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Editorial

## The Arroyo regime's downfall is inevitable

For the past several weeks, Arroyo's propagandists have been frenziedly portraying her government as strong and stable and claiming that protests against her regime are weakening and bound to fail.

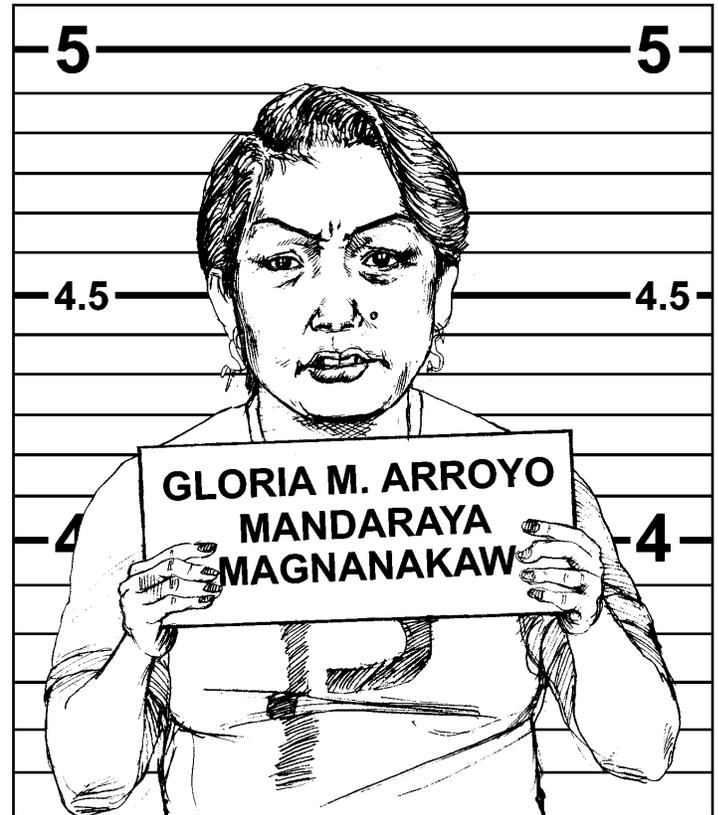
An aggressive propaganda campaign à la Marcos is currently being carried out by Malacañang, featuring stage-managed press interviews of Arroyo, a stream of paid followers going to the palace to make it appear that she enjoys wide support, and a refusal to discuss Arroyo's involvement in jueteng and electoral fraud. This is accompanied by an intense smear campaign against anti-Arroyo witnesses to secure their silence or cause them to recant.

All of this is part of Arroyo's posturing.

Contrary to the image she wants to project, Arroyo is actually sinking ever deeper into a severe political crisis. Almost no day passes without new evidence or testimony emerging on her lying and her involvement in electoral fraud.

The latest witnesses to emerge have corroborated her use of jueteng money to bribe COMELEC officials to ensure her victory. They were among the ruling clique's most trusted personnel who have direct knowledge of the anomalies Arroyo is embroiled in.

More and more people are demanding an end to Arroyo's rule. Her credibility continues to plummet. Surveys reveal that over 80% of the people want Arroyo removed from power.



royo removed from power. She has likewise received the lowest approval rating among all Philippine presidents.

The regime's schemes to sidetrack the people from their efforts to oust Arroyo from power have been stymied or met with new obstacles. Except for Malacañang cronies, no one else has latched on to the regime's proposal for a "Truth Commission". It is now pushing for charter change (cha-cha). But even Arroyo's partymates in the senate are opposed to the scheme.

Malacañang still crows over its control over most provincial, city and municipal government officials. The regime even went to the extent of having certain provinces threaten that they would secede from the

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republic in the event Arroyo is ousted. The whole thing became all the more ludicrous when threats of secession were translated into calls for “federalization” to breathe life into the cha-cha call.

Arroyo is slowly losing her iron grip over the impeachment process although her cronies in congress are taking pains to gather a minimum of 189 votes to block it.

On the other hand, the Oust Arroyo Movement continues to grow, expand and gain strength. Some 140,000 people rallied throughout the country on July 25, including over 80,000 in Quezon City—the largest rally since issues of Arroyo’s involvement in electoral fraud in the 2004 polls and her family’s involvement in jueteng erupted. It was by far bigger than any rally since Edsa 2 in 2001, and is sure to be followed by even bigger mobilizations in the future.

Anti-Arroyo forces now come from ever broader sections of society. Even the middle forces who were mobilized in their numbers in 2001 during Edsa 2 are gradually



**The extent and abundance of evidence linking Arroyo to poll fraud and jueteng have spurred them to take a stand for Arroyo’s ouster.**

joining the anti-Arroyo movement. The extent and abundance of evidence linking Arroyo to poll fraud and jueteng have spurred them to take a stand for Arroyo’s ouster.

The widespread call to oust Arroyo reverberates even within the military. Despite persistent efforts by the AFP top brass and spokespersons to project full support for the Arroyo regime, various groups inside the military have released statements to the media calling on soldiers to withdraw recognition for Arroyo as Commander-in-Chief.

The broad anti-Arroyo front is in the process of building a consensus to replace the rotten, fascist and puppet regime with a democratic council consisting of the various forces participating in

the ouster movement, with adequate representation from democratic sectors and progressive forces, and that would collectively oversee the transition towards the formation of a new government. It is a reflection of the Filipino people’s deep aspiration for meaningful changes in a political system under the monopoly control of corrupt politicians.

In the face of the people’s intense hatred for Arroyo, imminent disclosures of her other crimes and her barefaced scheming to perpetuate herself in power, she has been acting like a dazed fire-fighter dousing flames that have been bursting all around her. No matter what she does, she can only further inflame the anger of a people long seething from the many burdens that have been brought to bear on their lives and livelihood.

We must arouse the broad masses of the people, harness their intense anger, encourage them to join forces and to air their demands. They must link their demands with the call to end the Arroyo regime. Launching more frequent, bigger and stronger protest actions are the key to advancing the people’s struggle for Arroyo’s ouster. In the final analysis, it is a powerful blaze of protest that will spell the end of the hated regime.

The people’s ever growing protest actions place them in an excellent position to advance and realize their immediate demands before and after Arroyo’s downfall. **AB**

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# Storm after storm

Arroyo's public relations offensive suddenly came to naught two days into the drive when a former Malacañang employee disclosed that he had witnessed Arroyo bribe COMELEC officials.

On August 1, former Malacañang employee Michaelangelo Zuce revealed that he was an instrument in the bribery that took place in Arroyo's own home in La Vista Subdivision, Quezon City. Although Zuce was on the payroll of the Political Liaison Office under Sec. Jose Maria Rufino, he was better known as an operator and nephew of COMELEC Commissioner Virgilio Garcillano.

Zuce said he twice witnessed the actual distribution of money in La Vista. It was Lilia "Baby" Pineda, he said, who gave out envelopes of cash after Arroyo appealed for "help" in the elections. Pineda is a provincial board member of Pampanga and the wife of Rodolfo "Bong" Pineda, a notorious jueteng lord and friend of Arroyo's. Zuce also revealed that former Isabela governor Faustino Dy, Jr. was present in one of the meetings.

The Oust Arroyo Movement continues to gain strength in the face of these new storms. On July 25, groups of students, professionals, church people and other democratic sectors launched the White Ribbon Movement to show their readiness to take action to oust Arroyo.

More groups of soldiers were confirmed to have withdrawn support from the regime this month. In separate statements, soldiers under the Young Officers' Union-New Generation (YOUNG), Protectors of the Filipino People and the Young Enlisted Soldiers, and Active and Retired Members for Solidarity (YES-ARMS) called for Arroyo's ouster.

Meanwhile, the regime has been moving heaven and earth to obstruct the impeachment case against Arroyo in congress. Members of congress disclosed attempts to bribe them from P50,000 to P2 million to back out of signing the complaint. The opposition and various mass organizations have further strengthened the criminal charges against Arroyo. One of the added charges involves coddling soldiers and groups guilty of flagrant violations of human rights.

The impeachment process remains an uphill battle. Although an increasing number of congressmen have expressed readiness to support it, the administration has nonetheless been able to wield its majority in congress to derail the process. The opposition and the democratic forces are ready to resort to mass uprisings should impeachment efforts fail.

Opposition and democratic forces are also gearing up to frustrate the scheme to change the constitution through a constituent assembly.



On Arroyo's SONA

## Protests reverberate within and outside the country

Filipinos nationwide and overseas took to the streets to clamor for the overthrow of the Arroyo regimen July 25, the day of Gloria Arroyo's State of the Nation Address (SONA). The mobilizations' combined strength was the largest since the disclosure of Arroyo's involvement in the rigging of last year's polls.

In Metro Manila, up to 80,000 people joined protest actions along Commonwealth Avenue in Quezon City, a kilometer away from the Batasang Pambansa where Arroyo delivered her asinine speech. The rally was far bigger than the mobilizations that eventually led to EDSA 2 in 2001.

The demonstration led by the Bagong Alyansang Makabayan (BAYAN), the Gloria Step Down Movement (GSM) and the United Opposition was joined by various democratic organizations of workers, women, students, professionals, church people and others in Metro Manila and nearby provinces, representatives of progressive party-list groups and supporters of the late Fernando Poe, Jr.

According to Youth Demanding Arroyo's Removal (YOUTH DARE), up to 10,000 college and university students attended the protest.

To keep most people in their respective homes and prevent a planned mass walkout by students, workers and government employees, Malacañang declared July 25 a non-working holiday.

In response, students launched alternative classes outside the schools. Aside from student groups, various other youth organizations likewise attended.

A day before the SONA, demonstrators began to gather at the University of the Philippines in Diliman, Quezon City where they stayed overnight and held preliminary rallies. At noon the following day, the bulk of them marched from UP with the resounding cry: "*Pahirap sa masa, patalsikin si Gloria!*" (She's a burden to the masses! Oust Gloria!) The

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placards, huge streamers and various flags of participating organizations provided color to the gathering. A large effigy of Gloria Arroyo as a gecko clinging to Malacañang served as one of the protest action's highlights.

Leaders and representatives of various organizations gave speeches during the program, and the audience danced to militant songs and compositions on Arroyo's electoral fraud.

As the program proceeded, thousands of policemen watched by the sidelines where garbage trucks, container vans, concrete blocks and barbed wire were used as roadblocks.

**In Mindanao.** Up to 25,000 people joined protests all over Mindanao, said the island's GSM chapter. Aside from Arroyo's involvement in poll fraud, the people likewise assailed the war against the Moros and national minorities as well as the regime's accommodation of mining companies' plunderous activities in Mindanao.

In Davao City, up to 9,000 people marched along the metropolis'

main streets as Arroyo delivered her speech. They carried with them three coffins marked "Mindanao Republic," "Constitutional Succession," and "GMA." On the eve of the SONA, several thousand people from various organizations participated in the Lamayan ng Bayan (People's Vigil) in Rizal Park.

In Caraga, up to 6,000 people marched along the streets of Butuan City. Nearly 4,000 protested in Surigao City and the towns of Tandag and Mangagoy. Three thousand rallyists converged in Cagayan de Oro City while 1,000 launched protest actions in Marbel, South Cotabato and the cities of Iligan, Dipolog, Pagadian and Ozamis.

**In the Visayas.** Strong rains failed to stop over 23,500 people from rallying in various parts of the Visayas.

Up to 10,000 came out to protest in Bacolod City led by the Negros Movement for Moral Regeneration which includes BAYAN, Bayan Muna and other anti-Arroyo organizations. Meanwhile, 2,000 people attended a rally in Dumaguete City led by the Negros Ori-

ental Movement to Remove GMA (NO MORE GMA).

In Iloilo City, up to 3,000 protested. In Kalibo, Aklan, 2,000 marched in Pastrana Park. Sixty tricycles and 25 jeeps joined a caravan from the town of Numancia towards Kalibo. In Roxas City, up to 1,000 marched on the main streets of Roxas City in Capiz before holding a program at the plaza. Meanwhile, over 200 protested in San Jose, Antique.

In Cebu City, up to 3,000 people from various organizations attended the protest led by GSM-Cebu. They also supported a protest action by drivers and operators under the Nagkahiusang mga Driver sa Sugbo-PISTON.

In Tacloban City, 2,000 people under BAYAN-Eastern Visayas braved the rains and marched from Real Street to Quezon Boulevard. The demonstrators strongly assailed intense and widespread human rights violations wrought by the militarization ordered by Arroyo in Eastern Visayas.

**In Luzon.** In Central Luzon, police prevented 700 demonstrators several times from marching the length of MacArthur Highway in San Fernando, Pampanga. The mobilization was led by BAYAN and drew participants from Tarlac, Nueva Ecija and Pangasinan.

In Baguio City, members of the Cordillera Peoples Alliance (CPA) and other organizations rallied and released a Manifesto of Unity assailing Arroyo's involvement in electoral fraud and her family's involvement in corruption. Signed by representatives of various organizations, political and church groups and individuals, the manifesto likewise assailed the regime for turning a blind eye to the plunder perpetrated in the province by foreign mining companies.

In Ilocos Norte and Ilocos Sur, up to 600 people joined protests.



Up to 1,500 people protested in Isabela and Cagayan that day, including those from Nueva Vizcaya; Saguday, Quirino; Roxas, Mallig, Ilagan, Benito Soliven, San Mariano, Jones, Echague, Cordon, Tumauini, Cabagan, San Manuel and Angadanan, Isabela; and Tuguegarao City in Cagayan.

In the cities of Naga and Legazpi, several thousand members of democratic organizations marched from Ninoy Aquino Park in Daraga, Albay towards Pinaglabanan Shrine in Legazpi City where a program was held. In Southern Tagalog, up to 3,000 activists from Laguna and 4,000 more from the provinces of Rizal, Cavite, Batangas and Quezon joined a protest caravan.

**Overseas.** In Hong Kong, up to 1,000 attended a day-long protest led by the Overseas Filipinos Unite to Remove the Arroyo Government ((OUTRAGE), a broad alliance of migrants, their families and supporters. The organizations that joined the rally signed a huge passport signboard with Arroyo's face and stamped "FAKE" and "*Gloria: Patalsikin!*" (Oust Gloria!)

In New York City, USA, protesting Filams led by the Coalition for Gloria's Ouster and BAYAN-USA made a huge toilet bowl with "Plunge Gloria" written on it and a Gloria Arroyo look-alike in it, holding a cellphone. The program featured the symbolic flushing of Arroyo down the toilet.

Protests were also held in Seattle, Los Angeles and San Francisco.

Fil-Am members of USA 4 GMA's Resignation and BAYAN-USA likewise visited the Philippines to join the mobilization in Quezon City.

An open letter for Arroyo's resignation was published in the July 25 issue of *Dyaryo Pilipino* which circulates in California, Florida and Texas. It was signed by 58 leaders of Filipino communities in the US.

In Canada, Filipinos and their supporters gathered in front of the Philippine Consulates in Toronto, Montréal and Vancouver.

In Australia, Filipinos led by Migrante picketed the Philippine Consulate in Sydney.

In Europe, Filipinos held protest actions and symposia in The Netherlands, Italy and Switzerland. AE

## The economy: On a downward spin

The economy is posed for takeoff. This and other nonsensical claims comprised Gloria Arroyo's latest State of the Nation Address (SONA). Once again, she boasted about supposed accomplishments in the economy. This year, she added insult to injury when she decried that it was the presidential system and the mass mobilizations against her that were behind the economy's bankruptcy.



One wonders where Arroyo based her claim that the economy was ready to take-off. Even pro-imperialist institutions like the Asian Development Bank (ADB) and the Makati Business Club (MBC) have doubts about Arroyo's fortune-telling skills. They have recently retracted their initial projection of robust economic growth for this year, saying it would fall short of 5%.

The reactionary state's "growth" figures for the Philippine economy are extremely deceptive. These last few years, the "growth" was accounted for only by large remittances from migrant workers and the extensive use of cellphones. Despite this, the economy grew by a mere 4.6% compared to last year's 6.1%.

Manufacturing continues to collapse. The much-vaunted "trade boom" was spurred by the price increases of imports, especially petroleum products. These are indicators of nothing else but a bankrupt and rotten economy.

Even now, it is clear that the crisis-ridden economy will not take off, but plunge even more. The value of total approved direct foreign investments for the first quarter of 2005 dropped by 73.4%. From P18.6 billion worth of investments in the first quarter of 2004, it is estimated that only up to P31.5 billion entered the country in the first quarter of 2005. Even worse, only a small percentage of approved investments actually entered the country.

The trade deficit continues to mount despite manipulations by economists of the Arroyo regime.

The country's colossal budget deficit has grown further, coming to P67.5 billion in the first six months of the year. The regime's failure to achieve its tax collection targets is sure to jack up the budget deficit even more.

Local interest rates are expected to increase beyond last year's record of 7.34%. This would cause a further rise in government debt. For the past seven months, the reactionary government's total first quarter debt ballooned by over P56 billion—from P3.811 trillion in December 2004 to P3.867 trillion in April 2005. Last year, up to 81% of the total tax collection was used to pay this debt. Up to 94% of total tax revenues is expected to be used for this purpose this year.

That the Filipino people have further slumped into poverty since Arroyo assumed power is undeniable. Various surveys have revealed that up to 70% of the people in Metro Manila say they are more hard up now compared to previous years. Twenty-one percent (21%) of families say that they had experienced severe hunger (always or almost always having had nothing to eat at least once a day in the last three months).

Doctored statistics and shifting definitions of unemployment cannot cover up the huge number of unemployed. As far as the government is concerned, up to 11.4% are unemployed. Even if the figures are doctored, the present unemployment rate is the second highest in the last fifty years. Up to 41% of those who have work have no job security and have serious fears of becoming unemployed.

Actually, unemployment is worse—up to 21%, according to an SWS survey. It was the highest recorded unemployment rate in the twelve years the SWS has been conducting this survey.

People have likewise been reeling from the spiraling costs of goods and services. The inflation rate hit 8.3% in the first six months of 2005, compared to an average of 4.4% the previous year. Among the items affected by the steepest price increases are petroleum products, transport fare, milk and canned goods. Despite all this, the regime refuses to grant wage increases to workers and salary hikes to government employees. **AB**

## Statistical garbage

Foreign economists have pointed out that the regime has been committing huge statistical errors since 2002. Data released by the Arroyo regime a year after it assumed power showed that it only suffered a succession of small trade deficits, thus concealing the country's serious and deteriorating economic condition.

As far back as three years ago, the World Bank had already made public the Philippines' failure to report significant portions of its actual imports, making the trade deficit appear smaller than it actually was. It is only this year that official corrections will be made to the erroneous data.

The biggest source of error involved the exclusion of the value of materials consigned from parent companies abroad by companies manufacturing electronic spare parts. These materials are lightly processed and reexported. Such importations were not accounted for from 2002 to March 2005, although the exports made from these materials were reported.

Based on the corrections that the National Statistical Coordination Board (NSCB) has now been obliged to make, the trade deficits from 2002-2004 did not only amount to \$218,348,976 (2002), \$1,265,297,931 (2003) and \$712,992,935 (2004), but came to \$4,028,355,402 (2002), \$4,239,306,046 (2003) and \$4,451,619,994 (2004). Thus, there was a failure to register over \$10 billion in trade deficits. **AB**



## VOS syndicate in Isabela

**M**any peasants in Central Isabela under the Comprehensive Agrarian Reform Program (CARP) are being victimized by syndicates that pretend to offer assistance but in reality exploit them. Syndicates are able to carry this out through fake "voluntary offers to sell" (VOS). Under the VOS, land owners can opt to voluntarily subject their land to land reform and sell their land to the Land Bank. In cahoots with the syndicates are officials of the Land Bank, the Department of Environment and Natural Resources (DENR) and local governments.

In Central Isabela, the syndicate is most active in the villages of Panninan, Ueg, Balagan, Macayucayu, Gangalan, Libertad, Buyasan, Ibutan, del Pilar and other towns of San Mariano. The syndicate also victimizes peasants in Echague, Jones, Angadanan and San Guillermo towns.

**Collusion.** The syndicate actively looks for lands that are untitled but have long been cultivated by peasants. As soon as the syndicate finds such a piece of land, it approaches the peasants occupying the land and convinces them to have them titled, purported-

ly to strengthen the legal basis of their ownership. The syndicate offers to assist the farmers acquire the titles, and as a first step, asks each peasant to pay ₱3,500 to have the land surveyed. In fact, however, the DENR conducts surveying for free.

Unknown to the peasants who paid for the surveying, the syndicate has in its possession fake titles in the name of an accomplice. Later, the syndicate informs the peasants who paid for the survey that the land they had been cultivating was actually already owned by someone else, but that the owner was voluntarily selling the land to the Land Bank and was willing to subject it to CARP. The peasants are then issued Certificates of Land Ownership Award (CLOA) by the Land Bank and asked to make payments every harvest for the next 30 years so they could eventually acquire titles to the land. Those who hesitate or object are threatened with eviction.

The syndicate collects the money paid by the Land Bank to the fake title holder who had supposedly sold his land voluntarily. The syndicate usually rakes in thousands of pesos through this scheme for every peasant it is able to deceive. Out of the average ₱500,000 the Land Bank pays for every land parcel (usually 7.8 hectares), the syndicate pockets ₱70,000 per hectare surveyed. The accomplice who lends his name to the fake title gets a ₱10,000 cut. The canvassers, who look for peasants the syndicate could swindle are paid ₱2,500 per farmer. In Barangay Panninan, the syndicate was able to sell 32 lots to the Land Bank through this scheme—and pocketed ₱16 million from it!

Members of the syndicate compete with each other in surveying and selling lands through the fake VOS scheme to amass the biggest takings. The syndicate earns a gargantuan profit from such a swindle, using only smooth talk as capital. Meanwhile, peasants who are unable to sustain amortizations on the land are almost sure to lose the farms they have toiled on, due to relentlessly rising production costs.

With all the different means to swindle peasants, it is plain to see just how easily CARP instruments can be faked to deceive farmers who still pin their hopes on it. It is not surprising why more and more peasants have become aware of CARP's inutility. **AB**

## *Philippine National Railways Modernization and Rehabilitation Program*

# Running roughshod over the lives of a hundred thousand people

**B**ig bureaucrats of the regime and big land speculators will definitely rake in huge amounts of profits and bureaucratic plunder as the US-Arroyo regime pursues the “Strong Republic Transit System,” otherwise known as the Philippine National Railways Modernization and Rehabilitation Program (PNR-MRP).

Hundreds of thousands of people have already been evicted



from their homes to pave the way for the railway modernization program, whose main objective is to speed up the operations and businesses of imperialists, bourgeois compradors, landlords and bureaucrat capitalists along the trains' route.

Big land owners, land speculators and construction companies also stand to benefit from the large-scale construction and consequent

rise in land prices in surrounding areas.

The PNR-MRP consists of the Northrail or the Manila-Clark Railway System (running from Caloocan to Clark Airbase, Pampanga towards Subic Freeport Zone in Zambales, with an extension from Clark towards Porro Point, La Union) and Southrail or the South Manila Commuter Rail Project (running from Caloocan to Alabang and Calamba, with an extension from Calamba to Batangas International Port and with another extension towards Quezon and Bicol).

To fund the project, the US-Arroyo regime borrowed \$503 million from China for the Northrail and \$50.42 million from South Korea for the Southrail.

**Widespread corruption and deception.** People living by the old railroad tracks already live in dire poverty. Still, the Arroyo regime wants to bleed them dry. Through its agencies, the regime has launched a deceptive housing and relocation

program which has not only led to the rapid eviction of people living alongside the tracks, but has been swindling them of millions through its offer of expensive "low-cost housing".

Only those who earn at least P6,000 a month, and are members of SSS or GSIS and Pag-ibig and belong to legitimate organizations registered with the SEC are qualified for the "low-cost housing" scheme. Before they can own the house, however, they have to pay rent for five years. Only on the sixth year can ownership of the house be transferred to their name. But first, they must pay for it by installment for 25-30 years at 9% interest. Anyone who fails to make the payments is immediately evicted.

It is the big crony contractors, land owners in surrounding areas, land grabbers and speculators and private subdivision developers who collude with the Arroyo regime and profit from projects like this.

The regime uses sham leaders and reformist groups like Akbayan that pretend to be propeople to facilitate the swindle of families living along the tracks. These leaders and groups promise the families that they would have beautiful homes to move to. In fact, these groups start looking for relocation areas and enter into expensive housing contracts only when they have already convinced enough families to move out. To make the swindle look legitimate, mass organizations funded by the regime are set up not only to dampen opposition to the project but to help convince residents to accept whatever payment is offered, no matter how small. This way, evictions are much easier.

**Demolitions.** Over 20,000 families living along the tracks in Caloocan, Malabon and Valenzuela have already been evicted since November 2003. The local govern-

ments, the National Housing Authority, the Housing and Urban Development Committee and reformist groups conspired to deceive them into believing that there were proper relocation sites ready for those who would leave voluntarily. Later, the people were told that opportunities were "limited," so they should volunteer early. Government agencies and their cohorts then claimed to have already paid the first volunteers to convince the others to follow suit. Once their houses were demolished, the volunteers were transferred to areas in Meycauayan and Malabon that did not have water, toilets, electricity, markets and hospitals. Worst of all, there were no livelihood opportunities. The areas were landfills and had long been used as dumping grounds for garbage. The people found themselves waist-deep in flood waters whenever it rained.

Nevertheless, each family was required to pay P100,000 (or P3,000 per square meter) for a 32 square-meter lot. This, despite the fact that the lots were originally priced at only P300 per square meter. Those unable to pay faced eviction. It was the government contractors who gained a lot from this deal, aside from their takings from having evaded the government-mandated bidding process in procuring the land for relocation. They also sometimes charged the people living along the tracks a "service fee" for their "information drives."

Another government ruse was the "*balik-prubinsya*" (back to the province) campaign, where qualified residents are promised P50,000

if they leave voluntarily and return to their provinces. Families are deemed qualified only if they have been included in a government census and the census taker's signature appears on their papers. It's not enough that the residents are actually forcibly evicted and that P50,000 is hardly enough compensation for their losses. Those evicted never really get the full P50,000 and are left with very little to be able to start their lives all over.

This February, over 10,000 families voluntarily demolished their own homes, hoping that they would

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**As it turns out, they had paid P40,000 for houses that had yet to be built, only to be told later that the amount of P50,000 was not a grant, but a loan they owed the government!**

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receive the promised P50,000 check and enjoy proper relocation to houses that would someday be theirs. Less than half of them received any money, and those who did got only P10,000. The devious reason: They no

longer received the P40,000 because it was downpayment for their rights to the relocation sites. Some others were issued bouncing checks.

As miserable as their lives were, living along the tracks, a worse fate awaited those who left. They were relocated not to areas with permanent housing, but to holding areas with makeshift dwellings where they would await transfer to their "real" relocation sites. As it turns out, they had paid P40,000 for houses that had yet to be built, only to be told later that the promised amount of P50,000 was not a grant, but a loan they owed the government!

Not only is humane relocation not a part of the reactionary regime's vocabulary, it does not have the will to deliver any kind of basic public service, including housing. ■

# Why are medicines so expensive in the country?

Like the prices of food, electricity, water and other goods and services, the prices of medicines have relentlessly increased and are practically beyond reach. And with their meager earnings, seeing a doctor or buying medicines has become out of the question for the average citizen. A study has revealed that up to 70% of Filipinos could not afford to seek treatment when they are ill.

Compared to many other countries, drug prices in the Philippines are usually marked up by 100-600%. Medicines in the country are up to eighteen times more expensive than those in India, China, Cuba, Vietnam and Brazil.

Such exorbitant drug prices are due to transnational corporations' (TNC) control over the licensing, importation and limited manufacturing of medicines in the Philippines. These TNCs are the international monopoly-capitalists of the pharmaceutical industry. In cahoots with them, the reactionary state adopts policies and laws favorable to the TNCs' interests. The result is superprofits for the pharmaceutical transnationals.

Instead of establishing and developing a national pharmaceutical industry, the regime simply allows foreign companies to dump high-priced medicines in the country. In 2004, the Philippines imported \$375 million worth of medicines, 11% more compared to the previous year's \$355 million.

There is no real pharmaceutical industry in the Philippines. The country's so-called pharmaceutical industry is limited to the marketing of medicines (both wholesale and retail), the manufacture of drugs by mixing imported ingredients, and packaging. Local companies import 80% of the basic chemicals used in preparing medicines. They may only engage in local drug production with the permission of for-

eign companies. TNCs supply up to 90% of the medicines made by local companies.

The imperialist cartel monopolizes 72-80% of the manufacture, distribution and prices of medicines in the country. Marketing pharmaceutical products, which generates ₱29 billion in annual sales, is 80% controlled by the United Kingdom's Zuellig Pharma, the leading drug company in the Philippines. It also controls 70% of the wholesale marketing of pharmaceuticals in the country.

Aside from marketing, Zuellig Pharma also controls the local manufacture of pharmaceuticals through its sister company Interphil Laboratories.

Interphil Laboratories is the leader in contractual pharmaceutical manufacturing in the Philippines, producing over a thousand brand-

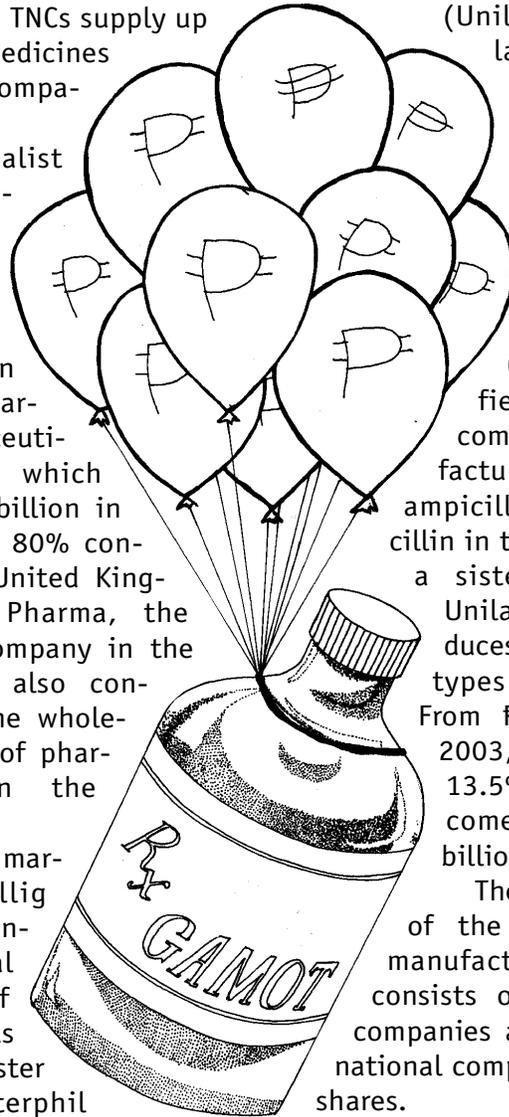
products for 50 transnational companies. It also controls 70% of subcontracts for the production of generic and branded medicines for local pharmaceutical companies.

United Laboratories (Unilab) is the largest Filipino company, controlling 23% of pharmaceutical manufacturing in the country. It is owned by former Marcos crony Jose Yao Campos. Chemfields, the only company that manufactures amoxicillin, ampicillin and cloxacillin in the Philippines is a sister company of Unilab. Unilab produces and sells 366 types of medicine. From ₱18.1 billion in 2003, it enjoyed a 13.5% hike in its income, earning ₱20 billion in 2004.

The remaining 5% of the pharmaceutical manufacturing industry consists of small Filipino companies and other multinational companies with local shares.

Mercury Drug is the largest and leading Filipino drug retail company, with over 500 drug stores nationwide.

It controls up to 55% of local drug retailing which involves ₱80 bil-



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lion in annual sales.

Arroyo's much-vaunted PHARMA50 (formerly GMA50) program under the Department of Health (DOH), which involves the establishment of "Botica sa Bayan" (town drug stores) and "Botica sa Barangay" (village drug stores) is but a token project that could never address the people's critical need for affordable medicine. Besides, the program is import-dependent.

The only solution to the serious lack of afford-

able medicine is the establishment of a national pharmaceutical industry—one that will not seek to exploit the ailing and profit from the people's ill health. But this can never be expected from the prevailing political and economic system. It can only be established by a genuine people's government that will not be subservient to the "globalization" policies that wreak havoc around the world and amass superprofits for TNCs at the people's expense. AB

## The ways of greedy drug companies

**I**mperialist companies and their local minions ruthlessly employ various means to monopolize the pharmaceutical industry and rake in more superprofits. Among them are the following:

**Transfer pricing.** Local subsidiaries import drugs and raw materials from their parent companies at prices higher than prevailing world prices. The parent companies arbitrarily slap up to 30-40% in added "value" simply by passing on the products even if the transfer involves minimal cost. Once the transfer takes place, local subsidiaries mark up prices even more as they pass the medicine on to the consumers. For example, Ponstan 250 costs only ₱1.33 apiece in its country of origin but costs up to ₱9.34 in the Philippines because of transfer pricing.

**Price fixing.** Members of a cartel determine the price at which they would all sell their medicines. This way, no single member stands out for charging exorbitant prices.

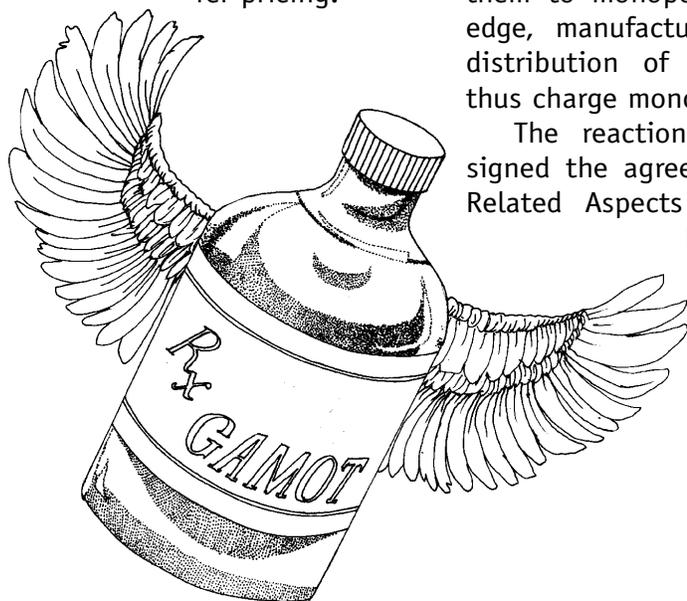
**Patent.** Patents endow a company exclusive rights to grant licenses for the manufacture of a certain product for a certain number of years. Owners of drug patents are entitled to royalty payments from companies licensed to manufacture such drugs. Imperialist companies' monopoly and control of world and local drug patents enable them to monopolize the knowledge, manufacture, release and distribution of medicines, and thus charge monopoly prices.

The reactionary government signed the agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) under

the GATT-WTO in 1995. Under the agreement, WTO member countries are obliged to recognize patents and other "intellectual property rights."

The world pharmaceutical cartel owns close to 13,000 drug patents, enabling them to raise their prices. Imperialist pharmaceutical companies' sole objective is to amass huge profits and not to save lives or ensure the people's welfare. In a shameless example, 40 members of the world pharmaceutical cartel prevented South Africa in 1998-2000 from manufacturing its own drugs against HIV/AIDS even as 250,000 people were dying from the disease during this period.

On the other hand, India, Brazil, China, Cuba and Vietnam enjoy low drug prices. The key lies in their policy to limit, circumvent or even outrightly defy international drug patents. They have thus been able to encourage the local manufacture of these medicines, and oblige even foreign monopolies to reduce their prices. AB



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**Imperialist companies and their local minions ruthlessly employ various means to monopolize the pharmaceutical industry and rake in more superprofits.**

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## GRP's violation of JASIG to result in indefinite suspension of peace talks

COMRADE Jose Maria (Joema) Sison warned the Government of the Republic of the Philippines (GRP) that any violation of the Joint Agreement on Safety and Immunity Guarantees (JASIG) will result in the long-term suspension of peace negotiations and will be met with appropriate action from the National Democratic Front of the Philippines (NDFP). Comrade Joema, chief consultant of the NDFP peace panel, also warned that the JASIG cannot be unilaterally suspended. This was his reaction to Executive Secretary Eduardo Ermita's declaration on August 3 that the GRP was suspending the JASIG, which guarantees NDFP and GRP officials and personnel's immunity from arrest while peace negotiations are ongoing. Ermita said that the military and police may now arrest NDFP personnel because of the JASIG's suspension.

Comrade Joema assailed the GRP's junking of JASIG as unjustified because the NDFP had not abandoned the peace negotiations. Although formal negotiations are suspended, informal talks are ongoing and the work of the negotiating panels, their consultants, advisers and staff continues. Once the GRP starts arresting NDFP personnel, said Comrade Joema, it would be apt for the NDFP to formally suspend the JASIG and take appropriate steps to counteract the treachery and brutality of the GRP. Another thing

the NDFP may do is to indefinitely suspend the peace negotiations.

Comrade Joema also clarified that if the GRP really wanted to end JASIG, it must send a formal letter signed by Gloria Arroyo herself as the GRP principal. The letter sent to the NDFP was signed only by Ermita.

NDFP peace panel chair Luis Jalandoni had earlier announced in July that they were deferring formal talks to give the GRP the opportunity to fulfill its obligations under previous agreements. The GRP has yet to fulfill, among others, a pledge to take political and diplomatic initiatives to have the Communist Party of the Philippines (CPP), the New People's Army (NPA) and Comrade Jose Maria Sison dropped from the US and other countries' "terrorist" listings; to put an end to demands from the GRP for the NDFP's capitulation; and to address threats on the lives of NDFP personnel. These, he said, constitute obstacles to the smooth progress of the peace negotiations.

Jalandoni said that the NDFP has decided to resume formal talks once a successor regime has been established, hoping that the latter would be more open to fulfilling the GRP's obligations. He also said that it was pointless to continue negotiating with the present regime which is on the verge of collapse. **AB**

## NDFP expresses condolences over death of Roco

THE National Democratic Front of the Philippines (NDFP) expressed its condolences over the passing of former Sen. Raul Roco on August 5. In a statement, NDF peace panel chair Comrade Luis Jalandoni said that Roco was a "close ally of the revolutionary movement, a patriot, civil libertarian and an honest person."

Roco was active in the anti-Marcos movement. He was also one of Gloria Arroyo's opponents in the May 2004 presidential race. Before he died from cancer at the age of 63, Roco was among those who called for Arroyo's resignation in June due to electoral fraud and involvement in jueteng (an illegal numbers game).

## 50,000 commemorate 60th anniversary of Hiroshima bombing

FIFTY-FIVE thousand people in Hiroshima, Japan commemorated the first time atomic bombs were dropped in the city on August 6, 1945 by releasing a thousand doves into the air, tolling bells, saying prayers, burning incense, lighting candles and offering flowers for the victims.

The bombing of Hiroshima is a stark example of the US' callous disregard for the welfare of civilians as it imposes its power worldwide. Japan was poised to surrender when the US decided to detonate its newly invented bomb, wiping out 140,000 people. On August 9, 1945, the US killed 70,000 more by dropping another atomic bomb in Nagasaki, Japan.