

## **Editorial:**

### **LINE OF ADVANCE**

WE LEAVE behind another year of gallant struggle, and are ready to face new challenges.

We have completely defeated the sabotage of the new opportunist renegades. Their subservience to and collusion with the local reactionaries have been exposed in broad daylight. Only the blind or those who refuse to see will not recognize the utter bankruptcy of Reyes, Tabara, Lagman and Kintanar.

The past year also exposed the utter inability of Ramos and his ilk to solve the crisis and decay of the reactionary ruling system. Because of this his psywar machine has lost much of its sting.

The Party and the revolutionary movement has cleared the path for the revolution's solid advance.

At present, what we have accomplished in the second great rectification movement is comparable to what the first great rectification movement achieved in the years 1967-1972 in terms of firmly upholding the basic revolutionary principles and asserting the proletarian revolutionary line against the bourgeois counterrevolutionary line of the Lavaites. But, the basis of our overall strength is much greater and our experience richer now than during those early years. Thus, the potential for winning new victories is far greater.

We have gone past the stage of sharply drawing the line between our proletarian revolutionary line and the bourgeois opportunist line of the new anti-communist renegades. However, we have been infected in different degrees by the harmful virus of the bourgeois opportunist line spread about by the unreconstructed petty-bourgeois elements who had sneaked into our ranks.

The next step is to completely uproot all kinds of subjectivism, revisionism, opportunism, bureaucratism and untrademocracy, and vigorously pursue all-round ideological, political and organizational consolidation. Only then can we effectively prevent the return and recurrence of bourgeois subjectivist, revisionist and opportunist ideas and actions.

This is the new challenge for the Party and the revolutionary movement. We are confident that all the honest and self-sacrificing cadres and members are ready to take that line of advance. **-AB**

### **CPP CONDEMNS HANGING OF CONTEMPLACION**

SOMETHING shook the whole country last March--the hanging in Singapore of a Filipina domestic, Flor Contemplacion. The incident displayed for

all to see the utter inutility of the reactionary government and the bankruptcy of the ruling system. It opened the floodgates for the people's boiling anger against the Ramos regime and fired up the people's nationalist sentiments.

*Ang Bayan* reprints the statement issued by the CPP Information Bureau through CPP Spokesperson Gregorio "Ka Roger" Rosal:

NO WORDS can describe our collective grief over the grave injustice that has victimized a fellow Filipino in a foreign land. We would like to express our deepest sympathy to the children and husband, and to all those who are dear to Flor Contemplacion.

No words can also describe our anger at all those who are responsible for the cruel murder of Flor Contemplacion.

We condemn the Singaporean state and its ruling classes for framing and murdering an innocent person just so it could spare its own citizen.

But the strongest condemnation must be reserved for the reactionary Ramos government and the local ruling classes. The ruling system they manage is rotten to the core. It is the intolerable suffering they impose on the people that force them to become domestics, prostitutes, and slaves in foreign lands.

It especially rankles us when they hypocritically laud to high heavens the migrant workers as "new heroes" then leave them to the tender mercies of foreign predators and murderers. The raw anger of the ordinary Filipino is purer than the crocodile tears being now shed by Gen. Ramos and the useless bureaucrats of his rotten government.

The people and the revolutionary movement will remember the names Fidel Ramos, Roberto Romulo, Nieves Confesor, Raul Goco, etc. as accomplices to the murder of Flor. They will be remembered when the time of reckoning comes.

Let us turn our grief to righteous indignation. Let us fight injustice whenever and wherever it raises its ugly head. Let no foreign bully trample upon our dignity as a nation. Let us unite as one to sweep away this spineless and useless government and put up a new one that will defend this nation's dignity and care for the interests and welfare of its citizens. **-AB**

#### **THE TRUTH ABOUT THE SO-CALLED "TAKE-OFF"**

THE FAVORITE tale that is today being circulated by the US-Ramos regime and many bourgeois economists is the reported "take-off" of the country's economy. After the slump in the closing years of the US-Aquino regime and the turtle-paced growth in the first two years under Ramos, we are not surprised at the uncontrollable rejoicing being displayed by the reactionaries. The reason for it is the purported 5.1% GNP growth in

1994.

But the question being asked by many is this: How stable is that growth? Is it sustainable? Or will we only see a repetition of the old boom-and-bust pattern as happened during the time of Marcos and Aquino?

Because there has been no essential change in the policies of the present regime from its predecessors--like excessive reliance on loans, trade liberalization, etc--which on the whole revolve within the ambit of the semifeudal and semicolonial order, we can only expect a recurrence of the boom-and-bust cycle within the general pattern of continuing economic depression.

From the crisis at the end of the 60's and the following years that gave birth to the US-Marcos fascist dictatorship, the economy registered an upturn in the mid-70's. This growth was financed by the unbridled foreign borrowings of the fascist regime. But it eventually ran out of gas and the economy went into a nose-dive in 1982-83. Enter Aquino. The GNP registered an upturn in the last half of the 80's but tumbled again in 1990 up to 1992. The economy remained at a stand-still in Ramos' first year in office, registered a marginal growth in 1993, and last year made a seemingly impressive take-off.

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It is important to remember that our population grows at the average rate of 2.4% every year. Thus, if only for the economy to crawl apace with the additional mouths to feed, it must surpass the rate of population growth. If the rate of economic expansion is lower or its edge insignificant, it only means that the economy is virtually at a stand-still and you have stagnation or depression.

Up until now, the economy has not been able to recover enough to reach the 1981 level of per capita GNP since the plunge in 1982-83. It means that the masses were better off in 1981 than they are now. This only proves that the economy has been in constant or permanent depression since that time.

### **Cyclical Pattern**

The so-called "sustainable growth" being flaunted by the reactionaries will remain a big joke or an illusion as long as our country is fettered in this semifeudal and semicolonial order which keeps the country agrarian, backward and pre-industrial. This is also the reason for the economy's boom-and-bust cycle within the general pattern of continuing depression.

The economy has often been characterised as "export-oriented, import-dependent and debt-driven." This is no accident.

The country's production is more or less 75% for domestic consumption and 25% for export. But in order to produce both for the local market and for export, we have to import machinery and raw materials to be used by industry. For example, if we want to produce

more bread we have to import more flour since local production of flour is insufficient. The top exports or re-exports like garments and electronics require 60%-90% imported components and materials. Thus, expansion in the country's production inevitably means an increase in our import bill.

Reactionary regimes have been going all-out in their export drive. But since exports are mainly low-value-added reexports and low-valued agricultural products, we always incur a deficit in the balance of trade. Export earnings are always not enough to pay for imports.

Where to get the short-fall? OCW earnings which was a hefty \$2.9B in 1994 come handy. Another source is grants from foreign agencies and governments. But then again, this is still insufficient. Because aside from the import bill, the country must pay for the interest on foreign loans and foreign corporations take out from the country their profit remittances. This shows in the constant deficit in the current accounts.

What is the next recourse? This is where the need for foreign investments and loans come in. If enough foreign investments and loans come into the country, then production can be expanded and thus the GNP will register an increase.

But once foreign loans and investments still prove insufficient to fill the gap in current accounts (which means a deficit in BOP), then the problem arises. Then, you have belt-tightening. Importation of machinery and raw materials is reduced. A fall in production follows.\_\_\_\_\_

The extreme dependence of the country's production on imported machinery and intermediate products is the biggest obstacle to the development of industry and the economy as a whole. But this is inevitable for a backward and unindustrialised economy of a semifeudal and semicolonial country like the Philippines.

### **Can the Regime Break the Old Pattern?**

The cyclical boom-and-bust pattern is certain to recur despite Ramos' fantastic predictions.

Overly ambitious is the 6.5% growth target for 1995. Some bourgeois economists have sounded the warning, "Wait, take it easy." They worry that too high a target is bound to bloat the trade deficit. OCW remittances and grants from foreign governments would not be sufficient to prevent another current account deficit. And, what if not enough foreign investments and loans are obtained?

Despite the aggressive drive for exports, the trade deficit has been progressively growing. In 1992, the trade deficit was \$4.7B, swelled to \$6.2B in 1993, and last year it was \$7.8B. Based on the projections of the reactionary Center for Research and Communications (CRC), the deficit will be \$10.6B in 1995, and \$17.7B in 1997.

Last year, a sizable amount of foreign investments entered the country. However, even the Bangko Sentral ng Pilipinas (BSP) admits that 55% of this is portfolio investments or "hot money" that flowed into the country to take advantage of high interest rates and cheap shares of companies listed in the stock exchange. The surge in "hot money" has been dizzying. From \$566M in 1992, it jumped to \$2.2B in 1993, and \$1.5B in just the first eight months of 1994. But this type of investment is easily brought in and just as easily taken out if prospects are much better elsewhere. After the Mexican crisis which was precipitated by the abrupt and massive outflow of portfolio investments, the regime and its technocrats had to scramble to assure the stunned foreign investors. But observers agree that investors would be more cautious and discriminating in the future. They will most likely turn to markets that are perceived to be more stable and less risky and that means the industrialized countries not backward countries like the Philippines.

In 1994, a significant amount of foreign loans was obtained. But the big borrowings in the first two years of the present regime has also been the reason for the jump of the foreign debt to \$36.3B (as of June 1994) from the \$29.3B left behind by the Aquino regime in 1992. Add to this the other "Philippine obligations" (BSP debt owed to IMF, Brady Bonds, etc.) not included in the above count, total foreign debt would reach more than \$40B. In the first nine months of 1994 alone, debt service reached \$3.9B. This is certain to increase further in the future. In the meantime, there is a downtrend in the amount of foreign loans that the reactionaries are able to obtain: \$7.4B in 1992, \$4.8B in 1993, and \$3.58B in 1994.

Because a jump in the trade deficit is a foregone conclusion, and likewise in the current account deficit, the regime will be hard pressed in trying to attract foreign investments and in looking for fresh loans. According to the BSP, the regime is targetting \$3.53B in new loans and \$670M in new foreign investments.

Sooner or later, problems are bound to arise regarding investments and loans on top of the problem of growing debt service and profit remittance by alien corporations. The reactionaries would then be forced to rein in and reduce production. Otherwise, an even bigger crash for the economy is bound to follow.

If the CRC projection of a deficit of \$10.6B is correct, even if OCW remittances reach \$3.0B, and grants top \$2.0B, there would still be a shortfall of \$5.6B. And even if the targetted \$3.5B fresh loans and \$670M new investments are obtained, the result would be a BOP deficit of more than \$1.0B.

The nation's economy is like a man surviving on debts. On some days, he can indulge himself on the borrowed money. But the day of reckoning comes and he has no choice but to tighten his belt.

## **The Way Out**

Instead of excessively tying the fortunes of the local economy to the world market and exports, the internal market must be developed and expanded to serve as the principal basis for fostering and developing local industrialization. We now have a population of 65 million. This is potentially a huge market. If developed, this is an even larger market than West Germany. With such a large market, we would have the capacity to accumulate the needed capital for sustained expansion of the economy. The overdependence on foreign investments and borrowings would end.

The first requirement for this is the implementation of genuine land reform. This is the key to raising the standard of living of the peasant masses who form the biggest part of the population. Together with the workers, they comprise the overwhelming majority of the people and therefore the majority of buyers in the local market.

Based on such a large and vibrant internal market, and the world market as a supplement, we can build a truly modern economy. It is an economy with many factories turning out consumer goods standing on the solid foundation of basic and heavy industries that produce the needed machinery and intermediate products. Basic industries are necessary to cut the over-reliance on imports that gobble up our earnings. Also, once machinery and intermediate goods are produced locally, the cost of production would be slashed resulting in our export products becoming competitive in the world market.

In short, genuine land reform and genuine national industrialization are key to building a self-reliant modern economy. This is what is needed to overhaul the semifeudal and semicolonial order that keeps the economy backward, agrarian and unindustrialized.

But this is the story that the imperialists, the comrador-big-bourgeoisie and landlords would not hear of. It is up to the toiling masses to write that grand narrative through their revolutionary struggle for national democracy. **-AB**

#### **THE FIGHT AGAINST THE CONTRAS OF PANAY**

"I KNOW we can't win," this was Mokong's glum answer when asked by the barriofolk about the future of their "cause". In early 1994, barely a year after they broke away from the NPA in the island of Panay, their steady disintegration was becoming more and more evident. The people had clearly seen the signs of the roving bands' degeneration--disorientation, endless going around in circles, getting drunk, loose living, boorishness and other ugly behaviour the barriofolk identify with the AFP and CAFGU.

"But we won't let them win either!" was his cynical warning against the revolutionary forces in Panay. Its meaning soon became clear when they disarmed two NPA units (one in the southern and the other in the

northern front of the region) who made the mistake of being careless and lax in dealing with the renegades. Their urban-based leaders have ordered an even more aggressive drive to attack and create trouble against the revolutionary movement.

Commenting on the incident, Ka Rudy remarked, "We can look at it this way. There are comrades who before they fully grasp the KS's explanation about the counterrevolutionary nature of that group and our policy towards them, are lax and liberal. They have to see it in actual practice in order to fully grasp the correctness and importance of that policy...On the whole, however, we are on the right track in our effort to clearly draw the line of distinction between us and the counterrevolutionary group and uphold the Rectification Movement."

Ka Rudy is a leading cadre in the guerrilla front where the disarming by the Contras took place (Contras - the name given to the renegades who have turned traitor and raised armed groups against the Party, the NPA and other revolutionary forces--ed.).

He added:"That is not too far off from the experience of the regional organization in the matter of dealing with the factionalists and splittists."

### **The Experience in Dealing with the Contras' Splitting Activities**

Ka Rudy was referring to the recent experience of the whole regional organization in confronting the wrecking and splitting activities of the Contras. It started with the vacillation on the part of the Regional Committee, their near slide toward factional activities, and then finally their decisive break with the factionalists and anti-Party elements, the eventual defection of the opportunist traitors and the decision to firmly carry out rectification and internal consolidation.

Ka Pinay and Ka Doyong, leading members of the Regional Committee, joined in recounting their experience. In September 1992, right after the 10th Central Committee Plenum that approved the Rectification Movement, Arturo Tabara immediately started his all-out attacks against the 10th Plenum, against Chairman Armando Liwanag and against the Central Committee. Carried away by those intrigues, by the desire for "unity" not based on principle, and by the accumulated disorientation and confusion in matters of principle--the majority of the RC were induced into signing a so-called "petition" calling for a new plenum.

"We did not realize then that we were already being drawn into factional activities against the center, and away from the single Party organization. We did not study well Tabara's activities and did not comprehend the then ongoing line struggle," Ka Doyong admitted in acknowledging their error. "That is the reason why Panay was reported to be on the side of the 'rejects'. We should have realized then and immediately fought their factional moves."

In January 1993, when they received the decision of the EC-CC disenfranchising the SG-VC for their factional activities, the Regional

Committee then took a "neutral" position. It was a reflection of their continuing confusion, as well as the intensifying struggle within their ranks--between those who were genuinely concerned about the welfare of the Party and the revolution and those who had bared themselves as out-and-out opportunists. Based on that "neutral" position, they banned the circulation and study of both the documents of the Party's Rectification Movement and those of the opportunist renegades, while still in the process of clarifying matters with those concerned.

But the principal promoters of insurrectionism and "regularization" in Panay like Roman, Aser, Tibo, Mimay and Mokong were in no mood to stay "neutral". Egged on by Arturo Tabara and Edwin Lopez, they took advantage of the RC's vacillation to intensify their attacks against the Rectification Movement, the CC and Comrade Armando Liwanag. They escalated their campaign of subversion and deception through brazen lies, intrigues, character-assassination, emotionalism, and threats. They tried to cajole the Party organization in Panay to declare "autonomy", meaning outright splitting, which had already been decided upon by the principal ringleaders.

Failing to get the RC to join them in their declaration of "autonomy", Tabara and Roman conspired to seize the leadership of the RC. The result was contrary to what they had hoped for; because of their back-stabbing, the honest cadres whom they had previously deceived were shocked and roused to their senses.

They held a special RC plenum in June 1993 and there decided to reject the anti-Party agitation of Tabara's clique and to subordinate themselves to the Party structure and to the CC. This marked the decisive turn from the previous wavering and drift towards a "neutral" position.

However, the special plenum still failed to fully grasp the nature of the ongoing intense struggle between the revolutionary line of the Party and the counterrevolutionary line of the opportunist renegades. There was still the tendency to weigh matters from the viewpoint of local interests and of the local Party organization in the region, instead of from the viewpoint of the interests of the whole and unified Party. Even the matter of recognizing the center of leadership and policies was put to a vote. Worse, those who had stubbornly attacked the central leadership and policies, and who had brazenly colluded with the barefaced anti-Party elements were considered qualified to remain as members of the RC and the Party provided they abided by the decision of the majority.

The factionalists lost no time in launching their next act of treachery. Immediately after the special plenum, they pursued their campaign for "autonomy." Soon, the anti-Party ringleaders and the Tabara clique's co-conspirators came to Panay in droves to mount a desperate and all-out attempt to sway to their side the Party organization in the island. Seriously affected by their splitting tactics were the southern and northern fronts (2 out of 4 fronts in the region) where some of them came from and where the ringleaders of the Tabara clique wielded some



influence, where "regularization" was most pronounced, and where the anti-Party elements controlled the big guerrilla units. The factionalists demagogically distorted the issues and fanned hostility against the rectification movement with the line "Will you allow them to dissolve our companies?" and "Will you allow the center to have us killed?"

Though a bit confused, the honest cadres of the Party stood their ground. They responded positively to the efforts of the central leadership of the Party to reestablish communication lines ( which formerly passed through the SG-VC) and welcomed the directives and guidance coming from the center. They launched a campaign to expose and repudiate the anti-Party elements and their activities. They disseminated and studied the documents of the Rectification Movement. They took steps to reach out to all the forces affected by the factionalists' intrigues.

After the stability of the affected leading collectives had been assured, they proceeded to sum up their experience in the region in order to trace from the past the roots of the errors that had led to serious damage and to this factional strife.

On the whole, the splittists succeeded in snatching away almost half of the armed personnel in the island because most of them were concentrated in the guerrilla units. However, the Party continues to control a substantial force in the two guerrilla fronts affected by factionalism.

### **Fewer but Better**

"Today, there is an added motivation on the part of the revolutionary forces to resolutely study and advance the Rectification Movement to show to the masses and for our own forces to feel concretely the difference between us and the splittists," said Ka Doyong. "We are now attending to the long-neglected systematization of our mass work, and are getting down to work to eradicate the harmful tendencies of roving-rebel mentality in our army units."

Unlike before when our forces were concentrated in big formations, they are now in smaller units working in coordination with one another. They have reverted to the basic guerrilla tactics which are appropriate for small units whose efforts are principally geared to mass work. They resolutely exposed the counterrevolutionary character of the Contras, criticized themselves for their past errors, and demonstrated to the masses their sincerity in rectifying their errors through deeds.

As a result, they speedily won back the masses' sympathy and support in the areas they operated. Though smaller in number, they nevertheless have become much better in upholding the line of the Party and in building a solid and strong foundation for a fresh, all-rounded and steady expansion, revitalization and later on attainment of victory.

The Contras have raised to a new level their attacks against the

revolutionary forces. Will the revolutionary forces allow themselves to be provoked into armed confrontation with the counterrevolutionary renegades?

It is not necessary. This is the gist of the RC's directive to the guerrilla forces. Though ready for armed struggle and fully aware that the struggle against the Contras is essentially a struggle against counterrevolution, they also know that the AFP is just waiting for the NPA to bite the Contras' bait. The NPA will hold its fire as long as possible, and it is not yet time to take reprisals against the armed attacks of the Contras nor is it time to launch a military offensive against them. The stress at present is to expose and isolate them, while remaining alert, vigilant, and ready to defend themselves if necessary. With the active assistance of the masses, the NPA can use the tactic of avoiding battles not of its own choosing, a tactic it uses against the AFP, PNP and CAFGU.

Why indeed even bother with the Contras' acts of desperation when it will only complicate matters; whereas the Party and the NPA has already prevailed over them politically and organizationally? Their splitting and trouble-making within the Party and army have been frustrated. Their counterrevolutionary aims and nature have been exposed. And most of all, the Party and the NPA have won the battle for the hearts and minds of the masses in the areas being contested.

The unmasking, isolation and disintegration of the Contra forces have become irreversible. The support given them by the reactionary government can only prolong their existence for sometime, but it cannot prevent their complete disintegration.

Meanwhile, rectification and consolidation and expansion, restrengthening and revitalization of mass work and building of the mass base in the countryside proceeds with greater vigor. With the help of the masses, the NPA recently was able to retrieve more than 15 high-powered rifles and a machinegun from a secret hiding-place of the Contras. **-AB**

#### **FRESH ASSAULT ON THE WORKING-CLASS**

REGULAR jobs are being eliminated. Regular workers are replaced with contractals. Job security is lost. Minimum wage, rendered useless. Unions are busted. Workers suffer under the whip of "flexible labor policy".

In 1992, the International Labor Organization (ILO) conducted a study about "flexible labor" in the Philippines. It was found out that in 73% of the firms workers undergo a probationary period averaging two years.

In reality, however, workers hardly reach regular employment status. Jobs are merely contracted (or subcontracted) for two to five months.

Others are hired on a piece-rate basis.

Many companies close shop only to fire regular workers. These companies reopen under "new" management and hire contractual workers instead. By those means, wages are pushed down below the minimum. Benefits are reduced. Unions are crushed.

### **Regime's Intensified Attack**

The US-Ramos regime is adding more teeth to the old "cheap-and-docile" labor policy. "Labor-only contracting", which used to be illegal, is now being legalized. The Labor Code is being amended for the "contractualization" of labor. Their alibi: "flexible labor" is needed. Production, and the unions, ought to be "adjusted" to "new employment conditions".

The country's internal crisis is growing more acute. The huge army of the unemployed continues to swell, especially in the countryside. Out of the labor force of 27 million in 1993, more than half are unemployed and underemployed. An estimated 900,000 is added to the labor force every year. But jobs are hard to find and daily survival becomes more and more difficult for most Filipinos.

Export processing zones (EPZ's) being encouraged by Ramos cannot give sufficient and secure jobs. In 1991, EPZs provided only 166,760 jobs -- including indirect ones. In succeeding years, more firms folded up. By August 1993, only 61,250 jobs were left.

The regime deliberately makes use of the massive unemployment to press down on wages and deprive workers of benefits. The latest minimum wage, enacted two years ago, of P118 is simply not enough for an average family needing at least P259 (in the NCR, P321) daily.

Wages shouldn't be lower than the minimum. The law should always see to that. But this has become useless because more and more workers are hired only on a contractual basis. It has been a conscious policy of the government, since 1989, to have no more legislated wage increases. Pay hikes are given piecemeal by regional wage boards. A statutory minimum wage is virtually negated. The regionalization of wages is designed to divide the workers' ranks and weaken their collective struggles.

The Department of Labor & Employment (DOLE) takes an active role in attacking the workers. The assault to quell genuine unions and strikes continues. Workers are repressed from the very moment they form unions. In the event of a brewing strike, the DOLE immediately clamps down on it with intervening decisions (assumption jurisdiction, compulsory arbitration, etc.). More often than not, decisions favor the capitalist.

Armed goons and military forces are also used to attack picketlines and protest actions. From 1992 to 1993, some 2,000 workers have been victims of various brutalities -- from being harassed and beaten up to

being shot at and murdered.

Factories, especially "industrial estates" and export processing zones (EPZs), have virtually become garrisons -- unions and strikes are totally banned.

The regime desperately tries to make the country's exports of "world-class" quality. In reality, only union-busting and the further enslavement of workers have become "world-class."

### **Imperialist Imposition**

The regime is implementing a so-called "flexible labor policy" to serve imperialist interests. This is now the new imperialist whip being cracked on the backs of workers.

In the entire history of capitalism, never has the barbarism of capital exacted its toll on the workers as now. The unemployed numbers 820 million -- almost 1/3 of the world's labor force, according to the ILO. Yet this is the very same excuse used by imperialism to impose "flexible labor policy" alongside other dictates.

The general crisis of imperialism continues. This is further aggravated by the supermonopolies' use of high technology since the 70's. "High-technology", such as electronic automation, is used along with "flexible labor".

The imperialists have concocted the new labor policy -- not only to gain more from man and machine but also to speed up and guarantee the unimpeded extraction of superprofits needed by monopolies to compete against their rivals.

Monopoly competition has become sharper and is now fought bitterly between the US, Japan and Europe. Yet they also enter into agreements in multilateral agencies like the UN, IMF, WB at GATT-WTO for the absolute rule of capital in the world. "Flexible" labor is being encouraged along with the further "opening up" of markets and the prodding of "export-led" industrialization such as that being done by Ramos.

"Flexible labor" is not confined to imperialist countries but is enforced worldwide. Thus, wherever the monopolies go, the freest and quickest accumulation and growth of superprofits and capital is ensured.

The use of machines is maximized. Working hours are lengthened. Workers are squeezed even more. Even in capitalist countries today, a 10-hour workday is being fixed. Jobs and salaries are reevaluated. All conceivable means of intensifying capitalist exploitation is used.

Worse, all important labor standards gained by the workers through their struggles are being obliterated: the 8-hour working day, minimum wage, job security, benefits, working conditions and safety, social services, the right to unionize and strike. All these are being driven

back for the freest movement of capital.

In the Philippines, imperialism has never promoted the extensive use of high technology the progenitor of "flexible labor" in imperialist countries. But with the self-same aim of intensifying exploitation, the imperialist policy is nonetheless being applied. There are no basic industries to speak of in the country and so the whiplash is felt harder by the workers and the toiling masses here. A flick in the industrialized countries becomes a terrible blow in underdeveloped countries.

Nonetheless, in either capitalist or underdeveloped countries such as the Philippines, the whip of "flexible labor" can be wielded only where the workers' struggle has slackened --where the advanced section puts its guard down and meekly surrenders to the dictates of imperialism.

Capitalist exploitation has not changed. It has only been aggravated further. The latest imperialist imposition seeks to roll back all the workers' gains and break the workers' capacity to fight. The new assault, therefore, has become a matter of life-and-death for the workers.

### **Union Work and Struggle**

During the 70's, the fascist dictatorship implemented the imperialist policy of brutal repression. But strikes shattered the strike ban. Yellow unions became isolated. When Aquino replaced Marcos, militant struggles underwent a downtrend and many unions were dissipated in insurrectionist actions; at the same time, a part of the advanced section of workers swerved into economism and yellow unions made a comeback. Aquino was able to railroad the anti-worker "Herrera Law". When Ramos took over, a section of the organized workers were further coopted. Thus, the present regime and imperialism have been emboldened to launch an all-out assault against the workers.

The Trade Union Congress of the Philippines (TUCP), Bukluran ng Manggagawa para sa Pagbabago (BMP) and the National Confederation of Labor (NCL) formed a new reactionary bloc in the labor front. Their opportunist leaders capitulated and collaborated in various agreements supporting the government and the capitalists. Together with other yellow unions, they are trying to drag the workers away from militant unionism and struggles.

This reactionary scheme, however, has failed. The power of genuine and militant unions remains wide and deep. They continue to build the workers' capacity for struggle. The solid revolutionary core within unions is being rebuilt with the second great rectification movement of the vanguard Party. As a result, the workers' study of their proletarian revolutionary ideology is reinvigorated, malpractices and wrong tendencies in union work are rectified and struggles strengthened anew.

The latest assault on labor can be defeated and jobs, wages and the rights of workers, defended. This can be done by strengthening further militant unionism and the anti-imperialist struggle of the workers. This can be done in unison with the people and other workers of the world.

The regime and imperialism are unleashing a "world-class" offensive. They can be beaten back with the truly world-class struggle of the working class -- throughout the country, throughout the world. **-AB**

## **CHINA**

ON OCTOBER 6, 1976, a coup was launched in China.

Signalling the coup was the arrest of the four principal leaders of the Great Proletarian Cultural Revolution -- Jiang Qing, Zhang Chunqiao, Wang Hongwen and Yao Wenyuan -- the so-called "Gang of Four". They were blamed for the "unprecedented chaos and destruction" allegedly wrought by the Cultural Revolution on Chinese society. According to the coup leaders, the decade-long Cultural Revolution meant "ten lost years" for China.

The four were arrested barely a month after the death of Mao Zedong, the leader of the Chinese revolution and Chairman of the Chinese Communist Party. Like vultures, the coup leaders waited for Mao's death before thoroughly destroying the fruits of nearly thirty years of hard work of the Chinese people.

On October 1976, revisionism triumphed and socialism began to collapse in China.

### **Great Proletarian Cultural Revolution**

While Mao was alive, his efforts went into steering China steadily along the path of socialism. He knew that despite the many changes that had been won by the toiling masses in China, the newly established socialist society still bore the scars of capitalism, and that under socialism, the contradiction between the bourgeoisie and the proletariat remained. The bourgeoisie will emerge victorious in this battle, warned Mao, unless the struggle against the remnants of capitalism is waged consciously and ceaselessly.

Accordingly, Mao stressed the need to carry out a continuing revolution against elements in Chinese society who wanted to banish the gains of socialism and restore capitalism. These elements, who were called "capitalist roaders" or persons in authority taking the capitalist road, were entrenched in all levels and institutions in China, including the government and the leadership of the Communist Party.

Against them, Mao led China in waging the Great Proletarian Cultural Revolution from 1966 to 1976. For ten years, the Cultural Revolution battled the "capitalist roaders" esconced in their ivory towers and for

ten years, socialism was nurtured and strengthened in China.

This was accomplished, primarily, through the establishment of revolutionary committees in all levels and spheres of Chinese society. Within the revolutionary committees were representatives of the Party, mass organizations and the administration. It was the revolutionary committees' duty to ensure that all institutions in China -- factories, communes, schools, hospitals, offices, communities and others -- hewed to the correct path of socialist development. Deviations from the socialist road, which meant a betrayal of working class interests, were severely criticized, assailed and struggled against by the mass movement that swept China at that time.

In allowing free rein to the working people to participate in every crucial social concern, the revolutionary committees gave full play to the initiative and creativity of the Chinese masses. The development of productive forces, the improvement of technical proficiency among workers and peasants and the revolutionization of management and industry were all coursed through a strong and dynamic mass movement.

### **Progress Under Mao**

The period 1966 to 1976 was marked by solid achievements in the socialist development of China.

In agriculture, the commune system was further developed. There were three levels of organization and ownership under this system:

- ▶ the *production team*, the basic unit within the commune, composed of 15-35 families. The team owned the land it tilled, along with a number of work animals and farm equipment;

- ▶ the *production brigade*, composed of 5-15 teams. The brigade owned major agricultural implements too expensive for the team and too large for the latter to operate, like tractors and irrigation equipment. The brigade also took care of tasks too difficult for the team to accomplish, such as terracing.

- ▶ the *commune*, composed of 10-30 brigades, with a population that reached tens of thousands. Aside from coordinating the work of various brigades, the communes owned and operated major industrial enterprises and undertook projects too large for the brigades, such as the construction of dikes and other irrigation systems and water and forest conservation.

The bulk of the communes' products was sold to state corporations. Part of the communes' income was set aside for production expenses. Most of the income, however, was distributed among the commune members according to accumulated "work points". Based on their capacity, communes delivered various social services, which members availed of for free or for a nominal fee.

One of the most important services offered by the communes was health care. In particular, paramedics known popularly as "barefoot doctors" gained fame at the height of the Cultural Revolution. The "barefoot doctors" serviced even Chinese peasants living in farflung areas of the countryside, treating illnesses usually through acupuncture and herbal medicines.

According to the policy of "agriculture as the basis and industry as the leading factor", the mechanization of farming was advanced step by step. Several plants that manufactured mainly agricultural tools and equipment were set up. Under this scheme, peasants displaced by mechanization were easily absorbed by industry. Severe unemployment in the countryside due to drastic and widespread mechanization was thus avoided.

In industry, technical innovation teams called "three-in-one" were formed. These teams were composed of workers, engineers or technicians and administrators. Workers were given major responsibilities in running factories and their right to strike was guaranteed.

Soldiers were required to participate in production to avoid the development of a purely militarist viewpoint among their ranks and to maintain their close ties with the masses. Curricular reforms were also instituted, and students sent to integrate with the masses in the countryside and in factories so they could be educated through labor. This was also done to nip in the bud the elitism and arrogance that were slowly finding their way into the ranks of intellectuals and which served as fertile ground for the growth of revisionist and bourgeois ideas. On the other hand, worker and peasant youth were given priority access to university education.

Significant victories were achieved as a result of the changes introduced by Mao. In fact, since the triumph of the Chinese revolution in 1949, up to 1973, the value of agricultural production rose by 180%. On the other hand, the value of light industry production increased by 1,180% while that of heavy industry rose by 5,800%.

According to Wim Wertheim, an expert on China: "All in all ... rural development advanced according to the Mao model of the early 1960s .... (When) we asked in which period a certain significant initiative in a commune or brigade had been undertaken, repeatedly a year was mentioned within the period of the allegedly ten lost years. In several places it was precisely in the years during which the 'Gang of Four' would ... have been predominant, that a beginning was made with building or appreciably expanding canals, dams or other water conservation works. The construction of modern plants ... for producing chemical fertilizers (urea) was also devised and started during the same period. And the initiative to exploit a coal mine in the mountains of Sichuan province was started by the commune precisely in 1968/69, the two 'anarchic' years!"

In truth, despite some problems and dislocations brought about by



the continuing revolution espoused by Mao, this resulted in a more balanced industrial development of many parts of China, in the dispersal of skills among a greater number of people and in the more direct participation of the masses in running the economy. As more and more of the Chinese people master society and the economy, said Mao, problems of production will be resolved based on the interests of the working class. This, said Mao, will result in sustained and balanced socialist development.

### **Two-line Struggle**

The "capitalist roaders" assailed the changes that were instituted during the Cultural Revolution. Even prior to this, when China was just laying the groundwork for socialist industrialization, certain elements were already opposing Mao's position of achieving development via the socialist path and by relying on the collective energy of the toiling masses. They claimed that China's economy was too backward to allow an immediate transition to socialism. Others claimed that the issue was not really socialism but modernization. These elements believed that China could achieve a high level of industrialization using capitalist methods and organization. Still there were those who said that with China's backwardness, there was no choice for the country but to integrate its economy with the world capitalist system. Mao's detractors may have differed on specific points, but they were all one in manifesting their utter lack of confidence in the unified power of the toiling masses to transform and develop Chinese society.

By the '70s, the "capitalist roaders" led by Deng Xiaoping pushed the so-called "Four Modernizations": the modernization of industry, agriculture, defense, and science and technology. This, they said, would serve as the boost for China's emergence as one of the world's leading industrialized countries by the year 2000. They insisted that the correct measure in assessing a project's success was profitability. They also wanted to limit the degree of initiative enjoyed by localities in running enterprises and projects. They demanded the abolition of revolutionary committees and "three-in-one" committees because these supposedly hindered production and social stability.

The "capitalist roaders" one-sidedly portrayed the leaders of the Cultural Revolution as saboteurs and anarchists, and by implication, blamed Mao for the so-called "ten lost years". They claimed that the China's economy did not move an inch during this period.

Contrary to what the "capitalist roaders" claimed, Mao was not against modernization. What he opposed was to make it the sole and primary objective of the Chinese people. Such an approach, he said, would result in nothing but capitalist modernization dependent on the imperialist countries.

### **Reversal**

As expected, the Deng regime halted and reversed the reforms

initiated by Mao when the former grabbed power in China in 1976.

Under the rule of the "capitalist roaders", the ownership of industries in the countryside that were widely developed during the Cultural Revolution was transferred to private entrepreneurs through the legal fiction of "management lease".

Communes were dissolved and the land parcelled out to a few peasant families through the legal fiction of "land lease". In his new book detailing the current changes in China, William Hinton, who has followed developments in China since 1949, ruefully describes how the commune lands have been divided into small and narrow spaghetti-like strips. These individual plots were so narrow, said Hinton, that it was not possible to use a tractor for plowing because one wheel would trespass on land owned by another family. This, he said, serves as a disincentive to the further mechanization of agriculture and would surely affect production.

Private ownership of the means of production has now become extensive and well-entrenched. Although there still are state-owned enterprises, this does not mean the predominance of socialism. In fact, these enterprises serve as milking cows of bureaucrat and private capitalists.

In many cases, the rural unemployed end up as peons in construction projects or become workers in factories with dismal working conditions and offering slave wages. Nonetheless, there is no security of employment. Recent statistics show that there is an estimated 130 million "floating population" flitting from one odd job to another. On the other hand, the number of unemployed in China is now estimated to have reached 300 million.

Despite their abject condition, workers are subject to so-called "socialist labor discipline". They are barred from organizing their own unions apart from the official unions controlled by the revisionists. Meanwhile, the foreign and local big bourgeoisie are free to form their own organizations and to hire and fire workers.

"To be rich is glorious" intoned Deng Xiaoping. But statistics also show that whatever wealth has been created under the current system benefits less than 10% of the population. The vast majority are caught in a never-ending vortex of poverty.

The Chinese masses are restive. Aside from the reported spontaneous uprisings in major cities that have been brutally suppressed by the authorities of the Deng regime, there have been 2,000 strikes and 200 peasant uprisings in China since 1976.

Due to the restoration of capitalism, old, backward and anti-social practices such as prostitution, ancestor worship, arranged marriages and female infanticide have come back with a vengeance.

## **Towards Becoming a Neocolony**

What Mao has warned against has come to pass. China has been integrated into the world capitalist system. And because China continues to tread the path of dependent capitalism, it has become vulnerable to every twist and turn in the crisis of imperialism. Whereas prices in China used to remain low, its economy is now being battered by an inflation rate exceeding 25%. China now also ranks as the fifth most-indebted nation in the world.

For now, China enjoys "most favored nation" treatment from the United States. Under this scheme, Chinese products can freely enter the US market (in exchange for the free entry of US goods into the vast Chinese market, which has long been sought by American capitalists eager to dispose of their surplus production). On the other hand, the threat of rescinding this status hangs over China's head and keeps it ever vulnerable to US pressure.

Currently, US pressure is directed towards forcing China to formally abolish the Communist Party and completely abandon the "socialist" tag. China could do just that, since in essence the Party and socialism have long been abolished.

It is only a matter of time before China becomes a fullblown neocolony of the United States. **-AB**

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