Gloria Arroyo is becoming all the more obsessed with machinations to prolong her stay in Mala-
cañang as 2010 nears. She gravely fears being held accountable for all her transgressions and crimes against the people once she is out of power.

No matter how many times Gloria Arroyo says that she will no longer extend her current term, no one believes that she will voluntarily relinquish power come 2010.

Arroyo clings to power like a leach and wants to remain president through any means. It is the only way she could preserve herself and all the wealth she has amassed while in power. Thus, she and her minions are in cahoots with each other in mastering ways of circumventing and distorting processes both “legal” and illegal in order to prolong Arroyo’s stay in Malacañang.

Charter change remains Arroyo’s main hope of remaining in power through “legal” means despite the people’s firm and widespread opposition and the repeated failure of this scheme in the past. Arroyo and her minions have tried using so many justifications to push cha-cha, no matter how brazenly self-serving these have been.

Even in the face of the worsening crisis of the national economy brought on by the deepening world recession, it is still cha-cha that remains Arroyo’s greatest obsession and deepest wish. This time, she is hitching her Machiavellian plans to remain in power on the imperialist agenda of doing away with the remaining provisions of the puppet state’s constitution that protect the national economy and patrimony.

The people must persevere in waging unrelenting and widespread campaigns and utilize all means—legal, extralegal and armed—to once more thwart cha-cha.

Vigilance and all-out resistance are likewise necessary against Arroyo’s other plans, among them schemes that would enable her to hold on to power should cha-cha fail and the national elections in 2010 push through.

Arroyo is doing everything to strengthen her party and political coalition and amass billions of pesos to prepare for the elections. She is likewise cunningly on the lookout for various ways of maligning the leading opposition personalities, pit them against each other and undermine their unity while bribing others who have taken her side.

Arroyo has not relented either in suppressing and inflicting violence on the forces most determined to resist her continued rule. Her main targets are the national democratic armed revolutionary movement and the open democratic mass organizations and progressive political parties, whose leaders, members and supporters are the main victims of extrajudicial killings, forced disappearances,
illegal detention, torture, intimidation and other atrocities. Aside from using the military and police, Arroyo and her state security officials have been utilizing the armed vigilante groups they have formed to target these victims.

Arroyo also has an ace up her sleeve that she has yet to reveal—the imposition of martial law or emergency rule to violently suppress her strongest and most persistent political enemies and continue her rule without opposition. She had already declared a state of emergency in February 2006 to suppress and persecute her perceived enemies and was unable to prolong it only because the people took strong and immediate action against it and some members of her cabinet refused to fully support it.

There are other steps Arroyo has taken to remain in power. She has expanded the paramilitary and “civilian support” network of the military and police to prop up the establishment of fascist rule. She has also given vast powers to the National Peace and Order Council, granting it the authority to lead all internal security operations of civilian, military and police agencies from the national to the barangay level so they could concentrate on fighting the national-democratic movement in the name of “peace and order.”

But all these are desperate moves of a severely isolated and fast declining reactionary and puppet president who is deathly afraid of the people and the punishment that awaits her because of her grave and numerous crimes and transgressions.

Arroyo may succeed in enforcing her schemes, but not for long. Her desire to stay in power will eventually meet with utter failure.

There is broader and firmer unity among the people who have been brutalized and made to suffer under Arroyo. They are intensely desirous of ending her puppet and antipeople regime. The paper tiger that is the US-Arroyo regime is defenseless against a people rising to achieve meaningful change and genuine freedom, democracy and progress.

**Contents**

<table>
<thead>
<tr>
<th>Editorial</th>
<th>Arroyo, the hardened criminal, cannot escape the people’s wrath</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stubbornly for cha-cha</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>OBL2 is a failure in Eastern Visayas</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>PKM wins wage increases</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>for farm workers in Samar</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Bluestar workers win strike</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Fascist state on a rampage</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>US: Mindanao is “new Afghanistan”</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Armed confrontations in Mindanao</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Migrant workers hard hit by crisis</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Capitalist system in the US and the rest of the world continues to plunge</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Melamine in milk and other crimes in the name of profit</td>
<td>11</td>
</tr>
</tbody>
</table>

**Stubbornly for cha-cha**

A rroyo and her clique do not tire of looking for ways to ram cha-cha down the people’s throats despite strong opposition to it and the consecutive defeats it has suffered:

- The Arroyo camp persists in pushing for the adoption of a new ruling allowing Senate and the Congress to vote jointly on proposed amendments to the constitution (a “joint Constitutional Assembly” or con-Ass) despite the Senate’s refusal. The Senate contends that con-Ass violates the constitution. Under this scheme, votes of the Upper and Lower Houses of Congress would be combined to prevent a Senate majority from blocking approval of amendments from the Lower House. The Supreme Court (SC) has junked the petition filed by Bohol Rep. Adam Relson Jala asking the high court to rule that separate voting by the Upper and Lower Houses during deliberations on the constitution is violative of the constitution. Arroyo, however, plans to appeal the petition before the SC in 2009 as she expects that she could easily obtain the approval of the majority of the justices after she succeeds in replacing close to half of the Court’s members who are due to retire that year.

- The Supreme Court has likewise declared unconstitutional the Memorandum of Agreement on Ancestral Domain (MoA-AD) forged between the Government of the Republic of the Philippines and the Moro Islamic Liberation Front. Arroyo was planning to exploit the agreement as an excuse for amending the reactionary constitution. She used the MoA-AD as a pretext to push for charter change, using the proposal to shift from a unitary to a federal system of government of three to four states.

- The regime now invokes the purported need to revise some of
OBL2 is a failure in Eastern Visayas

On plan Bantay Laya 2 (OBL2) of the AFP has failed miserably in the Eastern Visayan region. The Arroyo regime’s relentless military campaigns have been frustrated by coordinated and militant mass actions and the New People’s Army’s tactical offensives. The masses have succeeded in defending their rights, livelihood and communities. Their revolutionary unity has grown stronger and their struggles further advanced.

Preparation. As early as 2007, the revolutionary forces in the region were already aware that one of the main focus areas for 2008 of OBL2 was Eastern Visayas. Thus, in coordination with the people, they drew up plans on how to effectively oppose OBL. The comrades studied the conduct of OBL in other regions and drafted action plans thereafter, agreed upon both by the revolutionary forces and the masses.

Task Force OBL was established in adjoining barrios to effectively carry out the anti-OBL campaign. The task force served as the infrastructure where strategies and action plans were coordinated.

Comprehensive preparations for security measures were undertaken. Military agents in the villages were identified. Those who could still be neutralized were encouraged to cooperate while those who could no longer be trusted were exiled.

Residents in the locality who were deemed targets of the enemy, including former members of the NPA, revolutionary mass organizations and local Party units, were identified. Those who should be shielded from probable enemy attacks were relocated temporarily to other villages while there were intensive military operations in their barrios. Those who were of proper age, physically and mentally fit were for the time being placed under the care of NPA units. They were later called “septidor” or people who sought safety with the NPA.

Campaigns to collect food, medicines and other needed resources were conducted to counter possible food blockades by the enemy.

Actual enemy campaigns. AFP’s OBL2 commenced in Eastern Visayas in January 2008. At any given period, the AFP could only deploy up to a maximum of 300 troops in contiguous barrios that the enemy believed to be the centers of gravity of their targeted guerrilla fronts. They could only cover eight to nine barrios at a time and would only transfer to the adjacent barrios after three months, or in certain cases, after about six months.

The NPA, on the other hand, shifted its forces and focus of work to cope with the evolving situation. The revolutionary movement ensured the continuation of combined military actions and mass protests as an active defense against the enemy’s offensives.

The NPA intensified military actions in areas where there was no enemy presence. Harassment and sniping operations were carried out in targeted barrios and annihilative offensives in bordering barrios to scatter and confuse the government soldiers about the actual concentration of the NPA fighters. Simultaneously, NPA units in other parts of the region employed tactical offensives to disperse the enemy and compel it to spread itself too thinly. This resulted in wider areas of maneuver for comrades in villages under enemy attack.

Mass meetings and assemblies were launched regularly to strengthen the consolidation of the barriofolk. In spite of the escalating militarization, education campaigns, discussions, consultations and similar activities were undertaken for the people to strongly counter any destruction wrought by OBL2.

Provisional leadership centers were established in neighboring barrios under attack. The organizational structure and duties of Task Force OBL were designed to be flexible to enable it to cope with the militarized situation. Consultations among mass organizations or their leaders, NPA units and local Party cadres were effected at regular intervals. Various organizational problems were addressed and decisively solved. Through such efforts...
and collective dynamism, common problems of mass organizations were remarkably reduced.

People suffering from AFP assaults acted in unity and in their numbers. They were able to frustrate enemy attacks effectively by asserting their democratic rights and building broad alliances in contiguous barrios, in democratic organizations, local councils and government units. As a result, AFP troops deployed in these areas were put on the defensive politically. The AFP scrambled to conduct its counterpropaganda schemes against the NPA, but its barefaced deceptions were only met with skepticism and ridicule by the people.

All these actions were carried out by the NPA with due consideration for their and the people’s security. Because the people were united and solid in facing the enemy, they succeeded in ensuring each other’s safety. They made sure that no vital information would be divulged to the enemy. Not a single villager was deceived and forced to join the CAFGU in spite of several attempts by the AFP.

**Core weaknesses of OBL2.**

Barrios assaulted by the AFP endured intense militarization. People’s livelihoods in the barrios were severely affected. Understandably, some farmers were traumatized by military atrocities and repression. Human rights violations and other related abuses became widespread. There were numerous cases of physical assaults, interrogations, harassment and forced confessions from suspected NPA members or purported supporters.

The military presence in the barrios created conditions for widespread antisocial activities such as drinking sprees and gambling sessions. Such activities were also exploited by the military in their futile attempts to destroy the villagers’ revolutionary unity. Nevertheless, the enemy failed miserably to crush the masses’ determination to assert their rights and defend their communities.

The political structures in the areas were neither crushed nor rendered passive. Instead, the people responded by launching advanced levels of struggle and militant action in areas under attack by OBL2. Not a single villager on the enemy’s hit list was arrested nor did anyone surrender—not the villagers, nor former NPA members nor members of mass organizations. No one betrayed their fellow villagers or the revolutionary movement. Due to their coordinated and allout actions, the residents succeeded in halting interrogations and curbing further abuses perpetrated by AFP troops.

NPA forces in the areas were not in any way undermined. In fact, mass work by the Red fighters continued throughout the course of OBL2 and in between preparations and the conduct of armed actions against the enemy. Through firm coordination, NPA units divided and helped each other out in performing tasks along the boundaries of guerrilla fronts. Flexibility and shifting of areas were correctly utilized to arrest possible work disruptions in areas where there was heavy enemy presence.

The unity and cooperation of the masses and the armed revolutionary movement remained firm and vigorous. The “septidors” contributions were important because of their aptitude for performing all-sided work, including some aspects of military work. Their knowledge of the terrain and their ability to conduct strict surveillance of enemy movements was an invaluable help. One of the key factors that ensured the NPA’s survival was its strict adherence to the principles of clandestine movement, exercising caution with every action and upholding the security of every single resident in the barrio. Until the very end, the enemy remained blind to the vibrant underground movement in the barrios that the AFP had sought to crush.

**Important lessons.** Many lessons can be drawn from the people’s struggle in areas targeted by OBL2. Foremost among them was for the mass organizations and the rest of the masses to rely on their own strength and conscious unity in the struggle.

In forging unity and cooperation in critical situations, organized and collective actions are of utmost significance. Prompt consolidation work within the ranks of the revolutionary forces and among the masses in assessing the situation and drafting action plans proved to be crucial.

Early preparations, a correct assessment of the situation, drafting appropriate tactics and measures and making systematic adjustments based on actual conditions are indispensable. In the face of even the fiercest and most deceptive enemy, the significance of close coordination and cooperation between the masses and the people’s army could not be overemphasized.

Equally vital among the lessons drawn for the revolutionary movement was the importance of flexibility in planning and taking the utmost care of the security of comrades, key elements in the mass organizations and civilians under the enemy’s close watch. The brutalities and havoc wrought by OBL2 were likewise consistently exposed and the crucial security measures that must be taken to counter these attacks disseminated, but in a manner that does not further terrorize the people and instead challenges them to further persist and advance in struggle.
PKM wins wage increases for farm workers in Samar

Peasant revolutionary organizations succeeded in raising wages in six barrios in Samar in June. This was achieved amid the onslaught of Oplan Bantay Laya 2 in areas where the AFP sought to destroy the revolutionary solidarity of the Party, the NPA and the people.

Over 250 members coming from six chapters of the Pambansang Katipunan ng mga Magbubukid (PKM) negotiated with three big landlords in contiguous barrios. Not only were they able to make the landlords agree to their terms, they also succeeded in having their agreements passed as ordinances by the local village councils in these barangays. Almost 230 farm workers, poor and lower-middle peasants benefited from the wage hike.

What contributed significantly to the gains of the peasants was the assistance and guidance extended by the Party and the NPA units in the area. In order to implement the campaign, delegates of PKM chapters and selected elements from the middle peasants joined together in a tactical campaign committee. It was this committee that spearheaded social investigation and class analysis in the barrios to determine the major agrarian issues in the area. From their data gathering and analysis, a draft of proposals, education and propaganda campaign programs as well as tactics to win over the middle elements in the barrios were drawn up.

The level of understanding and unity among PKM members and the masses in the area on other pertinent issues advanced further as the campaign moved forward.

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<tr>
<th>Task</th>
<th>Previous</th>
<th>Current</th>
</tr>
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<tbody>
<tr>
<td>Clearing land for swidden farming (daily)</td>
<td>P 80</td>
<td>P100</td>
</tr>
<tr>
<td>Weeding (daily)</td>
<td>P 65</td>
<td>P 75</td>
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<tr>
<td>Gathering of firewood (daily)</td>
<td>P 80</td>
<td>P100</td>
</tr>
<tr>
<td>Harvesting (daily)</td>
<td>P 60</td>
<td>P100</td>
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<tr>
<td>Weeding (per 10 armspan square parcel of land)</td>
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<td>Copra production:</td>
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<tr>
<td>Coconut picking (daily)</td>
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<tr>
<td>Coconut gathering (daily)</td>
<td>P150</td>
<td>P200</td>
</tr>
<tr>
<td>Coconut husking (per 100 pieces)</td>
<td>P 10</td>
<td>P 20</td>
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<tr>
<td>Copra extraction (per sack)</td>
<td>P 10</td>
<td>P 15</td>
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Bluestar workers win strike

Members of Bluestar Workers’ Labor Union (BWLU) celebrated the success of their labor strike against Bluestar Manufacturing and Marketing Corp. (BMMC) which is owned by capitalist Jimmy Ong.

BMMC, which is based in Tunasan, Muntinlupa City, is the producer of Advan shoes. Its biggest buyer is the SM department store chain. The company makes 5,400 pairs of boots and 2,700 pairs of shoes per day and maintains an average of 205 workers, 85% of whom are women.

Ong has a long list of violations against the BMMC workers’ rights. Since 1993, he has been notorious for molesting his female workers. He has also gained notoriety for union-busting.

The BWLU is the workers’ fourth attempt at organizing a union as Ong had busted all other unions previously put up by the workers. Ong also tried but failed to nip BWLU in the bud. On July 23, the eve of the certification election, the BMMC arbitrarily terminated 43 workers, some of them employed by the factory since 1993. The move was meant to prevent them from voting for the union. At the same time, management allowed 28 employees holding managerial positions to vote—a clear violation of the Labor Code. As expected, the union lost the certification election.
On July 12, the company attempted to pull out its equipment and feigned bankruptcy. More than 60 workers took turns in staging a “die-in” at the factory’s gates to prevent the pullout. They succeeded, but 59 union members were later barred from returning to work and had their wages withheld.

With the recent strike being the first to gain the workers significant benefits since the company’s establishment 18 years ago, valuable lessons can be learned from its conduct.

The strike could not have been won without the workers’ solid unity. It was a series of educational discussions on workers’ as well as social issues held at the picket lines that sealed their solidarity and militancy. The discussions were held regularly and campaigns were conducted to encourage other workers to join and strengthen the ranks of the strikers.

Support gained by striking workers from a broad section of society was also of crucial importance. The Bluestar strike, in particular, received massive support from neighboring residential communities. Youth activists who integrated with the workers at the picket line played a significant role in gaining broad support for the strike. As the youth learned from the workers’ struggles, they helped organize their fellow youth and other sectors in nearby communities. Youth and women’s groups sprang up. As the strike went on, the protest action earned even more support from the community, allies and other organizations.

Ong, on the other hand, incurred more and more losses as the strike dragged on. It came to a point when Ong could no longer allow the strike to continue. He decided to cut his losses and give in to the workers’ demands.

The union succeeded in having the 43 retrenched workers reinstated. They also won recognition for BWLU as the workers’ authorized bargaining unit, payment of back wages and the withdrawal of the illegal strike case filed by the management against the workers. They likewise succeeded in attaining bonuses and the establishment of a special committee that would handle several sexual harassment complaints against Ong.

The workers held their victory celebration on September 27 at the gate of the RMT Industrial Complex where the company is located. It was attended by over 100 activists, allies and sympathizers from various organizations. Cultural presentations were performed. The program’s highlight was a slideshow presentation of the pictures taken during the strike. Worker leaders gave their speeches, pointing out that the victorious struggle of BWLU workers will serve to inspire workers’ continuing struggles across the country for social change.

Investigators find remains believed to be those of missing farmer

Remains believed to be those of Manuel Merino were found at a former detachment of the 24th IB in Barangay Bliss, Limay, Bataan. Merino was a farmer abducted in June 2006 in Hagonoy, Bulacan by military elements under retired Maj. Gen. Joeyto Palparan. The location of the remains was identified by Raymond Manalo, a fellow farmer who was also abducted but managed to escape from his captors in August 2007.

Merino was abducted along with Karen Empeño and Sherlyn Cadapan, students of the University of the Philippines who remain missing. Manalo, on the other hand, was seized with his brother Reynaldo by Palparan’s agents in February 2006 in San Ildefonso, Bulacan.

The five victims met each other when they were all brought to Bataan in November 2006, and
FASCIST STATE ON A RAMPAGE

Military abuses in Eastern Mindanao and Maguindanao

MILITARY elements belonging to the 62nd IB massacred members of a family they have accused of being members of revolutionary mass organizations. The crime was perpetrated on September 7 in Barangay Patag, Maydulong, Eastern Samar. The victims were brothers Jeto and Ronald Catubay and their brother-in-law Jimmy.

According to correspondence reports from Eastern Visayas, military men conducting operations also burned down two houses in Bagong Baryo, Barangay Pinanag-an, Borongan, Eastern Samar.

In a related incident, military elements abducted three Moro civilians from an evacuation center in Sambolawan Elementary School in Barangay Sambolawan, Datu Saudi Ampatuan, Maguindanao on October 10, at 5:30 a.m. Evacuees Abi Kalikod, Suwaib Sinoka and Nasser Abubakar were forcibly taken by uniformed men who failed to present a warrant of arrest. The three men were suspected by the military of being members of the Moro Islamic Liberation Front (MILF) under Commander Ameril Umbra Kato.

Human rights advocates strongly denounced the abduction, saying that even evacuees seeking safe haven at evacuation centers were not spared from military atrocities.

Prior to this, seven internal refugees, including four children, were wounded on September 26 after military forces deliberately fired artillery shells next to the Datu Gumbay Elementary School in Datu Piang, Maguindanao. The school currently serves as an evacuation center.

Campus harassment intensifies

Violations against students’ rights in the campuses have worsened in the past weeks. In one of the latest reported cases, students at the Polytechnic University of the Philippines (PUP) in Manila complained that military agents had been placing them under surveillance and taking their photographs. Black propaganda against student organizations, including student councils and campus publications have also continued.

At the PUP-Quezon campus, fabricated rebellion charges have been filed against three student councilors. The military has also slandered and threatened them and their families.

At the Jose Rizal University, 19 students were ar-
US: Mindanao is “new Afghanistan”

The US and the Arroyo government’s lies could no longer cover up the reality of US military intervention in the Philippines.

In the last week of September, Adm. Timothy Keating, US Pacific Command chief reaffirmed the US’ continued support to AFP “anti-terrorist” operations not only in Mindanao but in the entire Philippines.

In a clear admission that the US would not hesitate to join AFP combat operations, Keating added, “We are pledging full support to the AFP in any way we can.”

This was Keating’s brazen reaction to the recently reported cases of US troop involvement in armed clashes in Mindanao. The US had likewise been assailed for meddling in the government’s peace talks with the Moro Islamic Liberation Front and conniving with the puppet regime to deceive the MILF in the negotiations.

The US’ present focus in Mindanao follows the logic of its overall view of the island as the “new Afghanistan.” According to Scot Marciel, US Deputy Assistant Secretary for East Asian and Pacific Affairs and currently the US ambassador to the ASEAN, Mindanao currently constitutes a main focus of US concern regarding “terrorism” in the whole of Southeast Asia. Marciel made this remark at a recently concluded conference on US and Southeast Asian relations organized by the Center for Strategic International Studies. He based his statement on a document written by Dr. Peter Chalk, which was published in CTC Sentinel, a publication of the Combating Terrorism Center (CTC) based at the US Military Academy in West Point, New York.

The US likens Mindanao to Afghanistan in the belief that the island is an al Qaeda base. It has invoked this as a rationale for intensifying intervention in the island and to lay the ground for open US military intervention in Mindanao, and eventually, in the whole Philippines.

Currently, a major component of US intervention in the island comes in the form of “economic assistance” and token civil-military operations. Thus, US aid in Mindanao has grown in the island’s so-called conflict areas. Since 2005, 60% of US Development Assistance and Economic Support Funding has been poured into Mindanao, purportedly to demonstrate US support. In fact, the biggest chunk of this aid does not go to providing for the people’s needs, but to in-

FASCIST STATE ON A RAMPAGE

bitarily suspended in September. Four of them were eventually expelled by the school administration for their involvement in an anti-value-added tax campaign.

In Cebu, the AFP has announced its intention to “visit” campuses across the island to warn the students of alleged CPP-NPA recruitment. The military used as pretext the death in an encounter in Negros Oriental in September of Rachelle Mae Palang, former Vice President of the College Editors’ Guild of the Philippines in the Visayas. Palang used to be the editor of Vital Signs, the campus paper of Velez College where she finished a nursing degree.

In a related development, militant student groups denounced a deceptive bill called Students Rights and Welfare Bill of 2007 authored by Akbayan Rep. Risa Hontiveros-Baraquel. The bill appears to be progressive, but under closer scrutiny, contains several provisions legalizing repression in colleges and universities. One of these was the expansion of powers of the Office of Student Affairs to include the right to approve or reject the establishment of new organizations in their respective schools and select which activities could be conducted. The bill also sets “legitimate” locations on campus where protest activities should be confined. The bill likewise favors the Campus Journalism Act that is currently being utilized to control campus papers.

Military kills farmer in Quezon

Military elements mercilessly gunned down Alejo de Luna, 30, a farmer and resident of Barangay Mabini, Mulanay, Quezon. De Luna’s son Mark Angelo, 8, also narrowly escaped death in the shooting. Karapatan reported that soldiers belonging to the 74th IB “B” Coy arrived at the farm of the De Lunas where they found father and son working on the field. They shouted at them not to run away. Frightened and afraid, Mark Angelo suddenly ran and his father went after him. The soldiers opened fire, killing the elder De Luna. The boy was unscathed but his shorts bore bullet holes. Not content with what they had done, the fascist soldiers went to the De Luna house and ransacked it. They also threatened Alejo’s wife Angeline that they would bring her to the military camp.

8 ANG BAYAN October 21, 2008
Migrant workers will definitely be severely affected by the current global capitalist crisis. Together with their fellow workers in their host countries, they will suffer intensified exploitation and oppression.

They are also expected to fall victim to massive retrenchment in the US, Europe and other financial centers. In the US alone, thousands of Filipino workers employed by financial institutions are in danger of losing their jobs. More than two million Filipinos live in the US and almost 30% of total remittances comes from them.

The most vulnerable workers and employees are the unskilled and those performing menial jobs and less crucial work such as domestic helpers and service sector employees in hotels, restaurants and allied services. They will inevitably be swept in the current of massive layoffs, especially since a large number of private companies will definitely be downsizing their operations if not eventually shut down.

Some countries have already begun closing their borders to more migrant workers. In the regime’s exceedingly conservative estimate, there will be a reduction of 50,000 to 70,000 in the number of migrant workers leaving the country—the same as during the Asian financial crisis of 1997. But the current crisis is more severe, and its breadth and intensity in the coming months still uncertain. Even now, Australia has started reviewing plans of recruiting 31,000 migrant workers for industry and agriculture. It expects a reduction in the need for additional workers due to the economic slowdown and the contraction of the country’s industrial base. They are also reassessing even the entry of migrant workers’ families who have been working in the Philippines and the entire Asia-Pacific region.

Armed confrontations in Mindanao

The Armed Forces of the Philippines (AFP) suffered successive losses in the hands of guerrilla forces of the Moro Islamic Liberation Front (MILF).

Three AFP soldiers, including a lieutenant, were wounded when MILF guerrillas who had raided a military camp on October 12 detonated a land mine to cover its retreat. The military casualties were among the troops pursuing the Moro fighters.

Earlier, 50 MILF forces assaulted a military camp under the 75th IB in Barangay Tukanalipao, Mamasapano, Maguindanao at around 10 a.m. The clash lasted for 20 minutes before the MILF guerrillas withdrew from the scene.

Despite reinforcement from Simba tanks, pursuing military elements failed to capture even a single MILF fighter. The Moro guerrillas successfully retreated towards villages at the Ligusan Marsh.

Meanwhile, a policeman was killed in an MILF assault on AFP troops at 4:00 a.m. of October 11 in Barangay Sangay, Kalamansig, Sultan Kudarat. An MILF fighter was also reportedly killed.
The US and the rest of the world are trapped ever deeper in recession. This is evidenced in the historic decline of financial markets in October, production collapses and growing accumulated losses. The situation is expected to persist and eventually culminate in a depression in 2009.

Stock market drops. In just a matter of eight days (October 10 to 17), $2.4 trillion worth of stocks in the US were wiped out when the Dow Jones Index plunged by 18%—a historical high. Companies listed in the US stock market incurred overall losses of close to $8.33 trillion last year, resulting in the biggest drop in the past five years.

That same week, Japan’s Nikkei Stock Index plunged by 11.4%. The recent drops are record highs since October 1987, the last time the global stock markets plummeted. Based on the combined Dow Jones and Nikkei indices, stocks in the US and Japanese markets have dropped by 43.21% since 2008.

Governments buy out bank stocks. In the middle of October, the Bush government allocated $250 billion to buy stocks and obtain partial control of nine large losing banks and financial institutions in the US. This was on top of earlier moves by the Bush government that were limited to buying financial investments at bargain basement prices. The Bush government had earlier avoided making such moves as they run contrary to the economic deregulation policies it has been advocating.

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The US had no choice but to accede to measures unilaterally taken earlier by the UK and other European countries. The UK had allotted almost $700 billion to rescue packages to buy substantial shares in losing banks and guarantee some of their loans. The UK government had infused $89 billion worth of capital into four losing banks and provided $356 billion in bank loan guarantees. The Swiss government recently bought $59.3 billion worth of stocks of UBS. The government of The Netherlands, on the other hand, had also infused $13.4 billion into ING bank, one of the world’s largest banks. Prior to this, the European Central Bank and the Belgian, Dutch and Luxembourg governments had bought shares of the major banks Fortis and Dexia.

The imperialist governments were forced to infuse capital into losing major private banks to resolve the yawning gap between their low levels of capitalization and the huge amounts they had lent out. The intention was to control the loans and investment policies of these banks, with the particular objective of stimulating investment borrowings, which was in turn expected to prime sluggish capitalist economies.

Meanwhile, on October 8, the US government poured in an additional $37.7 billion to rescue American International Group (AIG), which had already received $85 billion in federal money in September. The move was made even after company officials reportedly squandered almost half a million dollars in a lavish banquet only two weeks after the Bush gov-
ANG BAYAN  October 21, 2008

DEVELOPMENTS OVERSEAS

All these rescue efforts are nonetheless futile. They are powerless to stop the unremitting and worsening global financial crisis and the freefall of the real economies of the US and the entire world.

Production declines and US and global unemployment worsens. Total US industrial production was down by 2.8% in September, the sharpest decline since December 1974. It fell by 1% in August. Production made a 6% downslide in the first three quarters of 2008 compared to the same period last year. The manufacturing sector, on the other hand, dropped 2.6%, the worst in 28 years. US production uses up only 76.4% of its capacity, the lowest since October 2003.

Hardest hit by the decline of the real economy are the workers and impoverished masses. Unemployment in the US has registered an unprecedented seven-year high of 6.1%. Joblessness in Europe is likewise worsening, with Spain reeling from an 11.3% unemployment rate and Slovakia registering a record high of 9.9%. The UK's 7.75% unemployment rate is already its steepest in 17 years. This translates to almost 1.8 million jobless workers. The number is expected to swell to over two million by December. The same trend is being seen in various other big capitalist countries in Asia.

Consumer confidence in the economic situation has been diminishing, resulting in dwindling consumption. The US Consumer Sentiment Index (CSI) fell to 86.5 in the previous year to 70.3 in September and further to 57.5 in October. The index is a measure of American consumers’ outlook relative to their individual and overall economic conditions. This is the CSI’s deepest plunge since 1952. It is expected to nosedive further to 56.7 or even lower in the coming months.

Conditions are much worse in the majority backward countries in the world where most people are either unemployed or underemployed and suffering from severe poverty and hunger.

Melamine in milk and other crimes in the name of profit

At least 90,000 Chinese babies have been hospitalized and six have died from kidney failure after drinking infant formula containing melamine, a chemical used in the production of plastics. Melamine was added to make it appear that the milk products had more protein than they actually did.

The melamine scandal is but the latest case to reveal the extremely low production standards in China.

In 2007, pet food was also found to contain melamine after investigators looked for reasons behind the deaths of scores of cats and dogs in the US and other countries. The melamine-laced pet food ingredient was also imported from China.

Additionally, Chinese-made White Rabbit candies were also found to be contaminated with melamine. The candies along with three other food products from China also contained formaldehyde. Instead of using food preservatives, the manufacturers used the cheaper but toxic formaldehyde, a chemical used in embalming.

Even toothpaste products from China were found to contain high levels of diethylene glycol, a toxic chemical that causes kidney damage. Because it is cheaper, it is used illegally as a substitute for a chemical compound added to toothpaste to ensure its smooth consistency.

That same year, toys and other children’s products imported from China were found to have been colored with paint that had high lead content, despite the availability of lead-free paints. Lead poisoning can lead to brain, kidney, heart, gastrointestinal and other damage.

Such practices in China are an indication of the extent of capitalist corruption and unscrupulousness. It shows how far the avaricious Chinese bourgeoisie and bureaucrat capitalists would go to squeeze the most profit, to the utter detriment of their consumers.

China has plunged to such depths due to its close integration into the world capitalist system. As an emerging power in the global arena, many of its capitalists resort to even the crudest and most antisocial methods to amass superprofits and accumulate capital in the quickest way possible. Worse, most companies involved in these criminal acts are owned by a state that claims to be communist.

This practice is made worse by multinational corporations operating in China that take advantage of cheap Chinese labor. It is no wonder that most of these harmful Chinese-made products also carry American brands such as Mattel and Disney.