chinese hardware.
Chinese Social-Imperialism

Describing the renegade opportunists of the 2nd International, Lenin coined the phrase “socialism in words, imperialism in deeds.” The revisionist Soviet renegades also developed from revisionism to social-imperialism. Mao pointed out that when the renegade revisionist clique takes state power in a socialist country, the result will be social-imperialism, or complicity with social-imperialism.

The Chinese revisionist renegade clique entered the capitalist world order with “socialism with Chinese characteristics” on their lips. The revisionist Deng Xiaoping oversaw the dismantling of socialism, the transformation of socialist relations into capitalist relations, yet maintained the single-party monopoly on power, where state monopolists rule behind a mask of “socialism.” Under this mask, China has become social-imperialist. The CCP still keeps up the charade of “socialism.” Today, the Chinese system is passed off by the ruling class as “socialism with Chinese characteristics,” but bourgeois economic reforms under the Communist Party show this talk to be counterfeit. Their “socialism” is merely semi-planned capitalist development in order to achieve the goal of becoming a modern and wealthy imperialist country by 2050. The CCP leadership distort Marxism-Leninism-Mao Zedong Thought to fit whatever policy this goal requires. But the revisionists can’t abandon socialism as a framework, for they would lose their only claim on legitimacy. The CCP’s distortion of socialism deceives the masses of the underdeveloped countries who hunger for socialism, all for the benefit of social-imperialism. No number of state-owned enterprises will change that.

Make no mistake, Chinese social-imperialism is exploiting the backward countries by exporting capital and investing through asymmetric business practices while looting their natural resources. China is intervening in their internal affairs and looking for opportunities to acquire concessions and military bases. US imperialism is its primary rival. In this way, China’s social-imperialism exists in direct relation and proportion to western imperialism: where the West loses, China gains, and vice versa. Imperialism with Chinese characteristics is still imperialism and must be viewed as such.
The History of Imperialist Tensions, Wars, Revolutions and Counter-Revolutions

Today, a severe crisis of overproduction challenges the bounds of capitalism on a world scale. China is part of the world economy as a major source of exploited labour as well as capitalist investment, both internally and externally. A significant amount of world growth is attributable to the exploited labour of the Chinese masses. Each imperialist force not only wants to compete with other imperialist powers, but also seeks to attack and reduce the wages and living standards of workers, especially migrant and semi-colonial workers. New, uneven conditions are intensifying in line with relative changes in industrial production, capital export, commodity exports, and international stagnation. Increasingly unequal economic and political development between imperialist countries will inevitably aggravate clashes between markets for the supply of raw materials export. In the rival imperialist camps, those who cannot compete are being side-lined, and competition is intensifying for profitable and growing markets in the underdeveloped world.

This intrinsic struggle between the imperialists has led to a global reorganization in terms of economic power. This will ultimately lead to global warfare. As Lenin concluded:

“The capitalists divide the world, not out of any particular malice, but because the degree of concentration which has been reached forces them to adopt this method in order to obtain profits. And they divide it ‘in proportion to capital,’ ‘in proportion to strength,’ because there cannot be any other method of division under commodity production and capitalism. But strength varies with the degree of economic and political development. In order to understand what is taking place, it is necessary to know what questions are settled by the changes in strength. The question as to whether these changes are ‘purely’ economic or non-economic (e.g., military) is a secondary one, which cannot in the least affect fundamental views on the latest epoch of capitalism. To substitute the question of the form of the struggle and agreements (today peaceful, tomorrow warlike, the next day warlike again) for the question of the substance of the struggle and agreements between capitalist associations is to sink to the role of a sophist.”

In line with Lenin’s exposition of imperialism, China is determined to struggle globally with the western imperialists, particularly economically, to protect and project Chinese investment. Currently relations between China and the West are cordial if tense, but this is a temporary and particular state of affairs. Imperial competition is permanent.

America intends to surround China with lackies, strengthening its allies, including Japan and India. China is counteracting this outdated strategy by projecting its power far afield, into Africa and the Indian Ocean and elsewhere. China’s officially declared foreign policy is to promote a multi-polar world. On all fronts China is challenging American hegemony and unipolarity. For instance, in the South Asian Association for Regional Cooperation (SAARC), China was granted a “special partnership” in the South Asian Free Trade Area. China also has bilateral trade agreements with Brazil for supply of food and raw materials.

The American ruling class and its allies have waged wars of imperialist aggression against the people of Afghanistan and Iraq under the pretext of the 9/11 attacks. The international “War on Terror” focuses its assault primarily against the Muslim world. This led to a growing conflict with China, made
to curb the new Cold War operations. The United States and its allies feel that China, with good reason, will benefit from the destructive wars waged by the West, and that China might even undermine western efforts to destabilize nations in China’s “sphere” such as Iran, Syria and North Korea.

The US continues to flounder in Iraq and Afghanistan, and the heroic resistance of the people to imperialist aggression continues to irk them. The US is failing in this regard. The fall of the United States in Afghanistan and the Middle East is a great opportunity for Chinese imperialism to enter into the present world imperial framework on a consistent and permanent basis. The US does not have a consistent strategy to combat Chinese gains at their expense. For example, in the aftermath of the US-led war of aggression, China has acquired large oil contracts from Iraq. The US is worried that China will cripple its position as the world’s largest economy, while its monetary situation and budget deficit loom at the same time China’s international resources, power and economy are growing. The Pentagon grows more and more uneasy as Chinese military expenditures climb year upon year, while US power wanes on all fronts.

The US regime is constantly looking for ways to isolate and overcome Chinese competition for markets. The Trans-Pacific Partnership (TPP) was one such scheme, a free trade forum for all countries in the Pacific Rim except China. Although Donald Trump cancelled this deal, it is unavoidable that such agreements and schemes will continue to arise. Since Japan and South Korea are not allowed to cancel, they declared that they would continue to cooperate under this framework. Two competitive economic/political/military alliances lead in the global capitalist-imperialist system. International trade war has been announced from the United States and other imperialist countries against China in the WTO, although China still compromises with the other countries in exploiting backward countries by utilizing international frameworks such as the WTO. All major imperial states that are part of the WTO are violating its rules, continually cheating member states and mutually defrauding one another. To seize market share in foreign markets, they sell their goods at the lowest prices and flood the markets with goods. Export subsidies are utilized. Contracts to their corporations will guarantee military assistance. Corruption is built into the superstructure.

Like the United States, China has also set up its own free enterprises independent from its rivals. Thus, China is attempting to establish economic/political/military alliances against the US and its close allies. One example is the Shanghai Cooperation Organization (SCO), mostly obtaining between China and Russia, wherein they hope to make the SCO their military bloc and BRICS their economic bloc.

Silk Road Free Trade Zone, or OBOR Project

China and Central Asian countries such as Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan and Tajikistan have established a Silk Road Free Trade Zone. For this purpose, a logistical infrastructure project has been developed on Chinese initiative, with active investment from Russia. The Asian Infrastructure Investment Bank, New Development Bank (formerly the BRICS Bank), and Silk Road Fund companies provide most of the financial assistance for OBOR. In 2016, the Shanghai Cooperation Organization Summit fully supported OBOR. OBOR is not a simple plan. The project consists currently of six financial corridors starting in China, and it aims to develop road, rail and sea routes from China to other Asian regions, Africa and Europe. Once these routes are completed, integration from East Asia to the European market will be complete.

The first route goes from Central Asia to Eastern Europe, via Kyrgyzstan, Iran, Turkey and Greece. The second route goes from Central Asia to West Asia and the Mediterranean. The third route will go through Bangladesh, where China hopes to form a corridor of Bangladesh, China, India and Myanmar. The fourth path, the CPEC corridor in Pakistan with its crucial port, connects Gwadar to Xinjiang in China. This is also known as the China Financial Corridor. On the fifth route, a waterway from China will go to Singapore and Malaysia, and through Singapore to the Indian Ocean. Sixth will be the financial corridor of Mongolia. These six land and water lines are part of the Asia Free Trade Area, which is part of the Asia-Pacific region, including Nepal, Afghanistan, Pakistan and Iran, aimed to integrate all major markets on the African and European continents.

On 14 May this year, China hosted an international seminar on the project in Beijing. This was attended by nationals from Asia, Africa, Europe and South America. Many countries, including America and Japan, sent delegates. In short, OBOR is a very important part in China and Russia’s plans to
sidestep western imperialist control of land and sea routes, as well as markets and access to credit.

Internationally, China’s economic clout has risen. By financing America’s public and private debt, China has gained many advantages, including insolation from the economic crises of the last decade. There are few opportunities for the United States to attack or restrict China. The US and China support one another on a number of issues, but their continued and intensifying rivalry will become increasingly dangerous.

Conversely, Russia and China benefit jointly. They reject the unipolar, Atlanticist world system and seek to break it up. Russia, using force without fear that relations with Western countries might suffer, constantly behaves in its sole interest. For example, Russia has unilaterally decided to include the Crimea. The Crimea split from Ukraine in March 2014, joining the Russian Federation on the basis of the local referendum organized by Russia, a decision strenuously condemned by the Western powers. In November 2013, China unilaterally announced the establishment of its Air Defence Identification Zone (ADIZ) in the South China Sea. It warned the international community that they should provide a notification before flying over that zone. Two Chinese fighters escaped from Japan’s scout forces in the area where Japan’s ADIZ overlaps with China’s. In May 2014, the Chinese National Offshore Oil Corporation set up oil rigs in the waters around the Paracel Islands, which are disputed by Vietnam, and began drilling for oil. Chinese naval forces engage in, and are targeted by, ramming incidents between military and private boats in these waters.

Russia and China are unassailable powers in Eurasia. They are permanent member states in the United Nations Security Council. They repeatedly oppose the unilateral control of US and Western countries over international politics. Russia and China have used their veto power at different times since the end of the Cold War. For example, the two countries opposed the use of military force in the United Nations Security Council in 1999 when the war broke out in Kosovo. They opposed several of the restrictions against North Korea, as well as intervention in the civil war in Syria.

The actions taken by China in the South and East China Seas are based on historical claims to routes, land and islands. Statements issued by China and Russia indicate that they oppose the current unilaterialism of the United States. In May 2014, Russia, Belarus and Kazakhstan signed an agreement to set up an economic bloc called the Eurasian Union. Russia puts a fair amount of stock into the Collective Security Treaty Organization (CSTO) in military matters. Russia, Armenia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan are signatories. Russia’s policies regarding Ukraine and other regions in the periphery of the European Union are in line with an agenda for control of these areas in the future.

Since Hu Jintao came to power, China has become a great naval force. From the time that Xi Jinping has come to power, the watchwords have been “Chinese dream” and “rebirth of the Chinese nation.” In June 2013, Xi Jinping, at a summit meeting with Obama, suggested that the Pacific region could provide enough space for both China and the US. Xi has revealed, through word and deed, that China’s project is to divide and rule the Pacific region between America and China, with the future hope of sole Chinese dominion. Under this project, the Bashi Channel between Y’Ami and Orchid islands, claimed by the Philippines and Taiwan respectively, the gateway to the Pacific and the route by which undersea cables service Asia, will be a strategic area of control. China must establish its dominance over that of the United States over these first islands of the entire South China Sea. In the future, China is eager to build a base network of settlements in the waters stretching from the Indian Ocean within the range of the second group of Islands, from the Ogasawara Islands to Guan. Hence, the situation in the East China Sea proves to us that China’s imperialism continues apace, not the least as an attempt to solve issues of claim and sovereignty in the Pacific. China has declared pointedly that if the US wants closer cooperation and freer investment both ways, they must abandon Taiwan and stop trying to undermine China on human rights. They must also accept the right of China to control Tibet. This is the true relationship between China, America, and the deteriorating American-aligned powers in Asia. Some important developments and trends have emerged in the international sector. These are:

1. Since the 1970s, continuing investment and stagflation as part of a general crisis in the west, culminating in the 2008 home loan crisis in the financially weakened America. Political and military competition with Russia and China has reached a peak not seen since the fall of the Soviet Union.

2. In imperialist countries, economic protectionism, racism, and fascism are all increasing.
3. Competition between imperialist nations to rob the resources of the backward countries and their markets continues, and this sparks competition between imperialist blocs for the spoils.

4. American imperialism, the sole superpower so far, is attempting to ameliorate its condition. Russia’s weak imperialism is trying to maintain its influence over its “near abroad” and trade sphere. Contradictions with the West have reached their highest state yet, as China has grown into an imperialist country and made serious efforts to reorganize world markets. Global geopolitical equations around the world are following the growing competition between the US and China to re-divide the world. To a lesser extent, competition between Germany and France is increasing over dominance in Europe. These developments reflect the position of the imperialist major countries in the balance of power.

Although there is not an agenda of direct war between America, China, and Russia in the near future, there are many indirect wars on the agenda. The US is aggressively attempting to surround Russia and China, and only China has the means to outmanoeuvre and sidestep their schemes. NATO is waging war in Afghanistan, Syria, haphazardly in Africa, and elsewhere. It will compete with Russia for the Arctic. China is issued daily ultimatums from the western bloc. The China/Russia bloc has already emerged as a major threat to US domination in the imperialist struggle to regulate the distribution of oil and key minerals in order to meet growing market needs for Chinese imperialism.
CONCLUSION

The three great contradictions in the world are sharpening – the conflict between imperialism and the oppressed nations and people; the contradiction between the bourgeois class and the working class in capitalist and imperialist countries; the mismatch between imperialist countries and monopoly-capitalist groups. The contradiction between imperialism and the oppressed nations is principal. This contradiction now affects all other contradictions and will have a decisive effect on the class struggle. The people of Africa, Asia and Latin America are awakening to imperialist exploitation, persecution, oppression, aggression, trauma, insult, power and discrimination. The people’s participation in struggle against the imperialists is growing. People are struggling against Chinese imperialism in myriad ways, and the contradictions between social-imperialism and the oppressed peoples are heightening, just as that between the bourgeoisie and the working class in China is heightening. The liberation of the oppressed nations and the freedom of the people demands – as well as calls us – to revolutionize struggle. Hence all these struggles will intensify, until the end of imperialism or the end of us all. On this occasion it is appropriate to recall the words of Mao during the Anti-Japanese War:

“The world will unquestionably take the road of progress and not the road of reaction. Of course, we must remain very much on the alert and reckon with the possibility of certain temporary or perhaps even serious twists and turns in the course of events; in many countries there are still strong reactionary forces which begrudge the people at home and abroad their unity, progress and liberation. Anyone who loses sight of this possibility will make political mistakes. The general trend of history, however, is already clearly decided and will not change.”

The efforts of the imperialists compounded by the folly of the revisionists lost us the world socialist camp, including both the Soviet Union and the People’s Republic of China. Conditions are the same today as they were before October. We are alone. Therefore, despite the high risks and challenges, there are many opportunities to pave the way for greater possibilities. There are more opportunities now than in the previous historical period. Undoubtedly, the world working class is facing many challenges and worse times than ever before, but on the whole the situation might be a small cinder which may spark a prairie-fire at any time. The armed revolution is facing an armed counter-revolution. As students of Mao and the historic struggle for socialism, we are aware of this and accept it.

Capitalism, today at its highest and most decadent stage, continues to wage aggressive wars against backward countries around the world. The plague of war, unrest, and civil war spreads like a virus from its diseased heart. As part of the competition between the imperialists, world war is in the making via the formation of economic and military blocs to re-divide the world for their purposes. The aggression and intervention of the imperialists are resisted everywhere by popular and revolutionary war by the workers and oppressed peoples of the Earth. In the light of Marxist-Leninist-Maoist ideology, the Maoist party organizations must unite the struggles of oppressed nations and the masses with the aim of ending all forms of oppression from which these wars issue. The bourgeois nationalist arrogance of the imperialists should be discarded, and efforts to split the progressive nationalist movements repelled. With the aim of bringing about the world socialist revolution, the task of revolutionaries is to unite also the working and middle classes of the capitalist and imperialist countries. New Democratic revolution and national liberation struggle ought to take primacy in the backward countries. The contradictions between the imperialists will lead to world war if revolution does not stop it. If world war erupts, then the imperialists will be united only in quelling the people’s will for
peace, utilizing archaic and brutal methods of repression to safeguard their endangered power. No matter what happens, revolution is the major trend. No power in the world can stop it.

The proletarians have nothing to lose but their chains! They have a world to win!
All workers and oppressed peoples of the world unite!
Let the bourgeoisie tremble at a communist revolution!
The resistance of all nations shall ruin imperialism!
Down with Chinese social-imperialism!
Down with revisionism!
Long live the unity of revolutionary parties and organisations of all countries!
The unity of the anti-imperialist revolutionary, democratic institutions and forces must prosper!
The unity of the world’s workers, oppressed nations and oppressed people must prosper!
Long live the world socialist workers revolution!
Long live Marxism-Leninism-Maoism!
Translator’s Foreword

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