
**Theoretical and Political Journal
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of the Communist Party of the Philippines**

THE REVOLUTION SURGES FORWARD

**by Armando Liwanag
Chairman, Central Committee
Communist Party of the Philippines**

NOTES ON THE REACTIONARY ELECTIONS

by the Discussion Group on the 1998 Elections

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ON THE CELEBRATION OF THE 80th ANNIVERSARY
OF THE GREAT OCTOBER REVOLUTION**

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THE PEOPLE'S LIVELIHOOD: CALLS FOR UNITY
TO RESIST SYSTEMATIC PLUNDER OF THE ENVIRONMENT
BY FOREIGN MONOPOLY CAPITALISTS, BIG LANDLORDS,
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THE REVOLUTION SURGES FORWARD

Message on the 29th Anniversary of the Reestablishment
of the Communist Party of the Philippines

by Armando Liwanag

Chairman, Central Committee
Communist Party of the Philippines

26 December 1997

The Communist Party of the Philippines celebrates the 29th anniversary of its reestablishment under the theoretical guidance of Marxism-Leninism-Maoism. It is leading the revolutionary mass movement that is surging forward amidst the gloom and turmoil of the domestic ruling system and the world capitalist system.

On this occasion, we honor our revolutionary martyrs and thank them most profoundly for their selfless dedication to the revolutionary cause. We congratulate all Party cadres and members for their resolute adherence to the basic revolutionary principles of the proletariat and the mass line and for all their militant work and achievements among the masses.

Impelled and propelled by the Second Great Rectification Movement, the Party has successfully led the revolutionary movement of the proletariat and the broad masses of the people. It has made significant advances and scored brilliant victories since last year in the fields of ideological, political and organizational work.

Since 1992, the rectification movement has strengthened the Party in an all-round way and has equipped it to take advantage of the increasingly favorable conditions for waging revolution. The crisis of the world capitalist system and the domestic ruling system is rapidly worsening. The broad masses of the people are roused to wage armed revolution by the increasingly intolerable exploitation and oppression that they suffer.

I. Global Disaster Wrought by Monopoly Capitalism

In nearly five decades, from the '30s to the end of the '70s, the Keynesian, social-democratic or fascist policy of state intervention served as a weapon for monopoly capitalism to counter economic crisis, make social pretenses, wage global and local wars, engage in the arms race and superpower economic competition in the Cold War and push pseudodevelopment in the former colonies.

But in the '70s monopoly capitalism was faced with the intractable problem of stagflation. It proceeded in the '80s to cover up rather than solve the problem by making a policy shift to monetarism and laissez faire capitalism, under the bannerhead of Reaganism and Thatcherism. This policy is otherwise called neoliberalism because monopoly capitalism reverts to using the outdated logic and language of free competition capitalism. It uses such slogans as liberalization, deregulation and privatization in order to use the resources of states and giant corporations to extract ever higher profits from the proletariat and the oppressed peoples and nations.

The essence of the policy is to accelerate the concentration of capital in the hands of the monopoly bourgeoisie and the delivery of public funds to private corporations and cut down the incomes of the people by pushing down employment and wage levels and reducing social spending by governments in order to maximize profits and combat inflation.

The problem with the anti-inflationary bias of the neoliberal policy in the industrial capitalist countries is that it contracts the domestic market exactly when productivity is being boosted by the use of higher technology. In the 90's, the fundamental contradiction between the heightened social character of the means of production and the private monopoly character of appropriation has intensified.

The general tendency is to concentrate capital, in the form of constant capital, in the three global centers of capitalism. More than 70 percent of the global flow of direct investments are con-

classes and the US-Ramos regime to stop their anti-people and counterrevolutionary activities. They will not be tolerated by the people's army, and will be dealt with decisively at the opportune time.

We particularly single out the most aggressive promoters of the US-Ramos regime's pseudo-environmentalism and counterrevolutionary violence in the province—namely, Congressman Zarraga and Capt. Lagala. Their actions will not go unchallenged.

We also call on ordinary personnel of the US-Ramos regime, including field officers and lowly employees of the reactionary Department of Environment and Natural Resources (DENR), to refrain from persecuting peasant masses who rely on the land and its fruits for their living, and who therefore have been its most consistent protectors. We urge them to unite with other social classes—who like them are oppressed by the ruling system—in resisting the wholesale plunder of the environment by foreign monopoly capitalists and their political and real estate stooges.

The NPA-CV will not allow the US-Ramos regime's pseudo-environmentalism to derail the national democratic interests of the peasant masses and other oppressed classes of our semicolonial and semifeudal society. #

line incomes. They also threaten the right of tenants and owner-cultivators from tilling lands within the so-called “protected areas”. The same laws restrict the legitimate land use options of the petty and middle bourgeoisie and small and middle landowners.

Foreign capitalist investors and their local big comprador partners, with the help of politicians moonlighting as real estate agents, have embarked on a mission of transforming the province into a tourist and investments haven. But for the peasantry and the other oppressed classes, all these mean one thing: the comprehensive rape of the forest, agricultural, coastal and marine resources of the province and the certain economic dislocation of thousands of Boholanos.

Last month, a faction of the reactionary ruling elite led by Congressman Zarraga instigated anew a series of armed actions within the so-called “protected area”. These were raids, surveillance and roving operations led by Capt. Legala of the 346th PNP Mobile Field Force Company based in Carmen against the New People’s Army and its mass base. These follow last year’s series of civilian-military pacification campaigns beginning with Oplan Bionic in June up to Oplan Bulawan in October. Clearly, these are meant to harass the peasant masses and clear the way for foreign big business operations in the heartland of Bohol.

The revolutionary movement will not take all of these attacks against the people’s lives and livelihood sitting down. We are determined to protect the interests of the peasant masses, as well as that of the petty and middle bourgeoisie and the small and middle landowners. Revolutionary justice consistent with the Bill of Rights in the Rules for Establishing the People’s Revolutionary Government, the Rules of the New People’s Army and Protocols I and II of the Geneva Conventions demands that we act accordingly to assert the inherent right of our people to jobs, justice and freedom.

The New People’s Army-Central Visayas Regional Operational Command therefore warns all elements of the reactionary ruling

centrated in the United States, Japan and the European Union even as the overall growth rates of the countries in the Organization of Economic Cooperation and Development (OECD) have fluctuated and stagnated between one and three percent and national profit rates have tended to fall from 1987 to 1997.

Despite its huge public debt and trade deficit, the United States is relatively the strongest and maintains its advantage by using its lead in technology, its hegemonic politico-military power and the direct investments it attracts from the two other global centers of capitalism. Its monopolies have been downsizing regular employment but generate part-time jobs to be able to claim a high rate of employment.

Since the bursting of its economic bubble in 1990, Japan’s economy has stagnated under strong US competition in the Asia-Pacific region, has gone into colossal public deficit spending in a futile attempt to revive itself and has aggravated the problem of bad debts to Japanese and South Korean firms. The European Union has also stagnated, with a high level of unemployment at 12 percent.

Under the slogan of “globalization”, another phrase for the neoliberal myth of the free market, the three global centers of capitalism promote the so-called emergent markets, which are the targets of speculative capital and dumping of surplus goods. Less than 30 percent of total global direct investments from the imperialist countries have gone to the “emergent markets”, which are mainly in East Asia. Here, far higher profits have been drawn from a small amount of productive investments and from a great deal of speculative investments, until the coming of the current Asian disaster to dispel the illusion of the long-touted Asian miracle.

The disaster has been caused by the global overproduction of the types of goods produced by the neocolonial client states of East Asia, over-importation and overvaluation of supplies both for production and for consumption and the unregulated excessive flow

of speculative capital from private finance companies and transferpricing in the intracompany transactions of multinational firms. East Asia is now crushed by overproduction, bad debts and bankruptcies.

With the global overproduction of such types of products as cars, consumer electronics, ships and steel, the old “tiger” Korea has been losing in the competition with the imperialist countries. In the case of the Southeast Asian “emergent markets” and China, their lower value-added consumer manufactures (garments, semiconductors, shoes, toys and the like) have gone into a global overproduction, together with similar products from South Asia and some countries in Latin America (especially Mexico) and Central Europe.

South Korea and the Southeast Asian countries have suffered large trade deficits annually. But the heavy inflow of speculative capital from the imperialist countries to finance the importation of components for export-oriented manufacturing, upper class consumerism, debt service, privatization of state assets, telecommunications and other public utility projects and real estate development has sustained the illusion of economic prosperity for a while in the so-called Asian miracle.

The chronic current accounts deficits and heavy inflow of speculative capital have long foretold the currency and stock market meltdowns, which started in Thailand last July, spread to the rest of Southeast Asia and then to Northeast Asia and ultimately shook the capital markets of the imperialist countries. All these have been preceded by the overproduction of the lower value-added exports of Southeast Asia and China and that of the higher valued-added export products of the old “tigers” (South Korea and Taiwan) and the imperialist countries.

South Korea, Thailand and Indonesia are being bailed out by the IMF to the tune of over USD100 billion. In exchange for the heavy debt burden, they are required to go into austerity, open them-

habeas corpus, the Miranda doctrine and bank secrecy laws, and the illegalization of politically-suspect organizations. Along with the drive to prolong the administration, these are primarily meant to check the advance of the people’s national democratic revolution through a protracted people’s war.

Consistent with its “eco-tourism and agro-industrial development” scheme, the US-Ramos regime recently issued Proclamation 1037, purportedly to protect from undue exploitation the more than 1,000 mounds collectively known as Chocolate Hills. This show-of-a-law comes in the wake of the uproar over the systematic plunder of Bohol’s natural resources by foreign monopoly capitalists who lord it over the real estate, tourism and tourism-related (e.g. hotel) industries. This also follows the public protest over the foreign-instigated Inabanga Dam plan and the uncovering of a grant of exclusive right to the foreign-owned Plantation Corporation to explore almost half of Bohol’s land area and utilize its mineral resources as allowed by the Mining Act of 1995.

Stripped of their facade of environmentalism and eco-tourism, Proclamation 1037 and similar other laws are enacted by the US-Ramos regime to ensure the rapid reconcentration of lands. A favored few (especially foreign big business and those belonging to the ruling clique) corner the juiciest possible commissions from present and future real estate and related deals, and facilitate foreign funding for pseudo-environmentalists belonging to Government-Recognized and Inspired Non-Governmental Organizations or GRINGOS and anti-communist contra groups. After all, the so-called “protected area” covering thousands of hectares in the six identified towns contain some of the most scenic and mineral-rich areas in the region.

Moreover, in the guise of “protecting the Chocolate Hills, advancing reforestation and preserving the environment,” these laws deprive farm workers and the poor and middle peasants of much-needed sideline occupations which augment their below-poverty

agenda. The General Agreement on Tariffs and Trade (GATT), World Trade Organization (WTO) and Asia-Pacific Economic Cooperation (APEC) have thrown the people deeper into unemployment, poverty and landlessness.

The peasantry, including the fisherfolk and tribal communities, have fallen prey to the various land grabbing schemes of foreign monopoly capitalists and the local ruling class, especially the real estate developers and logging, mining, plantation and aquaculture companies. Even workers and the urban petty bourgeoisie are being made to suffer the ill effects of the reactionary state's indiscriminate land use of their communities. These vicious attacks upon the lives and livelihood of the people are strengthened through such laws as the Local Government Code, the Mining Act of 1995, the National Integrated Protected Areas System (NIPAS) and the Omnibus Investment Code of 1995, among others. The situation is bound to worsen with the passage of such pseudo-environmentalist laws as the National Land Use Code and the National Environment Code.

Land reform — the favorite “cornerstone” and “centerpiece” bad joke of many a past reactionary regime — has totally eluded the countryside. Whatever token gains the peasantry achieved through Aquino's Comprehensive Agrarian Reform Program (CARP) and Marcos Presidential Decree (PD 27), are grossly reversed by the rapid reconcentration of lands in the hands of old-type and new-type landlords.

Human rights abuses against the people continue without let-up. Military and police troops, including private armies masquerading as security guards, continue to be used by the state, big landlords and foreign monopoly corporations to silence those who resist displacement from their land. Moreover, the US-Ramos regime is aggressively pushing for martial rule measures like the institutionalization of a national ID system, wiretapping, checkpoints and warrantless arrests, the suspension of the privilege of the writ of

selves up further to the imperialist vultures and try to produce the same products at lower real wages or else close shop. Despite the bailout, the “emergent markets” continue to sink. The current financial crisis is far worse than that in Latin America in the '80s and Mexico in 1994-95. The IMF is extremely worried by its dwindling resources and by the prospect of financial turmoil in any of the big countries like China, Brazil and India.

The imperialists scold their puppets in the client states for making unsound economic policies, including corruption and wastefulness or overexpansion of production or overconsumption. But in the first place, the puppets have followed their imperialist masters dutifully in pushing the policies of liberalization, deregulation and privatization and trampling down upon the rights of the workers and pushing down their wage and living conditions within the framework of the IMF, World Bank, WTO, OECD, ADB, APEC and other overlapping regional trade agreements.

The Asian disaster exposes the destructive character of monopoly capitalism, especially under the auspices of the neoliberal policy. It means the destruction of the productive forces in the most-favored client-states. It recoils upon the imperialist countries by contracting their global market and field of investment. It tends to join up with the worst conditions in the overwhelming majority of the countries still dependent on raw-material production for export, overburdened with foreign debt and subjected to prolonged conditions of depression and civil strife as a consequence of the crisis of overproduction of raw materials since the '70s.

It tends to link up with the terrible conditions of de-industrialization and thirdworldization of the former Soviet-bloc countries. In the main, the Western imperialist countries, especially Germany, France and Britain, are dumping on them surplus commodities and surplus capital for trading and speculation. Secondly, some productive capital is deployed lopsidedly only in a few selected enterprises to avail of cheap labor and fetch quick profits. Ultimately,

the continuous deterioration of the Russian and East European economies result in the further contraction of the market for Western goods. Both the third world and the former Soviet-bloc countries are being crushed by a debt burden of more than USD 2.0 trillion.

The trend towards the contraction of the world market adversely affects the domestic economies of the global centers of capitalism. The bursting of the bubble in East Asia has an immediate and long term impact on the growth and profitability rates in the United States, Japan and European Union because these have invested heavily in the “emergent” markets. Thus, the capital markets have been repeatedly shaken and continue to be shaken.

There is a global trend towards the bursting of bubbles, deflation and depression. First, the immediate consequences of overproduction become conspicuous. Then follow the general slowdown of production and the steady deflation of the overvalued assets and output. At the moment, world output is overvalued by thirty times and is prone to deflation under conditions of market contraction. For example, even the high technology stocks which have been the spearhead of capital expansion in the US stock market in the 90s, have become volatile because of overproduction and market contraction.

The neoliberal policy has so far run for only 17 years and yet it has pushed the crisis of the world capitalist system to an unprecedented level of virulence since the end of World War II. All basic contradictions are becoming acute. These include the contradictions between the imperialists and the oppressed peoples and nations, among the imperialist powers themselves and between the proletariat and the bourgeoisie in imperialist countries.

In the overwhelming majority of countries where the peoples and nations are oppressed by imperialism, the conditions are fertile for the emergence and development of armed revolutionary movements for national liberation and democracy. There are a few such countries where these movements persevere under the lead-

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BIG LANDLORDS, BIG COMPRADORS
AND BIG BUREAUCRATS**

Regional Operational Command
New People’s Army-Central Visayas
(ROC-NPA-CV)
August 18, 1997

The crisis spawned by the semicolonial and semifeudal system continues to worsen. The ruling class push for “globalization” and its drive towards greater liberalization, privatization and deregulation of basic goods and services further erode the already sorry economic conditions of the people. This has compounded the evils spawned by the historical problem of land concentration in the hands of big landlords and the surrender of the country’s patrimony to foreign monopoly interests by the bankrupt joint rule of big comprador-landlord classes now represented by the US-Ramos regime.

The crisis of the ruling system deepens with the imperialist drive to further its exploitation of the working classes and the peoples of backward countries. Using new catch phrases like “globalization” and “new international economic order”, the various imperialist countries led by the US and Japan, impose economic and political arrangements in support of their hegemonic strategic

the interimperialist struggle to redivide the world intensifies, exacerbates the new world disorder and poses the danger of war.

We are still in the era of imperialism and proletarian revolution. The objective conditions for rebuilding and strengthening the revolutionary forces of the proletariat and people and for the eventual resurgence of the anti-imperialist and socialist movements on a global scale are excellent.

Before the end of the 20th century, the neoliberal and neocolonial policies of imperialism have proven to be bankrupt. The stage is set for greater struggles and greater victories against monopoly capitalism and for socialism in the 21st century. We are on the eve of the rise of the world proletarian revolution at a new and higher level.

Uphold the legacy of the Great October Socialist Revolution!

Carry forward the revolutionary struggles under the leadership of the proletariat!

Long live proletarian internationalism!

ership of the proletariat. These movements keep up the torch of armed revolution until their counterparts in many more countries arise in the future.

While some states, such as Cuba and North Korea, continue to stand up for national independence and avow socialism and a few others oppose imperialist intervention and aggression, so many others are neocolonial client-states docile to the imperialist powers. But in time to come, the deterioration of social and economic conditions is bound to lead to the emergence and development of more revolutionary movements. When the subjective forces of the revolution grow strong, a broader united front against imperialism and its worst local agents can take advantage of the sharpening struggle for power among the reactionaries. There are still strong anti-imperialist currents in certain countries like China, India and Russia because of persistent national industries and longstanding and current political issues that put them at odds with the Western powers.

On the surface currently, the imperialist powers are all united under the hegemony of one superpower in pushing “globalization” and “free trade”, in enlarging a security alliance like NATO or strengthening a security alliance based on the US-Japan Security Treaty and in pursuing a policy of engagement with China and partnership with Russia. But the worsening crisis of the world capitalist system is in the process of unsettling the balance of relations among the traditional imperialist powers.

The economic competition and crisis can sharpen to the point that in certain imperialist countries the forces of nationalism, protectionism and fascism gain the upperhand and make the state more aggressive. Disputes over economic territory in the third world and former Soviet-bloc countries can arise among the imperialist powers. The US drive to be the principal imperialist power in every global region, the current US aggressions and interventions in the Balkans and the Middle East and the expansion of the NATO and

the new US-Japan security guidelines in the Asia-Pacific region can ignite wars in the future.

The contradiction between the monopoly bourgeoisie and the proletariat in imperialist countries is still under control by the former. That is because the monopoly bourgeoisie can still shift the burden of exploitation to the third world and the former Soviet-bloc countries and the subjective forces of the proletarian revolution are still small and weak. However, general strikes and mass protest actions are starting to become widespread.

The workers' revolutionary movements under the leadership of Marxist-Leninist parties can emerge and develop only in connection with the worsening crisis of monopoly capitalism, the growing interimperialist contradictions and the resurgence of revolutionary struggles of the oppressed peoples and nations in the third world and the former Soviet-bloc countries.

The current economic crisis and turmoil in the world capitalist system is setting the stage for the next great round in the epochal struggle between the forces of socialism and democracy and those of imperialism and reaction. We are in transition from a world capitalist system under a single superpower to one in which several imperialist powers are violently at odds with each other and the proletariat and oppressed peoples and nations can once again take the initiative of fighting for national liberation, democracy and socialism. We can look forward to great struggles and great victories of the proletarian revolution in the 21st century.

II. Explosive Domestic Conditions

The economic and political crisis of the semicolonial and semifeudal system in the Philippines is rapidly worsening at a rate and in a manner comparable to the first half of the '80s. The objective conditions are exceedingly explosive. The claims of the US-Ramos regime to economic prosperity and political stability have

talism is bound to use fascism and an admixture of bourgeois, feudal and other retrogressive ideas and practices to suppress democracy before the proletariat can overthrow the monopoly bourgeoisie and establish socialism.

At the moment, US and Japanese imperialism collaborate in exploiting and oppressing the proletariat and people, especially in the Asia-Pacific region. But they are also increasingly competing against each other. In the '90s, US imperialism has been increasingly using its hegemony in an all-round way at the expense of Japanese imperialism. Thus, the Japanese economy has conspicuously declined in relation to that of the US and the Japanese monopoly bourgeoisie is imposing increasingly harsh policies on the Japanese proletariat and people.

Because of the lower rate of growth and profitability in Japan than in the United States, the Japanese monopoly bourgeoisie has been compelled among others to hold a large amount of US bonds, invest in manufacturing plants in the US and finance highly profitable but extremely risky activities in East Asian "emergent markets". These include heavy financing for the most unproductive activities of client states and big comprador agents, for consumer exports to them, for real estate speculation and for export-oriented manufacturing which is now in a crisis of overproduction. Factors which were at first exceedingly profitable for the multinational firms and banks are now the factors of economic turmoil in East Asia and on a wider global scale. The persistent problems of bad debts and general economic decline in Japan are now aggravated.

The contradictions between the proletariat and the bourgeoisie in the imperialist countries are sharpening. So are the contradictions between the imperialist countries and the oppressed peoples at an even faster rate. Destroying the forces of production and depressing the global market, the imperialist countries are driven by insatiable greed to compete and collide with each other. Thus,

**CPP/CC MESSAGE TO THE CPJ (Left)
ON THE CELEBRATION OF THE 80th
ANNIVERSARY OF THE GREAT OCTOBER
SOCIALIST REVOLUTION**

7 November 1997

In the spirit of proletarian internationalism, we join your Party in celebrating the 80th anniversary of the Great October Socialist Revolution on 8 November in Shimonoseki.

It is appropriate that in the course of the celebration you emphasize the application of the universal theory of Marxism-Leninism to the concrete practice of the Japanese revolution, clarify the historical significance of the Russian revolution and analyze the problems of the current revolutionary movement and learn lessons from the history and current circumstances for the purpose of clarifying the tasks of the vanguard party and taking a great leap forward in your party work.

We congratulate you for your accumulated achievements in the struggle against imperialism, revisionism and reaction and in the current mass struggles of the Japanese proletariat and people against Japanese monopoly capitalism, against the domineering relationship of the United States with Japan and against the US-Japan Security Treaty, the US military bases, nuclear weapons and the new US-Japan security guidelines. Your achievements are the basis for greater victories ahead.

The democratic stage of the two-stage revolution in the Russian revolution is still relevant to Japan, even if feudalism as a major socioeconomic problem is bygone. It is because US imperialism dominates Japan strategically and because Japanese monopoly capi-

been completely proven false. The regime is coming to a dismal end.

Philippines 2000, the medium-term development plan of the regime, is supposed to make the Philippines an economic “tiger”, a newly-industrialized country by the year 2000. But unlike the economic plans of South Korea and Taiwan in becoming “tigers” in the past, the Ramos plan has not pushed a single basic industrial project, has considered land reform unnecessary and has become bound by the antidevelopment policies of liberalization, deregulation and privatization that are completely servile to the multinational firms and banks.

There has never really been any objective of making the Philippines a newly-industrialized country. The real objective has been to open up the country as “emergent market”, for the dumping of surplus products and surplus capital, especially speculative capital from abroad, and to further subject the country to the dictates of the imperialist powers and the IMF, World Bank, APEC, WTO and other imperialist multilateral agencies.

The illusion of economic prosperity has been conjured for a while by a rapid rise of local and foreign public debt, a heavy inflow of foreign speculative capital since 1993 and the capture and double counting of the foreign exchange earnings of overseas contract workers. The reactionary government has claimed bogus high rates of growth in GNP and GDP and an incredible diminution of the proportion of the population under the poverty line by conveniently ignoring the actual rapid concentration of assets and incomes in the hands of the multinational firms and local exploiting classes.

Despite the rapid accumulation of wealth by a few and the depressed incomes of the broad masses of the people, the actual rate of inflation has been high because of the ever rising cost of the imported content of basic goods and services. Wage levels have been pressed down and an extended value-added tax has been imposed on the people. The foreign monopolies, finance companies,

the exporters and importers, the operators of export-oriented manufacturing, the megamall magnates and real estate speculators have been benefited by the free flow and convertibility of foreign exchange.

The state has served as an agency for collecting taxes from the people and redistributing these to the foreign monopolies, big compradors and high bureaucrats. State assets in corporations and prime land have been privatized at bargain prices and the proceeds have been used up merely for budgetary expenditures. The main items in these expenditures have included servicing the colossal local and foreign public debt, “modernizing” the military and police, congressional pork barrel and the acquisition of office computers and cars.

Philippine imports are consumption-driven. Imported luxuries for the upper class and upper-middle class are conspicuous. These include cars, consumer electronics and residential palaces in exclusive subdivisions. Even imported fuel goes in the main to consumption rather than to production. The importation of construction equipment and structural steel goes in the main into office and residential towers and golf courses and secondarily to warehouses and sweatshops for export-oriented manufacturing.

The gross income from the export of import-dependent and low value-added manufactures (semiconductors, garments, shoes, toys and the like) has surpassed that of the raw-material exports. But the net export income from export-oriented manufacturing is far smaller or even negative because 80 percent of the gross income covers the cost of the imported components, which are always overvalued for the purpose of transfer-pricing.

Now, export-oriented manufacturing is hit hard by the global crisis of overproduction. Export income from garments has plunged abruptly since 1994 and that from semiconductors has been declining since 1996. Under the neoliberal scheme of trade liberalization, the agricultural and mineral exports of the Philippines are

through the legal democratic movement is still a task that is not well realized.

Whether the legal progressive forces should build a party like Partido ng Bayan remains an interesting question. The answer depends on the concrete circumstances. Even when the building of such a party is called for, it will come with certain advantages and disadvantages for the revolutionary movement and it will pose new problems for the revolutionary party of the proletariat to solve. #

There are also those who were not previously supported by the movement but who wish to engage in mutual support and cooperation, and there are those who intensify counterrevolutionary acts or those who play neutral. Whoever gets elected president will stand as the chief representative of the exploiting classes and will act accordingly. In the legislature, there may be some few senators and congressmen taking progressive positions on issues.

Using the same united front policy after the elections, the revolutionary forces deal with the elected local executive officials in accordance with the positions and actions that these take with regard to issues affecting the people and the revolutionary forces. Even as they build revolutionary organs of political power, the revolutionary forces maintain alliances or friendly relations with local officials of the reactionary government if such relations can benefit the armed revolution.

8. So far, the legal progressive forces or the national democratic movement have not yet been able to build a serious political party for electoral struggle. Partido ng Bayan has become dormant. The repressive measures taken by the state as well as the problems which afflicted the revolutionary forces before the rectification movement have adversely affected the development of this party.

But even without Partido ng Bayan, the legal progressive forces can intensify their propaganda for national liberation and democracy and set the criteria for what constitutes good leadership in connection with definite issues. Thus, they can keep the high ground, exert influence on the reactionary elections and favor certain candidates whom they do not have to endorse directly and openly.

Progressive candidates can be developed through the legal democratic movement, long before any election and even while there is yet no categorically progressive legal electoral party. So far, developing potential progressive candidates on a nationwide scale

further squeezed by the long-running crisis of the overproduction of raw materials. Even the production of basic food products has been undermined by trade liberalization. Sugar, rice, corn and other food products are being imported in increasing quantities.

The absence of land reform and the lack of incentives and support for local food production have been aggravated by the legal conversion of agricultural land into residential, commercial and industrial estates and by rampant landgrabbing by real estate, plantation, mining, logging and other land-based companies. Landgrabbing has been attended by brutal operations carried out by the reactionary military, police, paramilitary and private security forces against the urban and rural poor, the peasants and ethnic communities.

The rotten fundamentals of the Philippine semifeudal economy have always made the country prey to such "normal" bloodsucking operations as capital repatriation and profit remittances and loansharking by multinational firms and banks and lately to such recent dramatic events as the attacks on the currency and the capital flight. The multinational firms and banks have complete freedom to raid the local financial system and to gobble up any new infusion of funds from private and official lenders abroad.

An economy that is basically agrarian, consumption-driven and stricken with mounting trade deficits, takes foreign loans and portfolio investments heavily, pegs the peso to the dollar and allows the free flow of foreign exchange has no way but to reach the edge of the precipice soon enough and plunge into a new depth of degeneration.

Since July 11 this year, the peso has been devalued from 26 pesos to more than 40 pesos to the US dollar or by more than 50 per cent and continues to go down. The Philippines has hardly enough dollar reserves for a two-month worth of imports. It has more difficulties attracting foreign funds as loans or as direct investments. It now suffers from capital flight and a low international credit rat-

ing. It is forced to go into austerity and aggravate the exploitation of the people.

It takes more pesos now to pay for the foreign debt of USD 44.8 billion. This does not include the exceedingly large amount of USD 22 billion in short-term loans borrowed by private companies from foreign finance companies in the last two years. Ultimately, these private foreign loans will be passed on to the state. The IMF always requires a client state to take responsibility for the bad debts owed to monopoly capitalist sharks.

Capital flight of portfolio investments in stocks and bonds has been the quickest. The sweatshop enterprises of the multinational firms and their big comprador agents are also reducing production or are folding up. This is occurring even as the imperialists push the notion that export-oriented manufacturing thrives on devaluation and lower wages. Local entrepreneurs are in a worse situation. They are being rendered bankrupt by the rising interest rates and the rising cost of supplies from abroad.

Unemployment is rising. The percentage of the population living below the poverty line has certainly increased overnight. The precipitous devaluation of the peso has drastically cut the income of the broad masses of the people. The prices of basic goods and services are skyrocketing. The price increases are so abrupt and are generating widespread social unrest.

The basic class contradictions in Philippine society are flaring up. Already in 1997, especially in the second half, mass protest actions have surged in the national capital region and on a nationwide scale and the tactical offensives of the armed revolution have also increased. Strikes and protest marches and rallies conducted by the workers, peasants, urban poor, students and other youth have been on the rise.

The socioeconomic crisis of the ruling system is rapidly worsening and likewise the political crisis. The rivalries and conflicts of the political factions of the exploiting classes are becoming in-

rect support in exchange for what is beneficial to the people and their revolutionary movement.

All candidates may be required to pay a minimum amount, proportionate to their ability to pay, for safe conduct in the territory of the revolutionary forces and for an initial consideration of whether they deserve support or not.

6. National candidates for the presidency and the senate recognize the fact that the revolutionary forces have a mass base that is several times larger than that of the Iglesia ni Kristo (INK). They are interested in the vote potential of such a mass base because it can make the crucial difference in the elections.

Likewise, the candidates for the lower house of congress and the local executive officials are even more interested in the vote potential of the mass base of the revolutionary movement. United front tactics in dealing with local executive officials and congressmen have long taken a significant role in the history and current circumstances of the revolutionary movement.

In specific localities, where the revolutionary forces are strong, they can determine the conduct and outcome of the elections, unless the worst of the reactionaries unleash an extremely high level of fraud and terrorism. Given the opportunity to decide the elections, the revolutionary forces do not throw it away and they act to allow friendly candidates to win in the elections.

The application of the united front policy on both progressive and reactionary candidates and officials allow the revolutionary forces to widen their political ground for maneuver, accumulate information on the reactionaries, divide the strength of the reactionaries and ultimately disintegrate the reactionary state.

7. The united front policy extends to the aftermath of the reactionary elections. There are successful candidates who wish to continue mutual support and cooperation. And there are those who turn around against the movement or pose as neutral.

reactionary forces and candidates and allowing the less reactionary candidate to win against the most reactionary ones. This offers greater possibilities than simplistically supporting only the few progressive candidates.

The application of the united front policy on progressive and reactionary forces vying for positions in the reactionary state is akin to that of the policy of revolutionary work within other reactionary institutions and processes.

5. There are certain tactics by which the revolutionary forces can support progressive candidates and, where there are none, the less reactionary candidates against the more reactionary ones or enemy diehards.

The revolutionary forces intensify their propaganda for national liberation and democracy against the ruling system and against the worst among the reactionaries. They do not openly and directly endorse any reactionary coalition, party or candidates. It is the burden of the candidates to speak and act substantively and in a manner that can attract the votes from among the mass base of the revolutionary movement.

The progressive candidates can be encouraged to express a position similar to that of the revolutionary movement. The less reactionary candidates can also be encouraged to intensify their criticism and repudiation of the worst features and consequences of the position of their more reactionary opponents. Thus, to some extent, they conjoin with the revolutionary forces in the denunciation of such opponents.

It is assumed that the candidates can make good their alliance with the revolutionary forces not only through their speeches but also by extending logistical and other forms of support to the revolutionary movement. Those in charge of dealing with the coalitions, parties and candidates in the reactionary elections must work out the specific ways of assuring and extending discreet and indi-

tense. Like the ruling reactionary politicians, the civil bureaucracy and the military and police personnel are becoming more brutal and corrupt than ever before.

The forthcoming elections are farcical inasmuch as they are monopolized by the traditional politicians of the exploiting classes. They neither reflect the will nor satisfy the basic demands of the people. They are no more than a fleeting circus and thus cannot dispel the people's discontent. Neither do they resolve the rivalries of the reactionary factions but exacerbate them. The pie for bureaucratic looting is shrinking and will generate more bitter struggles among the reactionary politicians.

All the frontrunning contenders for the presidency in these elections are direct political descendants of the Marcos fascist dictatorship. They are all tried and tested in the work of oppressing and exploiting the people in order to serve the monopoly capitalists and the local exploiting classes. Everyone of them is subservient to the IMF, World Bank and WTO, the imperialist powers and the multinational firms and banks. None of them dares speak up to assert national sovereignty and advocate national industrialization and land reform.

All major opposition presidential candidates and parties publicly claim to be popular and enjoy the benefit of the protest vote against the ruling party and its candidates. But in fact, they privately concede that they do not have as much machinery and money as the ruling party and, worst of all, they are not in a position to counter the ruling party from cheating them in the vote count.

Whoever succeeds Ramos will be incapable of solving the all-round crisis of the ruling system. The economic depression that has already started is generating more widespread and more intense social unrest and popular resistance. Whoever sits in power at any level of the reactionary government will have to reckon with the rising outrage of the people and the growing strength of the revolutionary movement.

The revolutionary forces cannot participate in the reactionary elections because they uphold their revolutionary principles and the enemy bans them. But to the extent possible and in certain ways, they can handle the reactionary elections and the results in accordance with the Party's policy of the united front. The current electoral system of the exploiting classes is so rotten that nationwide and in most places, the application of the united front involves taking advantage of the contradictions among the reactionary politicians and parties. There are only a few progressive candidates.

Following their political superiors, military, police and paramilitary forces have oppressed the people and launched campaigns of suppression against the revolutionary forces. Many military and police officers, involve themselves in the worst of criminal syndicates, including those that engage in murder for hire, robbery, prostitution, gambling and kidnapping of Chinese businessmen and members of their families for ransom. The most ambitious of the military and police officers involve themselves in political factions and jockey for high elective and appointive positions and business privileges.

As the economic and political crisis of the ruling system worsens, the military, police and paramilitary forces will be made to launch bigger and more frequent campaigns of suppression against the people and the revolutionary forces. Their officers will become even more involved in criminal activities and political conspiracies, up to threatening and launching coups. However, patriotic and progressive sentiments can also be expected to grow among the honest and better elements within the reactionary military and police.

The US-Ramos regime has not at all pacified the Moro people. The Moro people's armed struggle for self-determination is continuing. The Moro Islamic Liberation Front is continuing the armed struggle. The Moro people are disgusted with the capitulation of the Moro National Liberation Front and with the false promises of

3. The legal progressive forces in the Philippines have had some experience in building their own political party. After the fall of Marcos in 1986, they established Partido ng Bayan (People's Party) with the objective of converting their mass base into electoral strength. But the US and local reactionary forces did everything in their power to prevent this party from becoming a serious political force.

After the party was belatedly allowed to field candidates in the 1987 national elections, six of its congressional candidates were murdered, its offices often raided or bombed and its campaigners subjected to all forms of intimidation, including kidnapping, threats and bullying. Close to 700 municipalities suspected as bailiwicks of the revolutionary movement were declared "trouble spots" and voting centers were put under the control of the military.

In the 1987 elections, Partido ng Bayan allowed most of its potential candidates to run under different reactionary parties. The two congressmen previously elected under the banner of the Party were ultimately absorbed by the ruling reactionary party.

4. Notwithstanding their revolutionary principle and the tremendous odds against them, the revolutionary forces should and can have something to do with the reactionary elections. They can apply the policy of the united front in dealing with the political parties and candidates competing for positions within the reactionary ruling system.

The current given conditions allow only a few progressive candidates to run and stand for the rights and interests of the workers, peasants, urban petty-bourgeoisie and middle bourgeoisie. Certainly, these progressive candidates deserve every possible support within the frame of the united front. However, they become even fewer, the higher are the positions at stake.

Mainly and mostly, therefore, the application of the united front policy involves taking advantage of the contradictions among the

and candidates. Progressive candidates are exceptions to the general rule or are deliberately chosen by the reactionaries for embellishing electoral slates and deceiving the masses. They cannot overcome the prevalence of the reactionary political forces that are favored by the coercive and persuasive apparatuses of the state, access to campaign money and facilities and the ability to manipulate the vote count and tabulation.

2. As a matter of revolutionary principle, the Communist Party of the Philippines and other revolutionary forces denounce the reactionary elections as farcical. They cannot directly and openly participate in these elections.

The CPP is waging a new-democratic revolution through protracted people's war. Its principal form of struggle is the armed struggle. In reaction, the counterrevolutionary state bans the CPP and the revolutionary forces from the elections it conducts. There is therefore no point in debating whether the revolutionary forces should boycott or participate in the reactionary elections under the current circumstances.

The reactionaries, including their anticommunist petty-bourgeois hangers-on, ceaselessly challenge the revolutionary forces to test their strength through direct participation in the elections. In fact, they wish to obscure the overwhelmingly reactionary character of these elections to mock at the revolutionary mass movement and to induce the revolutionary forces to capitulate, turn reformist and revisionist and become entrapped within the reactionary framework.

But the revolutionary forces always keep in mind that the reactionaries hold elections as a variety show periodically and do not hesitate to use armed force in their own competition as well as in countering and suppressing the revolutionary mass movement. Before, during and after every electoral competition, the revolutionary forces build their own political power through the armed revolution.

the Manila government. They are agitated by the oppressive and exploitative policies of this government and its agencies in the Moro areas.

The objective conditions are excellent for the Communist Party of the Philippines to lead the Filipino people in carrying out the new-democratic revolution through protracted people's war. Consequent to the rectification movement, the mass base has been widened and deepened for extensive and intensive guerrilla warfare.

At the same time, the legal democratic mass movement has consolidated and expanded its forces. 1997 has been a banner year for mass protest campaigns. Big mass campaigns have been waged, such as those against the charter change scheme of the Ramos regime, poverty, deterioration of wage conditions, landgrabbing, lack of genuine land reform, the repeated oil price hikes, human rights violations, and so on. The legal progressive forces put forward the basic demands of the people along the general line of national liberation and democracy against the imperialists and their local lackeys.

The largest mass campaign was held in Manila and other cities all over the country against charter change. On September 21, the broad united front against the Ramos regime was able to mobilize more than one million people on a nationwide scale and 600,000 people to rally at the Rizal Park. The legal progressive forces predominated in the provinces. They participated with the largest non-religious contingent and were able to attract a large section of the Rizal Park rallyists to march further on towards the presidential palace in a spectacular torch parade.

The tactical offensives launched by the New People's Army in several regions, especially in Southern Tagalog, have been inspiring to the broad masses of the people. They have caught the attention of the bourgeois press and have exposed the falsity of the long-running claims of the enemy in his psywar campaign that the NPA has broken up and disappeared.

The NPA has demonstrated the ability to capture enemy officers and men in the course of raids and ambushes. The prisoners of war have been treated well under the longstanding policy of lenient treatment of enemy captives and under the NDFP Declaration of Adherence to the Geneva Conventions and Protocol I. The people have admired the release of prisoners of war on humanitarian grounds and as a goodwill measure.

In contrast, the enemy continues to unleash atrocities against the people in campaigns of suppression in the service of the multinational firms and the local exploiting classes. Millions of people continue to be displaced to make way for speculative real estate projects, so-called industrial zones, plantations, mining, logging and capitalist tree farming and so on. Massacres, selective murder, illegal detention and torture are rampant. Political prisoners are made to languish in prison under false charges and sentences.

Local government authorities impose private levies on the catch of subsistence fishermen and small and medium fishing entrepreneurs along the seacoast and in inland waters and keep them out of fishing grounds to favor the big fishing companies. Fish pens of the fishing magnates dominate the lakes, big rivers and bays. Foreign factory ships freely poach in Philippine waters.

Not finding employment in our own country to sustain their families, millions of our compatriots have been driven to seek livelihood as migrant workers in different parts of the world. They comprise some 15 percent of the Philippine labor force. Migrant workers suffer exploitative terms of work, long separation from their families and a deliberate lack of protection from the Manila government whose policy is to cheapen labor export and grab the foreign exchange earnings. The Filipino migrant workers have started to organize themselves worldwide to fight for their rights and welfare in their host countries and to link themselves with the national democratic movement in the motherland.

NOTES ON THE REACTIONARY ELECTIONS

By the Discussion Group on the 1998 Elections
21 December 1997

These Notes are based on the assumption that the 1998 presidential elections are to be held as scheduled, with Ramos following the 6-year limit on his term. If somehow he manages to stay in power, then a new situation shall have arisen calling for actions in line with the people's outrage and with a much-broadened united front policy.

1. Under the present semicolonial and semifeudal ruling system, the elections staged by the joint class dictatorship of the comprador big bourgeoisie and landlord class are reactionary. They cannot be the means of expressing the will of the people and selecting the leaders that represent their national and democratic interests. They are in fact the means for perpetuating the oppression and exploitation of the people.

By and large, the coalitions, parties and candidates that dominate the electoral field and compete for offices, including those of the presidency, legislators, local executives and barangay councilors, are reactionary. They are the political agents of the big compradors and landlords even as they engage in populist and reformist demagoguery and use the expressions of the petty bourgeoisie to conceal their real class interests.

The illusion of democracy is conjured by the competition of the reactionary personalities and formations and by the appeals for votes from the electorate. In violation of democracy, the reactionaries in fact are united against the people and limit them to a choice of their bureaucratic oppressors and exploiters.

The socioeconomic, political, electoral and cultural system determines the predominance of the reactionary coalitions, parties

must deploy more Party cadres and members from the urban to the rural areas.

As the crisis of the world capitalist system and the Philippine ruling system worsens, we are confident that the Party will win ever greater victories in leading the revolutionary struggle of the proletariat and the people. There is no way out of the oppression and exploitation by the imperialists and the local exploiting classes but the new-democratic revolution through protracted people's war. Upon the basic completion of the current stage of the Philippine revolution, we shall carry out the socialist revolution until the ultimate goal of communism is reached. #

The National Democratic Front is fighting for a just and lasting peace along the line of the national democratic revolution. It is pursuing the peace negotiations along the same line. Neither a just and lasting peace nor an indefinite ceasefire or truce is possible so long as the people are not satisfied with comprehensive agreements on human rights and international humanitarian law, social and economic reforms and political and constitutional reforms.

Whoever succeeds Ramos as president will be obliged to continue the peace negotiations with the NDFP so long as the revolutionary forces grow in strength amidst the worsening crisis of the ruling system. Any successor will face an armed revolutionary movement that is ever more resolute and vigorous amidst the greatly worsened social conditions. The revolutionary forces and the people will continue the struggle to realize their basic demands for national and social liberation.

III. Growing Strength of the Communist Party of the Philippines

Since 1992, the Second Great Rectification Movement has revitalized and further strengthened the Party in the fields of ideology, politics and organization. The rectification of major errors and weaknesses has made possible the expansion and consolidation of the Party. Since last year, the Party has scored significant achievements in the fulfillment of its fighting tasks.

The Party is in a better position than ever to take advantage of the current virulent crisis of the ruling system. The objective conditions are exceedingly favorable for carrying forward the new-democratic revolution. There is no force other than the Party that can lead the Filipino people towards national liberation and democracy against foreign monopoly capitalism, domestic feudalism and bureaucrat capitalism.

All Party cadres and members uphold the theory of Marxism-Leninism-Maoism as the guide to the revolutionary movement and combat the various subjectivist trends of modern revisionism, empiricism and dogmatism. They extend the ideological struggle to the debunking of the anticommunist and reformist ideas being circulated by the imperialist and neocolonial states, the multinational firms, bourgeois universities and the imperialist-funded “NGOs”.

The Party cadres and members have raised the level of their ideological consciousness to a new and higher level. They reaffirm and apply the basic revolutionary principles of Marxism-Leninism-Maoism on the history and current circumstances of the Philippines and on their concrete revolutionary practice. The rectification movement has been conducted as the living study of the revolutionary theory of the proletariat.

Major errors at the level of the Central Committee and of nationwide scope, as well as those errors specific to staff organs and territorial organs and organizations, have been criticized and repudiated. Under the guidance of the central rectification documents, the regional Party committees have accomplished their summings-up. Under the direction of the Central Committee, a number of them have reviewed and improved these summings-up.

The method of criticism and self-criticism is being used to uphold the Party line, make timely correction of errors and weaknesses, improve the style of work and produce better and faster results. Criticism and self-criticism is based on facts and the analysis of these facts and is aimed at the fulfillment of the urgent tasks.

There is daily enthusiasm for the reading and study of the works of Marx, Engels, Lenin, Stalin and Mao, basic Party documents, the rectification documents, *Rebolusyon* as the theoretical organ and current issuances of the Central Committee. The Party's leading organs at every level make sure that Party cadres explain and put theoretical matters and complex issues within the grasp of

We must pursue the rectification movement. We must carry out our ideological, political and organizational tasks more resolutely and more militantly than ever before. Based on the current strength, we must plan to increase our strength.

1. We must raise high the ideological banner of Marxism-Leninism-Maoism. All Party cadres, members and candidate-members must raise the level of their ideological consciousness by studying theory and applying it on the concrete conditions and in our revolutionary practice.

We must combat subjectivism, be it in the form of revisionism, empiricism and dogmatism. We must be vigilant against the penetration of petty-bourgeois ideology into the Party. We must take seriously the study meetings of our organs and units and the formal study courses at the primary, intermediate and advanced levels.

2. We must pursue resolutely and militantly the general line of new-democratic revolution through protracted people's war. The Party must wield correctly and skillfully the two powerful weapons of revolutionary armed struggle and united front.

We must combat “Left” and Right opportunist errors. We must intensify armed struggle as the main form of struggle, integrate it with genuine land reform and mass base building. We must develop the united front for the armed struggle and coordinate the revolutionary struggles in both urban and rural areas.

3. We must uphold the principle of democratic centralism and build the organizational strength of the Party nationwide and go deeply among the toiling masses of workers and peasants. We must draw Party members in increasing numbers from the ranks of the most advanced activists of the revolutionary mass movement in urban and rural areas.

We must raise the proportion of Party members from among the working class. At the same time, we must continue recruiting from the ranks of the peasantry and urban petty-bourgeoisie. We

or to wait for another organ at another time is to evade the issue and lose precious time.

The Central Committee is dutybound to guide any regional Party committee and make sure that it exists and operates. Otherwise, the regional Party organization becomes fragmented and is liquidated. When ultrademocracy or factional currents run, the responsible leading organ is required to consolidate the organization rather than allow itself to be paralyzed by anarchy.

IV. Advance to the 30th Anniversary with Greater Victories

The long heroic fighting record of the Party in serving as the advanced detachment of the proletariat in the Philippine revolution constitutes a great victory. It is of epic proportions. The revolutionary struggle of the Filipino proletariat and people under the leadership of the Communist Party of the Philippines has surpassed the old democratic revolution in theory and practice, in social content, in perseverance, in scale and intensity.

In the wake of the revisionist betrayal of socialism and amidst the current crisis and turmoil in the world capitalist system, the CPP is in the forefront by leading the Philippine revolution forward and contributing to the cause of the world proletarian revolution for socialism and communism. The Party enjoys a high prestige in the international communist movement because of its revolutionary struggle, especially the people's war, and because it exchanges ideas and experiences with other communist and workers' parties in the spirit of proletarian internationalism and in the interest of fulfilling the historic mission of the working class.

In the year ahead, we must raise the revolutionary struggle to a new and higher level and reap victories in an all-round way to make a joyous and brilliant celebration of the 30th anniversary of the Party.

the mass of Party members and in turn learn from them in the course of discussions.

Party members and candidate-members have taken the basic Party course, using the new textbook. Many of them have repeatedly taken the course. At any rate, even after the formal course, Party units review what they have studied. The basic Party course is required of all candidate-members. The most advanced mass activists are also encouraged to read and study materials in advance.

A significant number of Party cadres and members have taken the intermediate and advanced Party courses. Trade union, peasant, women and youth cadres at the national level as well as regional and provincial cadres in the Cordillera, Southern Tagalog and northern Mindanao have been among the frontrunners. There is now a drive to increase the number of comrades taking these courses in every region. The study materials are made available for reading and study in Party units in advance of the formal courses.

The General Secretariat and the National Education Department have fielded instructors to conduct study courses of the Party. Regional Party organs are directed to develop their educational departments and instructors' bureaus. Instructors can undertake a mobile school system. Special efforts by cadres, especially instructors, are required to simplify and make the subjects and the study materials comprehensible and interesting to the mass of Party members and candidate-members who have difficulties in reading comprehension and in grasping abstract terms. Regional Party committees are vigorously undertaking the translation of Marxist-Leninist texts and the issuances of the Party's central organs into their respective regional languages and are disseminating these.

The ideological consolidation of the Party has ensured a highly conscious and resolute Marxist-Leninist core of the revolutionary mass movement. Most Party organs and units have carried out ideological consolidation and have continued at the same time to

expand Party membership and mass work. However, a few units have turned consolidation into a method of contraction and this needs to be rectified.

The rectification movement involves a dialectical relationship between central leadership and lower organs and knowing the facts at various levels and in various spheres of work and carrying out the rectification movement at each level or in each sphere of work. It is necessary to express one's opinions within the appropriate venue in order to enrich, firm up and make the decision-making process orderly and prompt. Any debate on any issue must be resolved within the framework of democratic centralism. However, there are still a few elements who go astray.

The decisive importance of ideological correctness and unity is proven by the revitalization and strengthening of the Party through the rectification movement. Without a revolutionary theory, there can be no revolutionary movement. Going astray from the ideological, political and organizational line of the Party, the incorrigible opportunists and renegades who have opposed the rectification movement have gone on a continuous process of degeneration and disintegration. But the loyal Party cadres and members have proceeded to make the Party ever more united and stronger than before.

The need for a new-democratic revolution through a protracted people's war is more than ever clear and urgent. The crisis of the semicolonial and semifeudal character of Philippine society has been further deepened and aggravated under the neoliberal policy of the world capitalist system. The current socioeconomic disaster has wiped out the gloss of big-comprador "modernization" and thoroughly exposed the agrarian and backward character of the Philippine economy.

Under the leadership of the Party, the New People's Army is growing in strength and advancing. It is heroically waging extensive and intensive guerrilla warfare on the basis of a widening and

Party membership has increased in most regions. Party members and candidate-members have been deployed in increasing numbers from the urban areas to the rural areas. Priority has been given to the deployment of those from the ranks of workers and educated youth to serve in the people's army and serve the people in the guerrilla fronts and new areas of guerrilla zone preparation.

The Party remains closely linked with the toiling masses of workers and peasants. The Party cadres and members are tempered in the course of mass struggles. Trial work for Party candidate-members consists of well-defined tasks in study and mass work. The Party full members take on even more work and responsibility after passing the period of candidature.

The Party upholds the principle of democratic centralism. Centralized leadership guides democracy and is based on it. There is a dialectical relationship between the two even as centralism is the key term. The essence of centralism is uniting under Marxism-Leninism-Maoism and concentrating the will and strength of the Party by arriving at decisions. Inner Party democracy is the process of presenting the facts from as many sources as possible and analyzing these for the purpose of moving towards a decision.

There is discipline even as there is freedom of opinion, debate, and criticism and self-criticism. When a decision is taken, everyone must follow in the implementation of the decision arrived at even as one has the right to make reservation on the decision. The higher leading organs prevails over the lower organs. The Central Committee prevails over the entire organization.

Anyone who has any information or opinion about any important issue is required to present it to the pertinent organ so that it can be considered in the process of decision-making. When a serious opinion is presented, whether it is accepted or not, it enriches and strengthens the process of decision making. There is always a pertinent organ at every given time. To skip the pertinent organ

The legal progressive forces have been more active and productive in issuing written propaganda than the underground revolutionary forces. Until now, the central news organ *Ang Bayan* is not coming out regularly. More effort and attention need to be expended to ensure the regularity and frequency of *Ang Bayan* to serve as the steady articulator of the Party on current events. Recognizing the crucial importance of written propaganda, an increasing number of regional Party committees are putting out regional publications. These publications, plus the system of reporting within the Party, should be helpful to the regular publication of *Ang Bayan*.

The Party has increased and reinvigorated its organizational strength since the rectification movement went into full swing. It has consolidated the previous stock of Party cadres and members and recruited the most advanced revolutionary mass activists as candidate-members. There is now a significant proportion of fresh recruits far outnumbering the handful of incorrigible opportunists and renegades who have been removed from the Party and those that they have misled to leave the Party or become inactive.

Since last year, Party branches in factories, transport lines, offices and in the urban and rural communities have increased. The Party groups at the core of the mass organizations of workers, peasants, women and youth are vigorously upholding the overall leadership of the Party and conscientiously recruiting, educating and assigning tasks to the candidate-members so that they become full Party members within the period prescribed by the Constitution.

In consonance with the proletarian nature of the Party, there is a strong drive to recruit Party members from the working class at an accelerated rate in order to increase their proportion, without reducing the effort to recruit members from the peasantry and the urban petty bourgeoisie. The most advanced trade unionists are quick at grasping Marxism-Leninism-Maoism and the general line of new-democratic revolution.

deepening mass base. The center of gravity is a guerrilla platoon within a guerrilla front that carries a total force of around a company. Some 75 to 80 percent of this force is dispersed into squads or armed propaganda teams for mass work.

The typical strike force for raids and ambushes is a platoon, that is either undersized or oversized, depending on the circumstances. In the past year, the NPA has valiantly responded to the call of the Party for launching tactical offensives according to capabilities. On a nationwide scale, the guerrilla platoons have carried out tactical offensives and have seized hundreds of firearms. In this year, the guerrilla platoons of the NPA in the Southern Tagalog region have been the most outstanding in launching successful raids and ambushes, and have been exemplary to other regions in terms of planning and implementation.

The tactical offensives have shattered the false claims of the enemy that the NPA has fragmented and vanished. Successes of the offensives are the result of the successes in the building of a wide and deepgoing mass base and the politico-military training of the Red fighters. The mass base allows accurate intelligence and timely reconnaissance and the safe advance and retreat of our strike force. The politico-military training hones the fighting spirit and skills of NPA units. Meticulous planning and flexibility have been involved in our tactical offensives.

The mass base is most important for sustaining tactical offensives and frustrating enemy retaliation. It arises from painstaking mass work, arousing, organizing and mobilizing the masses according to their basic demands in the new-democratic revolution. So far, we have been able to launch offensives without straining and overextending ourselves. It is important to correlate the rate of the offensives with the progress of mass work and land reform.

In certain areas, where rifles and long arms have been put on stock, the growing mass base has made possible the formation of

new rifle units and the recruitment of more Red fighters. The Party leading organs are shaking off the inertia of conservatism induced by prolonged mass work without tactical offensives. But attention is paid to the correct balance between mass work and tactical offensives.

Putting revolutionary politics in command, Party cadres and members and the Red commanders and fighters need to undertake study and train in guerrilla warfare. Tactical offensives must be launched according to capability. At the same time, the inertia of conservatism needs to be broken.

Many of the old areas previously lost due to major errors of line have been recovered and new areas have also been developed. The expansion and consolidation of the mass base have been due to the rectification movement. The Party and the NPA take the mass line. They learn from the masses and impart to them what is in their interest to fight for. Thus they develop ever closer links with the masses and advance with them in the struggle.

Social investigation, basic mass education, solid mass organizing and mass campaigns are being conducted among the farm workers and nonagricultural workers, the peasant masses, the youth, women, cultural activists and children. Their mass organizations are the solid foundation of the organs of political power and are the wellspring of local Party branches and units of the NPA and the people's militia.

Mass campaigns and the work of the organs of democratic political power in the countryside embrace grievance meetings against the enemy, basic mass education, mass organizing, land reform, production, training in self-defense, health and sanitation, resolution of differences among the people and cultural work.

Land reform is still the most important mass campaign in the countryside, especially because the regime has opposed it, the landlord class is re-accumulating land and the multinational firms and their big comprador corporate agents are grabbing the land under

various laws. The hunger for land among the peasant masses has become far more acute than ever before. The solution of the land problem is still the main content of the democratic revolution.

In view of the rapid economic decline of the ruling system due to the neoliberal policy of denationalization, liberalization, deregulation and privatization, the outcry for national independence and democracy, for economic sovereignty and genuine land reform, will become louder and stronger in the years to come and will certainly generate powerful storms of revolutionary resistance.

The legal democratic mass movement is growing in strength and advancing. The progressive mass organizations of workers, peasants, urban and rural poor, women, students and youth in general, teachers and other professionals and religious people are strengthening themselves resolutely and militantly. So are the sectoral, multisectoral and issue-based alliances.

Great mass struggles have been waged in the national capital region and on a nationwide scale against the puppetry of the reactionary government and against the rapidly deteriorating economic and social conditions under the policy of liberalization, the poverty and misery of the people, the regime's attack on the peasants and ethnic minorities on the question of land, the oft-repeated oil price increases, the oppressive and exploitative conditions in schools and Ramos' scheme to change the 1987 constitution of the reactionary state in a futile bid to extend his term beyond 1998.

The growing strength of the legal progressive forces inspires a broad united front against the US-Ramos regime. It is in sharp contrast with the continuous degeneration of the incorrigible opportunists and renegades who have been carried away by the big anticommunist ideological and political offensive of 1989 to 1991 and who have shamelessly joined the psy-war campaign of the regime against the revolutionary movement. The renegade grouplets have repeatedly fragmented and their ringleaders have thoroughly exposed themselves as counterrevolutionaries.