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LEAD THE MASSES, LAUNCH THE OFFENSIVES

22nd Anniversary Statement
of the Communist Party of the Philippines

December 26, 1990

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Communist Party of the Philippines
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The Communist Party of the Philippines joyously celebrates the twenty-second anniversary of its reestablishment. All Party members are proud of and are inspired by the achievements of the Party and the people in the national democratic revolution against U.S. imperialism and the local exploiting classes of big compradors and landlords headed by the Aquino ruling clique.

The Party has consistently proven itself as the advanced detachment of the leading class, the working class. By hard work, struggle and sacrifices, Party members have strengthened the Party among the people, have carried the armed revolution forward and expanded the national united front. Through criticism and self-criticism, the Party has

since 1986 sought to maximize its strength, rectify errors and weaknesses and raise the revolutionary struggle to a new and higher level.

The perseverance of the Party, the proletariat and the masses in revolutionary struggle is once more paying off. There is now a revolutionary flow in the Philippine situation as a result of the rapid deterioration of the ruling system and isolation of the big comprador-landlord Aquino ruling clique.

The ever worsening crisis of the Philippine ruling system and the crisis of the world capitalist system provide the favorable conditions for the further advance of the national democratic revolution. More than ever before the revolutionary party of the proletariat is

in a position to lead the masses and launch the offensives.

I. The Ruling System Deteriorates Rapidly

Since its inception, the U.S.-Aquino ruling clique has subserviently followed basically the same socioeconomic policies of the fallen Marcos regime. These are dictated directly by U.S., Japanese and other multinational firms and banks and through the International Monetary Fund (IMF), the World Bank and the Asian Development Bank.

There is no way but for the semifeudal economy to further deteriorate, exploited as it is by foreign monopoly capitalism and by the local exploiting classes of big compradors and landlords and dependent as it is on the production for export of raw materials (principally agricultural and secondarily mineral) and of some low value-added reexports as well as on the importation of finished products, including consumer goods, equipment nonreproductive of other equipment and a large amount of fuel.

The foreign multinational firms and banks are not bringing in productive investment but are concentrated on exacting superprofits and debt service from an economy squeezed by a world glut in raw materials and low value-added reexports and crushed by a debt burden that it can never hope to pay. There is a growing net outflow of capital.

Labor export which has been the largest foreign exchange earner (more than any single export product) is contracting due to the general crisis of capitalism, the crisis in the Middle East and the abundance of cheap labor in other countries.

The annual average productive growth rate and the annual growth rate of gross domestic investment have plunged deeper and deeper far below zero. The illusion of economic recovery conjured by the faking of a positive growth rate in the gross national product (GNP) is all gone. Especially now, any claim to a positive growth rate is incredible in the face of rising inflation, shortages, unemployment and the breakdown of production and basic social services.

Deficit spending by the reactionary government is unabated. This accounts for more than 30 percent of the GNP. A huge amount beyond salaries of government personnel and the real price of equipment, other materials and services goes to bureaucratic corruption, debt service and military expenditures.

The accumulated local public debt, now exceeding 350 billion pesos, combines with and aggravates the problem of accumulated foreign debt which should run beyond US\$30 billion, were it not for the Marcos-style system of foreign debt accounting. The foreign debt is growing rapidly because of unpaid debt service, growing trade deficits, decreasing income from labor

export and the ceaseless begging for new loans.

At any rate, it is absolutely clear that the reactionary government is bankrupt and is further ruining itself by continuing to allocate more than 40 percent of its budget for debt service and 20 percent for military expenditures (including items camouflaged as civil expenditures). The Armed Forces of the Philippines (AFP) has become an insatiable parasite on the national economy despite the fact that its U.S. imperialist master provides this puppet force with equipment and operational expenses, both almost equivalent to the peso budgetary allocation.

Importations by a semifeudal economy are consumption-oriented. The most scandalous imports are those for the conspicuous consumption of the exploiting classes and their corrupt bureaucrats. These draw away resources from the importation of equipment, components, spare parts, fuel and other raw materials for the industrial, agricultural and service sectors of the economy. Worse is the policy of killing local enterprises through the import liberalization of a growing list of items that can be locally produced.

The estimated foreign trade deficit for 1990 is an unprecedentedly whopping amount of US\$4 billion. The estimated import bill is US\$12.1 billion and export income is US\$8.1 billion. The balance of payments deficit is rising as the foreign creditors are holding back

on their credit lines in order to extract more economic and political advantages, including the extension of the U.S. military bases under some guise.

The profit remittances and debt service are mounting; the trade deficit is widening; the exploiters are salting away dollars abroad; and the incomes from labor export, tourism and so on are decreasing. Due to the rapid diminution of foreign exchange, the peso has been devalued in relation to the U.S. dollar from an official rate of P21 to that of more than P28.

Because of dependence on imported inputs and therefore on the dwindling foreign exchange, the production of food staples and manufacturing for domestic consumption have plummeted for lack of new equipment, spare parts, components, raw materials and fuel. Equipment and machines are often idled and ruined by repeated and prolonged electricity outages due to fuel shortage. Basic services such as education, health and public utilities (transport, gas and electricity, water, mail, telephone, etc.) have broken down.

Natural calamities, like a drought of two years running, the July earthquake and typhoon Ruping, have wrought havoc on the economic life of the people and have aggravated the breakdown of production, especially because the reactionary government has not provided any significant aid for relief and rehabilitation. But the biggest disasters are those inflicted by a regime

that is opposed to national industrialization, land reform and improvement of the livelihood of the people.

Every policy, program or project of the regime is undertaken to aggrandize the ruling clique and its foreign masters. The repeated and increasingly high oil price hikes have incited the broad masses to rise up repeatedly in nationwide strikes. Every oil price hike has a chain-reaction effect on all goods and services in the Philippines. The rapidly rising price of this commodity raises the cost of subsistence for the entire people; and whenever they rise up to demand wage and salary adjustments, military and police repression is used to confront and attack them.

To finance nonproductive spending, the reactionary government is increasing both direct and indirect taxes. Indirect taxation is the main form of milking the people. It is through indirect taxes (such as the sales tax) that the toiling masses of workers and peasants and the middle social strata are made to pay taxes constituting a percentage of their earnings much greater than that paid by the exploiting classes and are thus systematically made to further suffer misery and want.

Unemployment is running high among the labor force of 26 million. The reactionary government understates unemployment by claiming an unemployment rate of only 9 percent (unbelievably lower than that in

advanced capitalist countries) and an underemployment rate of 33 percent (basically unemployed). In fact, accumulated unemployment in the Philippines is not only 42 percent but is now beyond 50 percent.

The incomes of those who are still employed are continuously eroded by a high inflation rate, which is officially understated at around 14 percent. The skyrocketing prices of basic commodities are both due to shortages and rising costs of production and importation. There is a widening gap between the daily cost of living and the legislated daily minimum wage, not to speak of the much lower actual wages received by the overwhelming majority of workers. In Metro Manila, the legislated minimum wage is P96 pesos but the cost of living is P176 for a family of six as of March 1990. Outside of Metro Manila, the legislated minimum wage is P96 for nonagricultural workers and P74 for agricultural workers but the cost of living is P153 and P162, respectively.

The petty and medium-type producers in the urban and rural areas are being rapidly bankrupted. The peasant masses are being crushed economically by the rising costs of production and subsistence. The farm workers and odd-jobbing urban poor have increased and their own huge number presses down their income.

Eighty percent of the population fall below the poverty line. Malnutrition coincides with this percentage. There are

now widening areas of hunger and famine. As a result of the disastrous economic conditions, social discontent is widespread and intense. This has resulted in the further spread and intensification of the armed resistance and in sectoral and multisectoral as well as localized and nationwide mass protest actions of increasing size and militance.

As if the exploitative workings of the economic system were not enough, the U.S.-Aquino ruling clique has unleashed the beefed-up military and paramilitary forces and the police to repress the people and inflict death and injury on them, and damage their livelihood. The rate of human rights violations under the current regime surpasses that under the Marcos regime.

The U.S.-Aquino regime has already outscored its predecessor regime in forcing mass evacuations and setting up strategic hamlets; destroying homes and properties of the civilians through air strikes, artillery shelling, strafing and burning, assassination of leaders and members of progressive organizations, members of the mass media, church people and human rights lawyers; extrajudicial execution of captives; and disappearances.

The toiling masses of workers and peasants as well as the unemployed are the most victimized and therefore most agitated by the worsening socioeconomic crisis and the escalating oppression and exploitation. Despite the repressive measures being taken against them, they make their just demands for

better working and living conditions, jobs for the jobless and land for the landless; and they fight to uphold and promote their national and democratic rights and interests.

At the forefront of the mass movement among the middle social strata are the public school teachers and other government employees. They are grievously underpaid, while there are always funds for the corrupt high officials, debt service and the military. They have therefore engaged in militant protest mass actions, inspiring all middle social strata and the rest of the people.

The economic and financial bankruptcy of the reactionary government, the unbridled corruption of the Cojuangco-Aquino family and its associates, the lack of social reforms, the rampant violations of human rights and civil liberties and undisguised puppetry to the United States on the issues of U.S. economic domination and the U.S. military bases have isolated the U.S.-Aquino ruling clique from the people.

The socioeconomic crisis has limited the ground for amicable settlement of differences among the major political factions of the exploiting classes, notwithstanding a recent hypocritical nonviolence pact among them. The isolation of the ruling clique from the people by its own puppetry, corruption, incompetence, brutality and mendacity has resulted in the continuous breakup of the coalition of forces that placed Aquino in power through extralegal means in 1986, in the further

fragmentation of the AFP and in the increasingly violent struggle for power among the reactionary political factions.

Within the ruling clique itself, there is grave unease on the part of the chief executive in the face of the un concealed ambitions of defense secretary General Ramos and the speaker of the House of Representatives Mitra to take over the seat of power. As a political rival, General Ramos is feared because he poses the threat of a coup d'etat under the guise of a counter-coup.

In addition to highly visible opposition leaders like Senate President Salonga (Liberal Party), Senator Estrada (Liberal Party) and Senator Pimentel (PDP-Laban) who wish to become president through elections because they lack the armed force, there are opposition leaders who are associated with factions in the AFP and armed organizations outside the AFP and are in bitter contention with the ruling clique. These include Senator Enrile (Nacionalista Party) and Eduardo Cojuangco (Filipino Party), a major crony and political heir of the late President Marcos.

The ruling clique has been in mortal fear of being overthrown by a coup d'etat, especially since the coup attempt in December 1989. The fear of coup attempts and protest mass actions has compelled the ruling clique to deploy to the national capital region 15,000 combat troops (more than 25 battalions) or one-fourth of the combat effectives of the AFP.

There are, however, as many as five factions in the AFP. These are the Aquino faction (Generals Nazareno, Filart, Flores and Biazon); the Ramos faction; the Enrile faction called Reform the Armed Forces Movement (RAM), headed by Col. Honasan; the Marcos faction called Soldiers of the Filipino People (SFP), headed by General Jose Maria Zumel; and the Young Officers' Union (YOU) which has assumed an anti-imperialist posture and seeks to ride on the discontent of the ill-paid troops.

There is grave demoralization within the AFP and widespread mutual distrust among the officers and men. The establishment of the Counter Intelligence Command co-equal to and separate from the Intelligence Services of the AFP in order to check loyalty and conduct witchhunts has aggravated the demoralization resulting from such factors as factionalism, coup attempts, corruption, low pay, rising casualties, brutality and others.

Although a quarter of AFP combat effectives have been deployed in the national capital region, the ruling clique is so unsure of the faction-ridden AFP that it can only trust the so-called yellow army and the Marcial Bonifacio Brigade, the private forces sworn to keep Aquino in power.

II. Lead the Masses, Launch the Offensives

The current objective conditions in the country are favorable for the

revolutionary forces and people led by the Communist Party of the Philippines to advance boldly and win greater victories. There is a revolutionary flow similar to that of the 1983-86 period. The Party must lead the masses and launch the offensives.

To ensure its leadership in the revolutionary mass movement and keep it on the correct course, the Party must ceaselessly propagate the basic principles of Marxism-Leninism in both theoretical terms on the basis of the teachings of the great communist leaders and in practical terms on the basis of the ongoing social crisis and revolutionary struggle; arouse, organize and mobilize the masses according to the general line of the national democratic revolution; and recruit the advanced elements in the mass movement and various spheres of work to become Party members and serve as the core of the revolution.

The Party must build on the ideological, political and organizational strength it has accumulated, must rectify the errors and shortcomings in every field and overcome these in order to advance the revolution. These tasks must be carried out at the same time that the revolutionary forces are carrying out offensives in response to favorable circumstances and popular demand.

The Party must ensure that all aspects and requirements of the revolutionary movement are taken into account and there is a well-balanced development of the movement by educating the Party cadres and members and organizing

them within the New People's Army, other revolutionary and progressive organizations and in the localities.

Two types of offensives must be launched: armed tactical offensives in the countryside and gigantic mass actions in the national capital region and other urban areas. Through armed tactical offensives, the Party, the NPA and the people acquire the arms for seizing political power. Through gigantic mass actions, the people of the entire country are aroused and mobilized. From both types of dramatic actions, the Party, the New People's Army, the National Democratic Front and other revolutionary forces draw more strength.

Some of the highest officials of the reactionary armed forces, especially the outgoing AFP chief of staff General de Villa, have publicly declared the futility and failure of the "total war" policy of seeking to destroy the people's army and its political mass base before 1992. They blame the socioeconomic and political crisis, especially the lack of social reforms and the violent factionalism within the AFP for the failure to defeat the armed revolution. They are frank if only to put the blame on Aquino.

Despite the hefty increase of AFP troop strength from 160,000 in 1986 to more than 200,000 in 1990, the maximum capacity of the enemy has been limited to 60,000 combat effectives in more than 100 maneuver battalions (77 in 1986) concentrating on certain areas of ten to twelve out of the more

than sixty guerrilla fronts of the armed revolutionary movement. The ratio of support troops to combat effectives is 3.3 to 1. This ratio is low and straining. AFP effectiveness is further reduced by such factors of demoralization as the detention of hundreds of officers and men and the internal witchhunts and atmosphere of distrust.

Where the enemy forces have concentrated and tended to stay for a long period of time (one, two or three years) in order to carry out "gradual constriction" or "clear-hold-consolidate-and-develop," they are at the most able to perpetrate the worst forms of human rights violations, drive out the people's army temporarily and cripple or destroy the revolutionary organizations, often through the forced mass evacuation or strategic hamlets.

But even in such areas where the enemy forces can exercise superiority in military terms, the people's army and the people have been able to fight back in certain ways. The enemy forces can react in any way, stay longer or leave the areas. If they stay longer, they leave wide open other areas in the same guerrilla front and other guerrilla fronts. If they do not stay long, they go away frustrated and with losses.

On a nationwide scale, the people's army has proven to be indestructible and continues to accumulate strength as it relies on the people and their all-rounded support and flexibly uses the guerrilla tactics of concentration, dispersal and

shifting, depending on the circumstances.

The enemy wants a war of quick decision which is appropriate to his strategic superiority in purely military terms. The unwavering strategy of the people's army is protracted people's war, relying on a wide and deepgoing mass base and accumulating armed strength through tactical offensives or battles of quick decision.

At this time, at least a quarter of the combat effectives of the enemy are deployed in the national capital region and they are as demoralized as those combat effectives spread out in the vast countryside. The redeployment of the enemy forces is as demoralizing and self-defeating as it is due to the crisis of the system, the coup threat arising from the factionalism within the AFP and the growing mass protest actions.

The New People's Army has now the opportunity to launch tactical offensives at an accelerated rate in the rural regions outside the capital region. Under the leadership of the Party, the General Command of the New People's Army with the assistance of the territorial Party commissions, regional Party committees and regional commands can identify the major targets for ambushes, raids, sabotage and arrest.

Campaigns can be planned in advance along general lines by the higher Party leadership and higher commands on the basis of the best possible available information but can only be operationalized by the lower

Party leadership and lower commands in direct charge of the effective units, be they groups, squads, platoons, companies or any larger combination for offensive operations, unless an operation is important and crucial enough to be paid the closest special attention by a higher command.

While the call is for launching armed tactical offensives at an accelerated rate, the Party together with the NPA must have an overall view of the situation of our side and the enemy's, the various aspects of our situation and the various requirements for all the revolutionary forces to advance and for the people's army to accelerate its offensives.

The Party and the NPA are distinct but not separate organizations. It is wrong to make the organs of the two completely identical because for the comprehensive Party organ to be preoccupied with leading the military work would narrow the view of the Party. But it is also wrong to consider the NPA as separate from the Party. The NPA has been the main mass formation led by the Party and has been the principal means by which the Party has reached and organized the masses on a wide scale in the countryside.

As a distinct organization for fighting the enemy, the NPA has a self-propulsion for raising higher the standards of command, unit designation, politico-military training, operational ability and technique, and logistical requirement. It is the comprehensive leading role of the Party to ensure the

well-balanced development of the NPA as well as the entire revolutionary movement on the basis of available personnel, resources and circumstances of the current general stage and specific phase of the revolutionary struggle.

On a nationwide scale, the Party, the other revolutionary forces and the people in the guerrilla fronts have been able to withstand the assaults of the enemy, preserve their strength, make up for losses somewhere with gains elsewhere, recover previously abandoned areas, temper themselves and further strengthen themselves by taking the initiative against the enemy.

Armed tactical offensives can run as far as they can succeed; and the increased number of arms can be redistributed in a balanced way among the sustainable bigger fighting units, smaller local units and the militia. The Party must also accelerate the education and organization of the masses and the recruitment of Party members. New gains made must be consolidated and redeployed for widespread and intensive guerrilla warfare. The enemy must be made to bleed in as many parts of his body as possible although head blows can be delivered whenever possible.

In combination with the revolutionary armed struggle, land reform must be carried out among the peasant masses; the mass organizations of workers, peasants, youth, women, children and cultural activists must be formed; and the local organs of political power must be built, with working

committees for mass organization, public education, health, land reform, production, finance, public security, arbitration, cultural affairs, ecology and the like to assist them.

Still greater effort must be devoted to further accelerating the expansion and deepening of the rural mass base of the armed revolution. Continuously raising the political, organizational, economic, cultural and military level of this mass base is crucial to the consistent advance of the guerrilla warfare and the development of the requirements for higher levels of revolutionary warfare.

The National Democratic Front has recently held its congress. This is a step forward in the revolutionary movement. The NDF is the most consolidated united front organization of the basic forces for armed revolution. At the same time, it may be regarded as the preparation and prospective support for the democratic coalition government of the future.

As the leading party in the coalition that is the NDF, in the broad united front and in the entire revolutionary movement, the Communist Party of the Philippines must encourage the national leadership of the NDF to form national committees or groups for studying national issues and formulating policies and tasks; and to shadow, criticize and oppose the policies of the reactionary government and its various departments.

The NDF should work for the organization and strengthening of its own territorial councils, the organs of political power and the underground

mass organizations at various levels and formulate policies and guidelines pertaining to them.

The NDF is not yet the people's government, although it has been mandated to represent all the revolutionary forces led by the Party in peace talks with the reactionary government. The people's government at the national level is likely to be preceded by a sequence of the following: the NDF, a people's consultative assembly and the provisional revolutionary government.

The revolutionary party of the proletariat is in charge of governance wherever and whenever the functions of government are not yet passed on to the representative organs of political power. Even when and where these organs of political power are established, the Party is always at their core and exercises the role of leading party through political initiative, democratic discussions and conscientious work and not by any rough bureaucratic overlordship or style.

The leading organs of both the CPP and NDF at every level have to consult each other periodically and whenever necessary, if there are new major initiatives or if a contradiction is likely to arise among CPP and NDF cadres, because it is the Party that is the effective leader of the revolutionary movement and is at the same time a member-organization of the NDF.

The Party is confident that the NDF can develop as a distinct united front organization, accumulate strength and

perform functions that are definitely its own and engage in mutual support and cooperation with the Party. The NDF can further broaden the united front by seeking to build or attract more member-organizations or more easily by engaging other organizations in bilateral or multilateral relations through the formation of consultative and coordinative bodies or liaison groups.

Just as there is a call for accelerated armed tactical offensives in the countryside, there is also a call for gigantic mass actions in the legal arena. The broad masses of the people want these in order to exercise their power, resist the much-worsened conditions of oppression and exploitation and aim for a better life in terms of national independence, democracy, prosperity and justice.

The "total war" policy of the U.S.-Aquino clique has sought to repress, discredit and isolate the legal democratic forces of peasants, youth, women, teachers, workers, other professionals and patriotic businessmen. But their progressive organizations have stood their ground and further strengthened themselves. As in the final years of the U.S.-Marcos regime, they are once more at the forefront of the mass actions against the U.S.-Aquino regime.

So long as the Aquino ruling clique remains insensitive to the protests and demands of the people and continues with policies and actions that are extremely oppressive to and exploitative of them, the broad masses of the people

will continue to launch mass actions which will grow in frequency, magnitude and intensity.

It is highly probable that the ruling clique is ousted or forced to resign before the end of its tenure. The moment the legal democratic forces mobilize 100,000 of their members from Metro Manila, Central Luzon and Southern Luzon for a centerpiece mass action around the presidential palace and Malacañang park, hundreds of thousands more people would spontaneously join. These can also be augmented by the mass following of the anti-Aquino reactionaries. Aquino could then be compelled to make a decision about stepping down or make the worst mistake of her life which is to attack the people.

It is also possible for General Ramos to use his designation as deputy commander-in-chief to make a coup under the pretext of countering a "coup" or "anarchy." After being flattered by Aquino that he is her preference over Mitra as presidential successor, General Ramos is rankling over the fact that his Philippine Constabulary is being dissolved under the new department of interior and local government and that his officer loyalists and special action forces are being disintegrated. He is now instigating the signature campaign for the resignation of Aquino and his draft to become president.

The legal democratic forces are not deterred by any fear that Aquino, Ramos or any military group would impose a

regime more draconian than what now exists. The people are moved by just and reasonable demands arising from their hardship and suffering. They cannot forget the mass movement and the people's uprising which undercut and finally overthrew the Marcos regime. They understand that the legal democratic forces gain in strength as they engage in mass actions.

Moreover, these mass actions and the coup jitters of the regime tie down a large part of the armed forces in the urban areas and trunklines and allow the people's army and other revolutionary forces to win victories in the countryside and accumulate the armed strength for the ultimate seizure of political power, possibly within the decade.

One more force that can help to tie down a large part of the reactionary armed forces in the urban areas and trunklines are the armed city partisans. They can intensify the selective operations to punish the worst enemies of the people and sabotage installations whose destruction does not harm the people.

The armed city partisans should allow the gigantic mass actions to develop and avoid giving the enemy a chance to attack the legal democratic forces either by means of brutality or propaganda. The offensive actions by the armed city partisans should be supportive but not openly linked to any mass action in accordance with the line that legal and defensive struggle is the principal form of struggle in the urban areas.

Success in the legal democratic movement is measured by the increase of people's participation in mass actions. When physically attacked by the police and military troops, the unarmed rallyists are clearly seen as victims and gain wider sympathy from the people. But if some armed elements insert themselves into the ranks of demonstrators, the enemy can launch a brutal attack and try to gain the propaganda advantage. Therefore, the legal democratic forces have to marshal and secure their ranks.

The reactionary opposition leaders who have signed with Aquino the so-called nonviolence pact expect that her regime will continue to rot at a rapid rate that would either compel her to call a snap presidential election in 1991 or end her term in disgrace with the 1992 elections. They are already preparing for either possibility and wish to keep intact the system that they expect to rule.

The legal democratic forces should also be prepared for the electoral struggle at any time. They can form an electoral alliance and formulate their own program to distinguish themselves from all reactionary parties; and yet they can further form alliances with the less reactionary parties on a minimal program in order to improve the chances of having a significant number of progressive candidates elected.

Improving their chances means gaining access to more people, frustrating the fraud and terrorism easily employed by the reactionaries against

progressives in a narrow alliance and maximizing the value and effect of their meager material resources.

The Communist Party of the Philippines cannot participate in the electoral struggle because in the first place it is illegal and banned from doing so. But it does not stand in the way of legal democratic forces and does not prevent or discourage them from getting a share of the reactionary government in order to criticize and oppose the reactionary policies, make patriotic and progressive demands and push major reforms. At the same time, the Party will continue to consider elections as a farce for as long as the electoral process continues to be controlled, manipulated and dominated by the politicians of the exploiting classes.

To engage in any legal form of struggle, be this a protest mass action, electoral campaign, work within a reactionary institution or legal defense for a detained revolutionary, is to take into account the dominance of the reactionaries. The difference between the revolutionary or progressive and the reformist is that the revolutionary or progressive criticizes and opposes the reactionary system and does not think that the system can be fundamentally changed from within although he tries to push basic reforms if only to help arouse, organize and mobilize the masses; and the reformist consistently thinks that a series of reforms can gradually and peacefully effect a fundamental change of the reactionary

system or that basic reforms can be achieved only through that system.

Once more the struggle for a just peace has assumed some prominence after the failure of the 1986-87 peace talks between the reactionary government and the NDF.

It must be made clear to all that it is the constant line and policy of the revolutionary movement to fight for a just peace. The optimum condition for a just and lasting peace is the total victory of the national democratic revolution and the solution of the basic problems of the people.

But short of winning total victory, peace talks are desirable and necessary under certain conditions such as when they are to facilitate the further advance or total victory of the revolution, when there is need to strike an alliance with the adversary in order to confront a bigger and worse foe, when there is a reasonable chance for major social reforms to be agreed upon and when the revolutionary movement wishes to demonstrate its just and reasonable position against the peace pretense of the enemy.

The sincerity of the revolutionary movement in peace talks is not measured in terms of willingness to surrender its arms and end the armed revolution. It is measured in terms of demanding the solution of the basic national and social problems which lays the ground for a just and lasting peace. As a matter of fact, it is necessary for the revolutionary forces to intensify the armed struggle

and other forms of struggle in order to compel the enemy to negotiate seriously and agree to the substantive agenda demanded by the people.

The Aquino ruling clique may or may not be interested in serious peace talks. It may only be pretending to be interested in peace talks in the vain hope of riding out the currently raging social crisis, preventing the expansion of the alliance against the regime, splitting the revolutionary movement or winning across the table what cannot be won in the battlefield.

It is the Aquino regime's own lookout if it underestimates the social crisis and the wrath of the people and refuses to engage in peace talks abroad on the basis of a mutually satisfactory framework, whose main feature is the substantive agenda that addresses the roots of the civil war.

Even if the regime refuses to engage in peace talks, gains have been made by the NDF in clarifying the substantive issues and proper framework of negotiations, in stimulating the broadening of the united front along the line of a just and lasting peace and in winning recognition and support for its just and reasonable side from the broad masses of the Filipino people and from the international community.

The Party is encouraging all forms of legal struggle that uphold, defend and promote the national and democratic rights and demands of the people and is seeking to draw into the fold of the Party, the NDF and NPA the most

advanced elements in the legal democratic forces.

The spiralling interaction between the revolutionary armed struggle and the legal democratic movement is absolutely necessary in advancing the revolutionary cause of the Filipino people. The armed struggle is the main form of struggle because it is the way to smash the main component of reactionary state power and settle the central question of revolution which is to seize political power from the exploiting classes. But the armed struggle cannot succeed without the interactive support of the urban-based legal democratic movement and the painstaking mass work in the countryside.

We are well aware of our current strength. The struggle against the U.S.-Aquino ruling clique can result in our further strengthening. But let us have no illusion that the ouster or forced resignation of this clique can suddenly bring about total victory in the national democratic revolution. More time and effort are needed to accumulate the victories and strength for the final offensive towards total victory in the people's war.

III. The World Crisis Worsens

The crisis of the world capitalist system continues to worsen. It is the crisis of overproduction afflicting the old industrial capitalist countries, the newly-industrializing economies, the

general run of underdeveloped third world countries, the former socialist countries and the socialist countries.

The glut in both industrial products and raw materials is problematic to every country in a world still dominated by capitalism, especially now that there is a trend of capitulation among countries previously strong on anti-imperialism and socialism. Certainly, there is want and misery among the people in most countries but the profit-making law of capitalism does not permit the equitable distribution of what can be produced by the available means of production.

To push the buildup of productive capacity and sale of surplus products, the financial credit system has been extremely abused. Every attempt to control the inflation and the loans that cannot be paid leads to a recessive trend and exposes the limits of the capitalist world market.

Under the Reagan administration, the United States engaged in high speed military spending and heavy importations for its overconsumption and lagged behind in the production of tradeable goods. The United States has thereby accumulated large amounts of budgetary and trade deficits. It has become the largest single-country debtor. It cannot solve its grave financial problems and stop its industrial decline if it does not revive its capacity to produce tradeable goods, promote its own exports and restrict imports. Its accumulated financial problems restrict its drive to expand production.

If the United States were to rise from its industrial decline, its subsequent problem would be where to accommodate the exports of Japan, Western Europe and the newly-industrializing countries. The bulk of these exports has long been going to the American market which is now becoming restrictive. The general run of underdeveloped third world countries have overloaded and exhausted themselves with foreign loans for the overconsumption of the few, infrastructure and building an overcapacity for raw-material production.

Because of the world glut in raw materials, the countries of the South suffer from depressed prices of their kind of exports, cannot pay back the loans and cannot be a widening market for the surplus manufactures of the capitalist countries. The raw-material glut makes the South the worst victim of the capitalist crisis of overproduction.

The roots of the Persian Gulf crisis are the pro-Zionist and anti-Arab security scheme and economic interests in oil of the U.S. The U.S. and Britain have used Kuwait in an economic squeeze on Iraq to subordinate her independent military capability to the U.S. security scheme.

Iraq has taken action on Kuwait as a result of Kuwait's demands for loan payments and refusal to account and pay for oil overpumped from the Rumaila oilfield and to reduce oil production for the purpose of raising oil prices to a certain level.

The oil glut and its effects are upsetting the internal conditions and external relations of oil-producing countries, as well as socioeconomic conditions in the world, especially in the South. What appears to be an issue between Iraq and Kuwait involves the U.S.-led Western alliance wishing to aggrandize its security and oil interests and threatening to go to war with Iraq.

The price of oil is increased because production is now cut in both Iraq and Kuwait. And the U.S.-led Western alliance and some other countries threaten to go to war with Iraq.

China has contributed to the glut in some raw materials and in Hongkong-style manufactures (textiles, garments, toys and semiconductors) in the capitalist world and is already being hit back by the glut. Japanese and Western creditors are trying to ply China with foreign loans mainly for infrastructure projects and consumption. But if China is determined to further build its industrial capacity and succeeds, then the advanced capitalist countries and newly-industrializing economies can find the world market for their manufactured exports even tighter.

Albania gets into economic trouble when it cannot sell its copper at a good price; and Cuba when it cannot sell its sugar at a good price. And, of course, the Philippines has been adversely affected by the glut in copper and sugar relative to effective demand in the capitalist world.

Even as they are fully converted to capitalism, all the East European

countries have no competitive exports to make in the West and are now faced with the problem of paying hard currency for fuel at world market prices. Most of them have been overloaded with foreign loans for consumption and for building enterprises that are now in a state of dilapidation and bankruptcy. Although they have become outrightly capitalist, they are in no position to absorb the surplus manufactures of the more developed capitalist countries.

The Soviet Union ought to be the most recent big catch of the world capitalist system and the most promising buyer of surplus manufactures and loan-client if only its oil production were doing well. Oil is one commodity that is still in more demand than other raw materials. And the Soviet Union is not yet suffering from a huge debt burden simply because in the course of the Cold War the United States blocked any Soviet borrowing beyond its current debt, mostly from West Germany.

Unfortunately, Soviet oil production is going down. There is no assurance that it can pay for the high-tech consumer and producer goods it wishes, unless more foreign investors move in to invest in oil exploration and production. Chevron is already in the biggest Soviet oilfield.

Among the best known "achievements" of perestroika (economic restructuring) are the promotion and enlargement of the private "cooperatives" that buy cheap and steal products from the state

enterprises and collective farms, hoard and corner them but sell dear to the people in the free market; and the general breakdown of the economy which is now reduced to begging for food aid abroad.

Among the best known "achievements" of glasnost (openness) are the unbridled ideological and political attacks on the basic principles of socialism and the rise of capitalism, nationalism, the ethnic conflicts, religion, anarchy, organized crime and, last but not least, the autocratic presidential powers which Gorbachov has gotten formally in lieu of the constitutionalized leading role of the communist party. The Soviet Union now is threatened by disintegration and is fighting for its very survival.

In foreign policy, among the best known "achievements" of "new thinking" are the overthrow of the revisionist regimes in Eastern Europe; the disintegration of the so-called socialist bloc, the Council for Mutual Economic Assistance and the Warsaw Pact; the withdrawal of support from "fraternal countries and parties"; and the emergence of the Soviet Union as some kind of a new junior partner of the United States, especially in the current Gulf crisis.

The Soviet Union and Eastern Europe are assuming the characteristics of the underdeveloped third world countries as many of their industrial enterprises are being privatized or going into bankruptcies; and the state and

collective farms are being broken up and privatized. East Germany (because of German unity) and Czechoslovakia (because of its good industry) can benefit most from conversion to capitalism after a difficult period of transition but only because they can participate in the exploitation of most of the Soviet Union and Eastern Europe. But the Soviet Union can still continue to exploit most of Eastern Europe.

It may be astonishing to some people in the Philippines that certain countries acclaimed as socialist "suddenly" become capitalist. Filipino progressives, including communists, may be flabbergasted that capitalism is touted as the superior choice by the new rulers of these countries, despite the historical and current ravages of capitalism in the Philippines, Latin America and the rest of the underdeveloped third world.

In Eastern Europe itself, especially in Yugoslavia, Poland and Hungary, the private and bureaucrat bourgeois and rich peasant sector of the economy and politics have been blatantly exploitative and the state has been collaborating with the foreign multinational firms and banks since a long time ago, even while the regime still carried the signboard of socialism.

There are some general explanations as well as specific ones per country for the "sudden" collapse of the revisionist regimes in Eastern Europe and for the ongoing disintegration of the one in the Soviet Union.

The socialism that mankind has so far seen in world historical terms is early

socialism. It can be neither called premature or utopian for the simple reason that such socialism arose from the capitalist world in repeated grave crises and world wars, and took hold of a wide extent of population and territory in countries that had been economically and technologically backward in general. Up to now, the countries that continue to affirm themselves as socialist are still formidable.

Early socialism like any new historical force is still vulnerable to its own weaknesses in terms of objective and subjective factors and to counterattacks by a still world-dominant capitalism. The odds against early socialism are tremendous. Not only is the economic and technological level it inherits from the past backward but it has to overcome the damage wrought by world war or civil war. Then, the military encirclement and aggressive acts and economic and technological blockade by imperialism follows.

The achievements of early socialism have been great, especially if we consider the tremendous odds. These have been possible because of working class leadership, the concentration of will and resources through the revolutionary unity of the people, the eradication of big bourgeois and landlord exploitation and centralized planning.

But good things can run into their opposite where they become either excessive or inadequate under certain conditions. If there is a single-party

system, even the anti-socialist elements will do everything to join the single party because it is the only way to climb the social and political ladder.

If that party includes only a small part of the population, then it is susceptible to becoming isolated and attacked as privileged. Worse, the party and the state it rules actually become afflicted with bureaucratism and become divorced from the people and the mass movement. The bureaucratism in the ruling party and state can also be transmitted to the official mass organizations, the economic organizations, the schools and other institutions.

The bourgeoisie can reemerge through the bureaucracy and gain the upperhand over the revolutionary proletarians. It can increase its power and privileges above the heads of the people. When professional and technical competence is stressed over and above revolutionary commitment to the proletariat and the people as qualification for party membership, the ruling party in due course—although still calling itself proletarian—becomes dominated by elements who have contempt for the proletariat and the peasantry.

After basic industries are established and agriculture becomes more productive, due to socialist relations of production, it is erroneously declared that there are no more classes and no more class struggle in society. Thus, the ruling party becomes blind to the

growing bourgeois-minded elements within its own ranks.

Under the line of no more classes and no more class struggle, the proletarian class commitment becomes more abstract to the youth. They tend to adopt the attitude of petty bourgeois universalism as they aspire to become the privileged bureaucrats. The revolutionary cadres in the ruling party and the state as well as in the mass organizations, industrial enterprises and farms become swamped by nonproletarian functionaries.

When the call is made to catch up with the West, it actually becomes the occasion for the full-grown bureaucrat bourgeoisie to emulate the West in all respects and to adopt the capitalist-oriented reforms to "renew" or "perfect" socialism. To rationalize these so-called reforms, the anti-socialist elements hark back to the concessions given to the private sector in the period of transition soon after the seizure of political power.

Knowing such internal developments in early socialist countries, the U.S. and other capitalist powers stimulate these by offering trade and loan concessions on the condition that there is bourgeois liberalization of the economy and politics.

Socialism is undermined and destroyed when the ruling class is no longer the proletariat but a new bourgeoisie and the ruling party and the state have changed class character even if these are still called communist and socialist, respectively; and when corrupt

bourgeois bureaucrats and the private sector collude in milking the state or public sector that has its enterprises and farms autonomized and profit-motivated, no matter how large the state or public sector may still appear on the surface.

The ideological and material resurgence of capitalism or the undermining of socialism in Eastern Europe and the Soviet Union and other countries have occurred for several decades. It did not occur overnight. There has been a protracted process of peaceful evolution towards the restoration of capitalism.

In the Soviet Union, the restoration of capitalism was first promoted in a big way by Khrushchov. He started to autonomize the industrial enterprises and the managers and workers in profitable enterprises were pleased by bigger pay and bonuses at the expense of other enterprises and the whole economy. And he gave to the managers the power to hire and fire. Those who became disemployed had to employ themselves in the informal economy. In agriculture, he expanded the private plots and started to lease land to so-called groups of peasants. He encouraged the free market where privately produced goods as well as stolen or smuggled goods were sold.

Under Brezhnev, the Khrushchovite "reforms" were pushed further. In fact, the privateers and corrupt bureaucrats became far bigger as they thrived on the free market where the real products of

petty producers as well as stolen goods from the public sector were put. The close relatives of Brezhnev became notoriously linked to criminal syndicates in the private sector.

But under Brezhnev, under the cover of revolutionary phrasemongering, there was also a recentralization of financial resources and industrial enterprises needed for the arms race. So, the Soviet proletariat and people were victimized by two kinds of suction pumps: that of the enterprise managers and privateers in the free market and that of the central state in the arms race. The economic surplus that should have gone into expanding and retooling the civil economy and the production of more and better consumer goods went into military production.

So far, the unique contribution of Gorbachov to the development of capitalism in the Soviet Union is the legalization and enlargement of the operations of the privateers in the form of "cooperatives." To put the Soviet Union on a complete capitalist footing, there are plans to privatize state industrial enterprises, break up the remaining state and collective farms and legalize private ownership of land.

During the first five years of Gorbachov, the capitalist powers have been pleased about glasnost encouraging unbridled attacks on the fundamental principle of working class leadership and the basic principles of socialism; and about perestroika promising to come out with the laws to promote the

privatization of industry and agriculture, open the market to foreign goods of all sorts and provide the foreign multinational firms and banks the guarantees and privileges which they seek.

In most of Eastern Europe, there were more weaknesses of early socialism than in the Soviet Union. It was practically the Soviet Red Army which installed the ruling parties. These parties were overnight mergers of communists and noncommunists. They had ample time to make socialist revolution and construction. But in most of the East European countries, the rich peasants and other petty commodity producers persisted. Nationalism and religion have always been strong rallying points against the presence of Soviet troops and against the communists.

The political contradictions between the Soviet Union and the Eastern European countries have long festered. The ruling revisionist cliques were changed or propped up by the Soviet Union, sometimes with the blatant use of force. So, when Gorbachov declared that the East European countries and people could decide as they pleased, it was time for them to undo the socialist facade.

There have also been long-running mutual recriminations in economic relations between the Soviet Union and Eastern Europe. The Soviet Union multiplied and supplied shoddy and inefficient productive equipment of pre-World War II technology (especially

because too much of any Soviet economic surplus went to the arms race) but demanded too much of the industrial or agricultural products as repayment for the equipment and fuel supplied. On the other hand, starting in the seventies, the Soviet Union resented that oil was priced high in the world capitalist market but supplied it cheaply to Eastern Europe.

However, even while the Soviet Union determined the course of political affairs, the East European countries were allowed to promote the private sector in their economies and to develop economic relations with the capitalist powers. Thus, Poland and Hungary freely took the road of Yugoslavia.

On the surface, there is definitely an enlargement of the capitalist world through the economic and political reconquest of some socialist countries. But mindful of the crisis of overproduction in the capitalist world, even before the conversion of some socialist countries to capitalism, the capitalist powers are not in a hurry to make big direct investments and deliver new technology for retooling and reviving the industries in Eastern Europe and the Soviet Union. There is already a glut in industrial products in the capitalist world.

The capitalist powers are not in a hurry to extend further loans to promote the sale of industrial equipment and consumer goods. With the exception of Czechoslovakia, the East European countries had already overborrowed

before. They have no means of repaying. The international credit system has been abused too long. As a matter of fact, debts in the third world and Eastern Europe have already threatened the financial and economic stability of the capitalist world.

The strategy of the capitalist powers is to let the industrial enterprises in East European countries and in the Soviet Union go bankrupt first so that it shall be easier for the foreign monopoly firms to take over the lines of production and businesses and time is gained for extracting the laws most beneficial to foreign investors. Only the most profitable enterprises in Eastern Europe are being taken over by the foreign multinational firms in collusion with both the new bourgeois rulers and the now barefaced bureaucrat capitalists.

With the exception of the highest bureaucrats in the fallen regimes, who are held responsible for the economic crisis and political repression, it is still the bureaucrat revisionists of the former ruling party and the former state who are ahead in taking advantage of the economic and business opportunities for the private sector. They have the education, administrative skills and inside track. It is therefore clear why they themselves wanted the collapse of the shell of socialism in conjunction with the barefaced counterrevolutionaries as well as the aggrieved people in the mass actions that toppled the ruling party.

But now, the economic lot of the people is characterized by widespread

unemployment, hyperinflation, aggravated food shortages, loss of free social services and everything else in the further deterioration of the economy. In the political sphere, all sorts of monsters are thriving, including ethnic conflicts, fascist movements, racism, organized crime and so on.

Another way of describing the conversion of some socialist countries to capitalism is that most of them have joined the ranks of underdeveloped countries, despite the previous building of basic industries and raising of agricultural productivity up to the sixties. In time to come, the people in these countries will rise again to condemn and reject the blatant restoration of capitalism and class dictatorship of the bourgeoisie.

There are at least three lessons to learn from the disintegration of early socialism in Eastern Europe.

One lesson is that the working class party can take and hold power only on the strength of the revolutionary mass movement and should not allow itself to be divorced from the people through bureaucratism. When the ruling party is alienated from the people, the mass movement arises to overthrow it in due time. The mass actions can be constituted and driven by sheer grievances and can be led or taken advantage of by counterrevolutionaries as happened in Eastern Europe.

Another lesson is that it is not enough to have national freedom from foreign domination and class freedom from the

exploiting classes. It is necessary to develop the level of individual freedom and public participation within the anti-imperialist and socialist framework. But to develop this level of freedom outside the anti-imperialist and socialist framework is to bring back the domination of capitalism and reaction as the bureaucrat revisionists have done.

Still another lesson is that concessions to the private economic sector in the period of transition should not be retrogressed to after the socialist transformation of the economy. Capitalist-oriented reforms do not renew or perfect socialism but undermine and destroy it in the end. The promotion of the private business sector breeds a social base for capitalist counterrevolution and bureaucratic corruption.

But what remains of early socialism and the more widespread factors of socialism elsewhere, including the national democratic revolution with a socialist perspective in the Philippines, have no choice but to fight imperialism and all reaction, learn lessons from the subversion of socialism and the fall of revisionist regimes and take advantage of new conditions arising.

The cause of proletarian revolution and socialism had met bigger setbacks before. It took 46 years from the defeat of the Paris Commune in 1871 to the victory of the Bolshevik Revolution in 1917. Then, fascism destroyed working class parties in Europe and Nazi Germany wrought havoc on the Soviet Union and killed 20 million Soviet

people. But in the wake of World War II, several socialist countries arose.

The restoration of capitalism in Eastern Europe and the ongoing turmoil in the Soviet Union do not really strengthen the world capitalist system but merely increase the number of its victims who are impelled to resist. In the long run, the proletariat and the people of the world are bound to rise up against the ever worsening crisis and escalating oppression and exploitation

and win greater victories at a new and higher level of revolutionary struggle.

Early socialist societies and the factors of socialism (including the ineradicable working class) continue to exist on a wide scale. The existence, exploitativeness and crisis of capitalism guarantee the resurgence of socialism at a new and higher level, with lessons learned from errors and failures and with new conditions arising to favor socialism. □

Central Committee
Communist Party of the Philippines