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AUG 2 1997

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

**Intensify Guerrilla Warfare
According to Capabilities;
Message to the New People's Army**

**Northern Mindanao Communiqué
on the Rectification Movement**

***Inside China: The Ten-Thousand-Character Statement:
Factors Affecting China's Security***

**Comment on Robert Weil's Article,
"China at the Brink:
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**Number 2
Series 1997
April-June
English Edition**

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Articles and communications may be sent directly to the Editorial Board of *Rebolusyon* or coursed through any organ or unit of the Communist Party of the Philippines.

Published by the Central Publishing House, Luzon, Philippines

INTENSIFY GUERRILLA WARFARE ACCORDING TO CAPABILITIES

Message to the New People's Army

**By Armando Liwanag
Chairman, Central Committee
Communist Party of the Philippines
March 29, 1997**

As we celebrate the 28th anniversary of the establishment of the New People's Army, we congratulate the Red commanders and fighters for their heroic revolutionary struggle against the enemy and for all their victories in carrying out the rectification movement and in serving and forging closer links with the people. Our victories are the fruit of hard work, struggle and sacrifices.

The New People's Army as the main organization under the absolute leadership of the Communist Party of the Philippines is a military, political, productive and cultural force. Distinguished from other mass organizations, it is a politico-military force. In accordance with the Party's call for raising the armed revolution to a new and higher level, the New People's Army is directed to intensify guerrilla warfare on a wide scale, on the basis of an ever expanding and deepening mass base.

Five years have passed since the launching of the rectification movement in 1992. The two-line struggle between the proletarian revolutionaries and the counterrevolutionary opportunists has served to weed out the incorrigibles and renegades and to strengthen all the revolutionary forces in an all-round way. On a nationwide scale, the mass base has been expanded and deepened in comparison to the dismal situation in the 1988 to 1991 period during which the gross damage caused by long-running "Left" opportunist errors became conspicuous and the Right opportunists

wished to take advantage of this in order to liquidate the Party, the people's army and the armed revolution.

The general advance has been made despite the vile attempts of a handful of counterrevolutionary renegades to frustrate the rectification movement and wreck the revolutionary movement from 1992 to 1994. As a matter of course, the advance is uneven in various regions and guerrilla fronts due to varying objective conditions and subjective factors. At any rate, the intensification of guerrilla warfare must always be made according to the capabilities of the revolutionary forces and the particular situation obtaining.

Waging the people's war is absolutely necessary in carrying out the new-democratic revolution. Armed struggle is the principal form of revolutionary struggle. It carries out the central task of the revolution, which is the seizure of political power. The strategic line of encircling the cities from the countryside and accumulating strength through tactical offensives until it is possible to seize power on a nationwide scale allows the Party and the people's army to build Red political power in the countryside even while the counterrevolutionary state is still entrenched in the cities.

As soon as it was established on March 29, 1969, the New People's Army could do mass work and launch tactical offensives in the small radius of the second district of Tarlac. There is no reason why guerrilla warfare cannot be intensified on the basis of the current all-round strength of the revolutionary movement, which is greater than that either in 1969 or 1992. As before, advances in the revolution can be made only with victories in tactical offensives within the current stage of the strategic defensive.

The people demand armed revolution

Since the armed revolution started in 1969 under the leadership of the reestablished Party, the broad masses of the people have

advanced from one level to a higher level of revolutionary resistance and have achieved great revolutionary feats. Their revolutionary determination has risen upon the intensification of oppression and exploitation. The ever worsening chronic crisis of the semicolonial and semifeudal system exacts a heavy toll on them. The broad masses of the people demand armed revolution in order to achieve national liberation and democracy against foreign monopoly capitalism, domestic feudalism and bureaucrat capitalism — now chiefly represented by the US-Ramos regime.

The agrarian and semifeudal character of the economy has aggravated and deepened. The lack of industrial development has resulted in a huge accumulation of unemployment. Wage and living conditions are cut down by chronic inflation and by direct and indirect taxation. The regime has a deliberate policy to deprive the workers of their trade union rights and cheapen labor for the purpose of attracting foreign investments.

The peasant masses suffer the most oppression and exploitation. There is no genuine and thoroughgoing land reform to relieve them of their suffering from rising land rent and soaring costs of production and subsistence. Land is rapidly being accumulated in the hands of foreign and domestic corporations and the traditional landlords. Military and police campaigns of suppression are carried out to grab the land from the poor peasants and ethnic minorities for the benefit of old and new types of landlords and the mining and logging interests.

The middle social strata also suffer from the crisis of the ruling system. Their incomes are eroded by the ever rising level of inflation and taxation. The rural bourgeoisie, the urban petty bourgeoisie and the middle bourgeoisie are adversely affected by the policy of trade and investment liberalization dictated by the imperialists and their multilateral agencies to the puppet regime. Certain sections of the exploiting classes are aggrieved by the drive of the Ramos ruling clique and its favored big compradors

and landlords to monopolize the spoils of office and perpetuate themselves in power.

Contrary to claims of economic growth, the economy is bankrupt. It is bloated by spending for counterproductive activities and overconsumption by a few. This is financed by an ever growing foreign debt and domestic public debt, speculative foreign capital in the stock and bond market, foreign funds in the real estate bubble, proceeds from sale of state assets, income from export of cheap labor and increasing taxation at the expense of the mass of consumers.

The foreign trade deficit is ever widening. Food production and manufacturing for domestic consumption as well as traditional exports are stifled by rising costs of imported inputs and by the dumping of cheaper surplus products from abroad. The favored low value-added manufacturing-for-export entails a huge amount of payments for imported components, and the profits are kept abroad by the multinational corporations and big compradors. Luxury goods (cars and computer equipment) for the exploiting classes and the high bureaucrats are a big drain and are misrepresented as producer goods.

The natural resources continue to be plundered with impunity. Logging for export and overfishing in inland and marine fishing grounds are unabated. Open pit mining combined with high-tech methods accelerates the extraction of mineral resources and causes permanent damage to and pollution of the environment. The regime and its monopoly capitalist masters are utterly unconcerned about the destruction of the lives and livelihood of the people and the pollution and erosion of extensive tracts of agricultural land and make no compensation or indemnification whatsoever for such destruction.

The sale of state assets and the rising tax burden at the expense of the common people have increased the revenues of the reactionary government. But these in turn are being spent for the most

counterproductive purposes. Most glaring are the expenditures for the military and police forces, the so-called modernization of the equipment of such forces, ghost projects in the congressional pork barrel under various names and guises and acquisition of motor vehicles and office equipment. Corruption has reached the most scandalous proportions in the use of public funds, privatization of state assets and sale of national patrimony to the multinational corporations. In the last three years, the illusion of budgetary surplus has been conjured by the delay in the payment of obligations of the reactionary government.

The so-called exit of the Philippines from the restrictive policies of the International Monetary Fund (IMF) in June does not mean financial independence but means sinking deeper into the quagmire of foreign trade deficits, foreign indebtedness, dependence on foreign speculative capital and intolerable tax burden imposed on the people. All these have been caused by such IMF policy dictates as deregulation, trade and investment liberalization and privatization. More than ever, the Philippines remains in the clutches of the imperialists and their multilateral agencies like the IMF, World Bank, World Trade Organization, Asian Development Bank and the like.

In real terms of domestic production, there is a ceaseless deterioration of the economy. And there is the availability of mostly borrowed funds and the shameless culture of corruption among the bureaucrat capitalists. There is consequently more intense rivalry among political factions of the exploiting classes of big compradors and landlords. The economic crisis whips up the political crisis of the ruling system.

There are manifestations that General Ramos wishes to extend his stay in power beyond 1998 or to put in his place his military clone, in the person of his long-time sidekick General de Villa. This is generating public outrage. There is the glaring propensity of the ruling clique to monopolize the spoils of political power.

However, regardless of who shall become the new president in 1998 within the existing ruling system, the oppression and exploitation of the people will not cease but will aggravate. By then, the accumulated and aggravated problems of the system will fall on the head of whoever becomes the chief political representative of the local exploiting classes.

The exploiting classes are united against the people but are factionalized against each other. The factionalization extends to the reactionary armed forces, many of whose officers are themselves politically ambitious and are divided among themselves in running and favoring their own political factions and criminal syndicates. So long as the revolutionary movement is growing and advancing, the reactionary elections expose the bitter rivalries of the reactionaries and are a process of destabilizing rather than stabilizing the system.

The reactionary military and police forces are rotten to the core. The huge amount of money that goes to them is used mainly for the acquisition of equipment and corruption of civil officials and military officers. Thus, the ordinary troops and policemen as well as some officers are disgusted. The truce among the contending factions of the military and police officers under the US-Ramos regime is temporary.

The capitulation of the Moro National Liberation Front (MNLF) to the Manila government has not ended the Moro people's struggle for self-determination. The Moro Islamic Liberation Front (MILF) is carrying on the armed struggle which the MNLF had in fact given up since the Tripoli Agreement of 1976. Nevertheless, the MNLF is still taking advantage of its accommodation with the Manila government to maintain and increase its armed strength.

Christian chauvinist groups are also feverishly arming themselves. As in other parts of the country, reactionary politicians in Mindanao are using the paramilitary forces and their private

security agencies as their own private army in collusion with military officers. With the spread of firearms, the stage is set for more intense and wider armed conflicts in Mindanao and elsewhere.

A great number of enemy troops are tied down in the Moro provinces and in many areas in the country where they are being used in order to push out the poor peasants and ethnic minorities from their land and to serve the landgrabbing operations of mining, logging, real estate and plantation corporations.

Relative to the more than 70 million people in the Philippines and the scale of some 300,000 square kilometers, the existing military and police forces cannot use sheer armed force to quell the revolutionary movement so long as the latter employs the strategic line of protracted people's war and in this period takes initiative and launches tactical offensives within the strategic defensive.

Notwithstanding "Left" opportunist as well as Right opportunist errors pushed previously by the renegades, the proletarian revolutionaries have prevailed in the Party, the NPA and the NDF and the enemy has failed to suppress the revolutionary forces through the US-instigated "low-intensity conflict" strategy. This uses a great deal of psychological warfare to complement military tactics of gradual constriction and forward troop deployment against the guerrilla bases. Exactly when the enemy tried to use renegades to decapitate and liquidate the revolutionary movement, the Party launched the rectification movement to weed out the renegades, rectify errors and revitalize the revolutionary movement.

The clamor of the broad masses of the people for revolutionary change is manifested in the ever growing strength of mass organizations in the urban and rural areas and in militant mass actions against the imperialists and their local lackeys. Among the outstanding protest mass actions in the previous year were those

against the Asia-Pacific Economic Conference leaders' summit and imperialist globalization, the repeated oil price increases, the moves to amend the reactionary constitution in order to make it more repressive and exploitative provisions and extend the term of Ramos, the alienation of the national patrimony, and the violations of the rights of the people, especially the workers, peasants, fishermen, urban poor, women, ethnic minorities, student youth, teachers and others.

The New People's Army and the people in the guerrilla fronts have carried out armed resistance at a level conditioned by the focus of rectification, redeployment and mass work. There have been major actions against military and police forces and antipeople projects of the reactionary state, local tyrants, despotic landlords, all sorts of landgrabbers, logging, mining, real estate and other companies and criminal syndicates.

An outstanding achievement of the revolutionary movement of the Filipino people is that the United States, the strongest imperialist power, and the local exploiting classes have failed in nearly three decades to destroy the revolutionary forces. The prolonged Marcos fascist dictatorship failed. So have the post-Marcos regimes despite pretenses at being civil and democratic.

No further amount of foreign intervention and assistance of whatever kind can enable the counterrevolutionary state to quell the revolutionary movement. Driven by their rapacity and cupidity, the imperialists are doing everything to extract superprofits from the Philippines under the slogan of trade and investment liberalization, increase the foreign trade deficits, increase the debt burden, aggravate the underdevelopment of the country and make the ground more fertile for armed revolution.

The new world disorder, which is the making of the imperialists themselves, will ultimately undermine and weaken them as they intensify the oppression and exploitation of the proletariat and the people and make the crushing debt burden more intolerable for

all their neocolonial client-states. The new world disorder is increasingly reducing the ability of the imperialists to intervene in so many areas of armed conflict in the world. They are themselves becoming increasingly preoccupied with domestic social contradictions and with their own inter-imperialist contradictions.

Although the special partnership of the United States and Japan in the Asia-Pacific region is for oppressing and exploiting the people, these two imperialist powers have serious contradictions between them. The much touted growing economies of East Asia, like the "tigers" and China are subordinated to the imperialists. But their export-oriented sweatshop manufacturing is now faced with recessive economies of the imperialists and their drive to dump their own surplus manufactures.

The flames of the people's war in the Philippines helps to light up the world in transition from the period of imperialist success in the cold war, revisionist betrayal and neocolonialism to a period of resurgence of anti-imperialist resistance and struggle for socialism. We are still in the era of imperialism and proletarian revolution. The new world disorder caused by imperialism is the eve of social revolution on an unprecedented scale.

Fighting tasks of the New People's Army

The central task of the new-democratic revolution is to overthrow the semicolonial and semifeudal ruling system. The principal instrument of the Filipino people and the Communist Party of the Philippines for seizing political power is the New People's Army.

The strategic line of protracted people's war enables the revolutionary forces and the people to gain political power in the countryside and to maintain and expand their influence nationwide even before the nationwide seizure of political power and

even as the enemy is still entrenched in the cities. Since 1969, there has been dual political power in the Philippines. One is Red political power in portions of the countryside and the other is White political power elsewhere.

1. Uphold the absolute leadership of the Communist Party of the Philippines!

The Filipino people must be led by the proletariat in order to complete the national-democratic revolution and then advance to the socialist revolution. Otherwise, the imperialists and the local exploiting classes of big compradors and landlords will continue to oppress and exploit the people in a systematic and all-round way. Neither the urban petty bourgeoisie nor the middle bourgeoisie can lead the democratic revolution to victory. And certainly, neither one is interested in proceeding to the socialist revolution.

The proletariat can accomplish its historic mission of building socialism only through its advanced detachment, its revolutionary party. Otherwise, the proletariat and the people cannot fight in a united and effective way towards the goal of socialist revolution. The Party sets forth the current general line of new-democratic revolution and the aim of socialist revolution. It defines the strategy and tactics of people's war. It ensures that revolutionary politics is in command of the NPA and is in command of the gun and not the other way around. It is at the head and at the core of the people's army.

Having won victory in the rectification movement and defeated the counterrevolutionary revisionists, opportunists and liquidationists, the Party is more than ever qualified to serve as the vanguard of the proletariat and lead the entire people and its army in the armed revolution.

The Central Committee is in charge of the centralized leadership in an all-round way, ideological, political and organizational. But it cannot know all the specific details that are crucial in the

timely operations of the people's army. Thus, there is the policy of decentralized operations under the guidance of centralized leadership and allowing lower Party organs and army commands to take decisions within their respective jurisdiction and according to the concrete circumstances and capabilities of the revolutionary forces.

Since the early '70s when the enemy could blockade the forces of the people's army for extended periods, there has been a fundamental change in the political and technical capabilities of higher and lower organs of the Party and command levels of the people's army to communicate with each other in order to achieve unity of will and coordination. The Party takes the responsibility for availing of the political and technical means to harmonize centralized leadership and decentralized operations and achieve all-round development of the New People's Army.

2. Carry out politico-military training vigorously!

There is the general principle of learning to fight through fighting. But it is also an undeniably correct principle to sharpen ourselves and our weapons by carrying out politico-military training. Although political education and military training are distinguishable, the people's army should never separate but must always integrate the two. It is an army not only for combat but also for making revolution and serving the people.

Basic politico-military training can be done within the squad and in the convergence of several squads. Higher levels of training can be conducted by the guerrilla front and regional commands for the purpose of exchanging experiences, raising the level of revolutionary consciousness and the level of tactics and technique and preparing for bigger-size tactical offensives. The units of the people's army must be rotated in functions of politico-military training, mass work, production and participating in tactical offensives.

There must also be politico-military training of the reserves. These are the militia units for the locality as well as the self-defense units within the mass organizations. These units cannot become defined and cannot be conscious of their role unless they undergo politico-military training appropriate to their character and level.

A mobile politico-military training school or certain ranking cadres can make the rounds to undertake politico-military training. The regional Party committees must define the appropriate content of the politico-military training for the people's army at various levels and for the militia in communities and self-defense units in mass organizations. Generally, the content is a combination of subjects in Party and mass education and military training.

The politico-military training school takes into consideration the capabilities, talent and interest of those who volunteer to serve in the people's army. Those who are not yet ready or qualified for combat duty may be trained and assigned to other lines of work in support of the armed struggle in the countryside. This flexible policy serves to maximize forces, instead of losing them.

3. Deploy the units of the people's army correctly!

In every guerrilla front, there must be a center of gravity. This consists of squads that are most immediately under the guerrilla front command and are relatively concentrated within a certain radius. They do mass work and can be subdivided into armed propaganda teams within the radius.

The center of gravity is responsible for securing the guerrilla front command, doing consolidation work within its radius, dispatching cadres who lead politico-military training in the entire guerrilla front, undertaking some production work, enforcing the tax policy and rotating its squads to serve as core of the strike force and carry out tactical offensives in combination with the

guerrilla squads that know best the target in their spheres of operation.

Depending on the circumstances, the other squads of the guerrilla front can be subdivided into armed propaganda teams and dispersed for mass work in a much wider radius than that of the center of gravity. It is necessary to disperse most of the guerrilla squads (subdividing into armed propaganda teams whenever possible) in order to expand and consolidate the mass base. Without their mass work, it is impossible to carry out intensive and extensive guerrilla warfare.

On the scale of a guerrilla district (be it a guerrilla base or zone) or even the squad as a basic guerrilla unit, there must be a correlation of relative concentration and relative dispersal. In terms of function, there must be a dialectical correlation of consolidation and expansion work. The guerrilla district commander must also be able to rotate the Red fighters in various functions, including tactical offensives.

It is not only the armed personnel of the people's army that do mass work in connection with the armed revolution. Correct tactics include the use of semilegal teams as well as fully legal teams of cadres and advanced activists in mass organizations to do mass work in coordination with the people's army. They can widen the scale of NPA operations and can help to create, expand and consolidate guerrilla fronts.

4. Rely on the masses!

The antifeudal line must be pursued in order to fulfill the main content of the democratic revolution. The revolutionary armed struggle must be integrated with land reform and the building of the mass base.

The minimum land reform program of rent reduction, elimination of usury, raising of farm wages, improving farm-gate prices of the peasants' produce and promoting agricultural production

and sideline occupation must be carried out. The power of the despotic landlords and landgrabbers must be isolated and destroyed.

Development of contacts and liaison groups, social investigation, formation of people's organizing groups and the barrio organizing committees must be used for rapid expansion. Consolidation of the mass base must be achieved through the full formation of mass organizations, election of barrio revolutionary committees and building local Party branches.

There must be a coordination of the rural-based and urban-based mass organizations. Such coordination under the leadership of the Party allows them to help strengthen each other. Right now, it is possible for rifle-carrying units of the people's army to march in the countryside but not yet in urban areas. From the countryside, it is possible for the armed revolutionary movement over an extended period of time to advance wave-upon-wave towards the urban strongholds of the enemy. It has also been possible for armed city partisans to operate underground.

Only with an ever expanding and deepening mass base in the rural areas can the New People's Army carry out intensive and extensive guerrilla warfare and develop the people's war from one strategic stage to another. Such mass base allows the NPA to use the basic tactics of guerrilla warfare in the most advantageous way possible in the Philippines and have the widest area for maneuver, using flexible tactics of concentration, dispersal and shifting according to circumstances.

5. Launch tactical offensives to accumulate strength!

In every region where there are guerrilla fronts, there is a certain capacity to launch tactical offensives. These must be launched in order to arouse the people to wage revolutionary resistance, increase the armed strength of the people's army,

defend the democratic power of the people and weaken and destroy the political power of the enemy.

While doing mass work, we can observe the enemy and know his strength and weaknesses. We can therefore easily discover or create the opportunities for launching tactical offensives. These can take the form of ambushes, raids, sniping at enemy units, sparrow warfare and arrests and other punitive actions on specific enemy elements.

To assure ourselves of victory, we must have accurate information, use the element of surprise and the superiority of our strength on the weak points or weak parts of the enemy. Rather than go into action against any hard point or superior force of the enemy and be uncertain of victory, we can bide our time and resort to evasion until the enemy exposes his weak points and weak parts. In the aftermath of any tactical offensive, we must be ready to withdraw safely from the battle site and render ineffective any enemy counteraction.

In our tactical offensives, we must target the most notorious perpetrators of human rights violations (especially the principal political and financial beneficiaries of the late fascist dictator), units of the regular armed forces, the national police, diehard elements in the paramilitary forces, vigilante groups, security units of hostile companies, criminal syndicates, and elements with blood debts to the people, including local tyrants, renegades with grave criminal responsibilities, informers and other bad elements.

In areas where the enemy forces are concentrated and move in big formations and we cannot immediately undertake annihilative tactical offensives or are still preparing to undertake them, the people's army can wage such small unit harassment operations of an attritive character at the expense of the enemy as sniping, grenade throwing, mine laying and other sparrow operations with the objective of undermining enemy morale and exacerbating conflicts and differences within and among enemy units.

While the current call is to intensify guerrilla warfare and launch annihilative tactical offensives, all units of the people's army must be mindful of defense at both the strategic and the tactical level. The enemy has been fielding aggressive small-unit operations and taking advantage of night vision equipment. We can counter these with mass work, correct tactics and acquisition of our own night vision and other necessary equipment for defense and offense.

When the enemy is armed and dangerous and, if given the slightest chance, will use his weapons, the people's army is justified to take the initiative in giving battle and using every possible means to render such an enemy incapable of fighting. But it can take captives and arrest suspects and treat them according to the law of the revolutionary movement. Whenever circumstances permit, the people's army prefers to disarm enemy units without firing a single shot or accept the surrender of enemy personnel, with no further punitive action, except through due process.

On behalf of the revolutionary forces, including the Party and the New People's Army, the National Democratic Front has issued the Declaration of Undertaking to Apply the Geneva Conventions and Protocols I and II and has deposited this document with the Federal Council of the Swiss Government in order to express good intention and gain a high moral and legal ground by adhering to Protocol I ahead of the GRP. It demands that the GRP, including all its armed personnel, comply with the obligations under international humanitarian law.

In accordance with existing united front policy, there is a classification of the exploiters. There are those who are relatively enlightened and those who are not. Enlightenment is demonstrated by certain exploiters by following the policy of the people's democratic government on the defense of national patrimony, land reform, wages, environmental protection, taxation and so on.

Those who are not yet enlightened are given the opportunity to become enlightened and perform their responsibilities. Those who refuse to become enlightened and are found guilty of hostile acts against the people and the revolutionary forces are subject to punitive action commensurate to the seriousness of the criminal offense. Punishment includes fines, banishment from the locality for a certain period of time, confiscation of assets and other penalties for criminal liability.

In the overriding interest of the entire people, there are existing bans on logging for export, open pit mining by foreign companies and on various schemes to grab the land from the peasants and ethnic minorities and destroy the environment. The people's army is duty-bound to take the appropriate action, from warnings to military action against any armed reaction.

In accordance with revolutionary principle, the revolutionary forces take a stand against the entire counterrevolutionary state and its electoral system which in general is decided by the exploiting classes and its reactionary political agents and not by the people. But it is also a function of the united front to take advantage of the contradictions among the reactionaries. Under the united front policy, it is possible and necessary to distinguish among the reactionaries who are our allies and who are our enemies, even as we are conscious that said allies are temporary and unstable.

We are inevitably confronted with the process and outcome of the reactionary elections and must act accordingly, especially in areas where we have a mass base and influence. We can employ tactics of the united front policy even as we adhere to revolutionary principle. We have employed similar tactics in the legal democratic mass movement.

Tactical alliances, even if informal, in periodic reactionary elections have the objective of winning over progressive and friendly candidates, opposing and isolating the diehard

counterrevolutionary ones, exacerbating the contradictions within the ruling class, contacting and developing new allies and friends, creating conditions for utilizing the local reactionary governments for the benefit of the revolutionary government and movement and *gathering support for the revolution*.

It has long been our policy and practice to classify barangay councils, mayors, governors and members of congress as allies, neutrals or enemies. We develop allies among elective and appointive officials of the reactionary government and we are always ready to fight the hostile ones. And certainly, we do mass work among the ordinary employees of the reactionary state.

There is the Breukelen Joint Agreement on March 18, 1997 between the GRP and the NDF negotiating panels to accelerate the peace negotiations and to strive to complete these before the end of June. This agreement is premised on best efforts and, therefore, is not really over-optimistic. There is also the requirement that the first two headings of the substantive agenda must be approved first by the principals before negotiations on the third heading can be started.

The current course of the peace negotiations does not adversely affect the conduct of the armed revolution. All revolutionary forces are determined to fight for a just and lasting peace along the general line of national-democratic revolution through protracted people's war. The GRP's unilateral "suspension of offensive military operations" has been proven false and hypocritical by the intensification of brutal enemy campaigns. In the course of the peace negotiations, the NDF has been exposing and condemning the brutalities of the enemy.

In line with the US-inspired "low-intensity conflict" strategy, the counterrevolutionary state uses psychological warfare to sow intrigue and cause a split within the revolutionary movement and to isolate the revolutionary forces by separating the urban petty bourgeoisie from them and using anticommunist petty-bourgeois

grouplets ("popular democrats", "social-democrats", Trotskyites and "people's socialists") to pose as Left, "third force" or democrats, to spread anticommunist propaganda and to operate paper coalitions, sham mass organizations and "NGO" projects, which are financed by the imperialists and the local reactionaries.

The principal counterrevolutionary opportunists and revisionists have completely and openly gone over to the enemy and deserve total condemnation. Romulo Kintanar has publicly taken the oath of membership in the Ramos ruling party, Lakas. Ricardo Reyes, Arturo Tabara and Filemon Lagman are paid agents of the Strategic Studies Unit of the Intelligence Service of the Armed Forces of the Philippines (ISAFP) and are notorious for their criminal activities. They are wrangling among themselves, as manifested by the split between Sanlakas and Siglaya and by the repudiation of Lagman by his own gangmates. Centrism, which sought to unite what is correct and wrong and blur the two-line struggle between the proletarian revolutionaries and counterrevolutionary opportunists, continues to be proven completely bankrupt.

At any rate, the people's army must interdict the personnel and activities of anticommunist petty-bourgeois grouplets. Whatever fancy lingo they echo from abroad, they are opposed to the revolutionary movement led by the proletariat and are ideological and political special agents of the imperialists and local reactionaries. Although they use propaganda and money to counter the revolution, they are fundamentally of the same counterrevolutionary character as the paramilitary forces, the armed fanatical cults and the "special operations teams" of the reactionary armed forces.

The Philippine Rural Reconstruction Movement (PRRM) and Institute of Popular Democracy are blatantly CIA-directed instruments of anticommunist propaganda, intrigue and intelligence gathering. The PRRM has a long history of being a direct instrument of the US in "counterinsurgency" in the countryside, together

with the "community development" officially undertaken by the reactionary government and the "social action" and "free farmers" organizing of the clerico-fascists. In fact, the original anti-communist NGOs were organized upon the instigation of US CIA agents and their *Filipino* assets.

The revolutionary movement must distinguish the NGOs that are malignant instruments of the "low-intensity conflict" strategy from those that are benign and deserve the trust and confidence of the NDF and the people. The policy towards NGOs is based on the history and current circumstances. We can consider the good and bad aspects of the NGOs and identify, isolate and render ineffective the counterrevolutionary NGOs and the NGO racketeers.

The objective of the enemy in trying to whip up anticommunism among the urban petty bourgeoisie, is to disable them from acting as a basic revolutionary force and deprive the revolutionary mass movement of the educated youth who can become revolutionary activists and be remolded into proletarian revolutionary cadres. The urban petty bourgeoisie has been the favorite target of the imperialist ideological and political offensive, using both barefaced bourgeois liberalism and pseudo-Left phrasemongering to spread anticommunism.

But the imperialist propaganda has been rendered less effective by the ever worsening crisis of the ruling system and by the vigorous advance of the armed revolutionary movement and the legal democratic movement. The most telling way for the revolutionary movement to assert that the struggle between the armed revolution and armed counterrevolution is still at the center of the political stage is for the New People's Army to intensify its tactical offensives. It is the way for the revolutionary forces and the people to fight the ever worsening conditions of oppression and exploitation, gain strength and defeat the enemy.

It is the internationalist duty of the Communist Party of the Philippines, the New People's Army and the National Democratic Front to pursue the people's war along the general line of the new-democratic revolution. Amidst the new world disorder generated by the crisis of monopoly capitalism, the people's war in the Philippines inspires and contributes to the resurgence of the anti-imperialist and socialist movement on a global scale.

Long live the New People's Army!

Long live the Communist Party of the Philippines!

Long live the Filipino people! #

COMMUNIQUE ON THE RECTIFICATION MOVEMENT

**By the Northern Mindanao Regional
Party Committee
February 1997**

The Northern Mindanao Regional Party Committee Plenum in January 1993 formally and overwhelmingly adopted the Party's call to "Reaffirm Our Basic Principles and Rectify Errors". Three members of the Central Committee initiated the discussions on this basic Party rectification document and explained the two-line struggle within the Party, particularly within the Central Committee. All the members of the Regional Party Committee were enlightened by these discussions. They began to grasp the gravity of the deviations from the correct line and from the strategy of protracted people's war. They were informed of the degeneration of the incorrigible opportunists and the phenomenon of modern revisionism and capitalist restoration in the Soviet bloc countries.

Throughout the year, we continued to deepen our understanding of the two-line struggle within the Party between the proletarian revolutionary line and the bourgeois renegade line. We strengthened our resolve to adhere to the basic principles of the Party and accelerated the implementation of the rectification movement among all the revolutionary forces in the Northern Mindanao Region (NMR). This process culminated in the convening of the Second Regional Party Conference in December 1993 and the Regional Plenum in January-February 1994.

The four-year rectification movement from 1993-1997 has been a process of reaffirming our basic principles. It has strengthened the Party and the revolutionary movement in the region and raised them to a new and higher level ideologically, politically and

organizationally. Hereunder are our major outstanding achievements from 1993 up to the beginning of the first quarter of 1997.

In the ideological field:

We raised our level of theoretical knowledge and our practice of Marxism-Leninism-Maoism as we combated and defeated the erroneous subjectivist trends of revisionism, dogmatism, empiricism, eclecticism and dogmatism.

1. Intensive and extensive studies and education on Party courses and basic documents were undertaken by Party members as well as all the forces led by the Party in NMR. An annual rate of 50 percent of all Party members taking the basic or primary course was maintained. Out of the total number of active Party members in the region, more than 55 percent divided into 21 batches took the course within a span of one and a half years (1995-1996)

With the help of the Executive Committee of the Mindanao Commission, we have launched the Intermediate Party Course (IPC) since 1995 and thus far, more than 32 percent of all Party members divided into 18 batches have taken the course. All members of the Regional Committee, almost all Guerrilla Front Committee members, a large number of District Committee members and a few from the Section Committees have taken the IPC.

Study and education on the documents of the First Great Rectification Movement has also spread in addition to such other basic documents as Our Urgent Tasks, Specific Characteristics of Our People's War, Philippine Society and Revolution, documents of the Second Great Rectification Movement and other basic and important Marxist-Leninist texts, both old and new.

All Party members and forces are enthusiastic and active in studying and sharing with other comrades and forces what they have learned. This is an unprecedented phenomenon in the history

of our Party organization here. Both the Education Bureau of the Regional Committee and the Executive Committee of the Mindanao Commission were of great help in launching the Party courses and in reproducing and translating basic and important reading materials of the Party.

2. Intensive and extensive education and study have given impetus to wider, deeper, sharper, clearer and more energetic regular and special assessments and criticism and self-criticism within all organs and units of the Party. We have deepened and sharpened our social investigation and class analysis of specific areas for mass work as well as of the whole region in relation to the situation of the whole Philippine society. Timely "talakayang buhay" (exchange of experiences) has deepened the camaraderie among Party cadres and members and further enhanced their receptivity and readiness to help each other in developing strong points and in overcoming weaknesses.

3. The Party's rectification movement has impelled the Regional Committee, some Guerrilla Front Committees and other organs and units under the Regional Committee to make their summing-up documents. The accurate identification of weaknesses and errors as well as the relationship of their manifestations and tendencies in particular organs, organizations and units of the Party has enabled us to go further ahead in our recovery and expansion work. The strengths and positive points of the revolutionary forces in NMR and their past and present victories have been clarified. The process of summing-up has further demonstrated the ability of the Party and the people to overcome difficulties and weaknesses, to identify and rectify errors that may arise and to advance the Philippine revolution in an all-round way.

4. Another major achievement is the vigor and enthusiasm demonstrated by the Party cadres and members in combating erroneous ideas within and outside the Party. An example is the determination to combat the mentality to retreat or seek lighter

responsibilities and be overwhelmed by personal problems. In the main, complacency or liberalism has been overcome. Most of the comrades and masses under the leadership of the Party are keen in criticizing and identifying errors or undesirable behavior, attitudes and lines of thinking. The spirit of learning is such that during study and education sessions, Party cadres and members do not simply agree without question or comment on a point being read, studied or discussed before thorough understanding is reached. Comrades repeatedly study and discuss points that are still not clear, refer to other documents and study these in relation to our concrete conditions and practice in order to fully comprehend what needs to be clarified.

In the field of politics:

As a result of the correct orientation, training and deployment of all organized forces of the Party, especially the NPA, we have widened our mass base for intensive and extensive guerrilla warfare. The mass movement continues to advance the people's war along the general line of people's democratic revolution with a socialist perspective.

1. We have frustrated the enemy's military and psy-war campaign plans (Oplans) in the region, which is aimed at suppressing the revolutionary forces and the people in the countryside. The massive and widespread barbaric operations, military campaigns and relentless deception launched by the enemy have only served to expose even more his fascist and rotten character to the broad masses of the people.

By launching tactical offensives within our capability, we have frustrated the enemy and further raised the strength and prestige of the Party, people's army and revolutionary movement. The masses clearly understand the need for revolution because they see ever worsening exploitation and poverty imposed by the ruling system. The masses also clearly understand that the ongoing

people's war is just and reasonable and they continue to support the NPA despite the danger of being found out and attacked by the enemy.

Even in areas where grave errors like KAZ-KAHOS, militarism, putschism, illegalism¹ and commandism were previously committed by the Party and the people's army, the majority of the masses still warmly receive the revolutionary movement after we criticize our mistakes, ask forgiveness from the victims, family of the victims and affected masses and provide indemnification as an important component of our rectification in those areas. We have regained and further strengthened the trust and confidence of the masses in the Party and the revolution as they themselves concretely see and feel our sincerity, good deeds and serious, all-round concern for their interests and problems.

2. We have gradually expanded and strengthened our guerrilla fronts. From 1993 until mid-1996, we recovered several hundreds of barrios and Lumad communities and a number of municipalities. We lost only a few (less than 10) communities as a result of forced mass evacuation and the merging of certain communities.

We have increased our mass base several times over. In 1994-1995, our organized mass base increased by only a few hundreds of people but in 1995-1996, our mass base increased by several thousands. A sizeable percentage of our mass base has been organized into the people's militia. Several scores of organs of political power operate secretly. This has been the result of the direct and persistent participation of all NPA fighters in mass and recovery work. We have positioned ourselves at most of the strategic points of the mountainous terrain in the region and have linked all the guerrilla fronts. Our use of legal forms and methods of organizing has contributed in a big way to our success in expanding and consolidating the guerrilla fronts.

¹ The notion that all Party cadres and members should not engage in legal mass organizing.

3. We have launched tactical offensives within our capability. Almost all of our tactical offensives have been successful, without any casualties on our side. These helped a lot in the consolidation of the revolutionary forces.

An outstanding success in our military operations has been the capture of two AFP officers (a captain and a master sergeant) whom we held as prisoners of war (POWs) from February 20 to July 20. For five months this was covered almost daily by the mass media, especially the broadcast media of two cities. The media coverage gave the public a clear account of the strength of the NPA and how well it treats POWs. Also through the media, crimes of the enemy and malpractices in the AFP military service of the two prisoners were also exposed to the public. All these have been confirmed by the two POWs themselves during their captivity and after their release.

For the first time, the handling of POWs in the region was closely coordinated with the NDFP International Office in the Netherlands. The instruction and order of release came through Comrade Luis Jalandoni, NDF Vice-Chairman for International Affairs, with the International Committee of the Red Cross (ICRC) acting as intermediary between the NDFP and the Manila government.

The process of release involved a number of progressive church people and some politicians. Their involvement helped to temporarily put the enemy in a passive position. Furthermore, in the course of investigation and interaction with the POWs, we gained much valuable information on OPLAN UP-UP Narmin (Unity for Peace - Unity for Progress) of the 4th ID of the AFP, the local version of OPLAN Unlad Bayan against the Lumad communities of NMR.

Another achievement in the NPA's political work among enemy forces is the neutralization of some members of the CAFGU.

A number of them have quit from the reactionary service. Others have openly defected to the NPA.

4. The revolutionary movement steadily continues to strengthen and advance the people's struggle in the countryside. Undaunted by *enemy atrocities and threats*, the revolutionary forces and the people persevere in exposing and opposing all fascist activities and military control of the countryside by the armed forces of the reactionary government and exploiting classes. We have made substantial gains but we have also experienced some temporary setbacks.

Tactical antifeudal mass struggles based on the minimum revolutionary land reform program have been launched in a number of barrios. Through these struggles, the masses have achieved a certain level of economic gains. These serve to heighten their political consciousness and unity. The revolutionary mass movement continues to oppose such big business ventures and projects of the state and exploiting classes as mines, plantations, IFMA (Integrated Forest Management Agreement), CADC and the like, which are inimical and harmful to the masses and to their environment.

The most concrete and visible gain of the Party, NPA and the basic masses is the continuing struggle against the forces that have been attempting to grab the ancestral domain or ancestral lands of the national minorities. In unity, the Party, NPA and national minorities continue to advance the struggle for self-determination, ancestral domain and protection of the environment. There are also ongoing activities and campaigns in production, health and literacy of the basic masses within the guerrilla zones.

5. The legal democratic movement in the urban areas of the region has been sustained and developed. The Party and the people vigorously expose and oppose all repressive laws, policies, programs and projects of the reactionary government which serve only the interests of foreign monopoly capitalists and the local

exploiting classes. The most outstanding issues that have been the subject of massive mass protests in the urban centers are the oil price hike, the soaring cost of commodities and services, E-VAT (expanded value-added tax), Anti-Terrorism Bill and a number of other issues detrimental to the basic masses.

In Cagayan de Oro City, there were seven waves of transport strikes combined with marches and rallies (twice in 1994, once in 1995, thrice in 1996, once in 1997), directly and actively participated in by the people, ranging in number from 1,000 to 5,000 and coming from various walks of life. In Butuan City, two breakthrough mass protest actions were successfully undertaken in 1996, and actively participated in by more or less 500 protesters.

The broad participation of the transport sector was a big factor in the paralyzation of economic activities in the two neighboring cities and in the entire province of Misamis Oriental in the course of these mass protest actions. In Surigao City, protest actions by the labor sector were held against oil price increases. An average of 5,000 people were mobilized per activity. Mass actions were also conducted in some municipalities of Surigao Sur, Agusan Sur and Bukidnon, and most of them were inspired by our organized forces.

6. The victories and concrete gains achieved in the political field would not have been possible had we not truly discarded the militarism and insurrectionism of the past. It was also necessary to correct tendencies of legalism, economism, conservatism and reformism among our forces in the urban areas, and to correct tendencies of illegalism, putschism and commandism among our revolutionary forces in the guerrilla fronts.

To restrengthen and advance the people's democratic revolution through protracted people's war, we have to develop additional skills and effective tactics as for instance: the appropriate combination of legal and illegal, parliamentary and underground forces, combatant and non-combatant in the countryside and in

urban centers. The revolutionary forces now have a better grasp of the correct and appropriate application of principles, and of setting and achieving the correct balance and stresses in our work: between guerrilla zones and guerrilla base areas, lowland and upland communities, the ethnic minorities and the settlers, military work and mass work, expansion and consolidation, basic masses and allies (influenced and sympathetic individuals), urban and rural, etc. We have also gained experience in weighing our revolutionary actions as against enemy reaction and many other important aspects involved in our undertakings and tasks.

In the organizational field:

The principled unity among cadres and members of the Party has been strengthened as a result of our conscious effort at upholding and applying the principle of democratic centralism. The relationship between as well as within units and organs of the Party at various levels has become healthier and stronger. The deployment and disposition of cadres, and assignment of responsibilities are based on the program, general call, policies, plans and mandate of the central leadership of the Party, on the needs and capabilities and on the subjective and objective situation of the region.

1. Party membership continues to increase. Within our current 3-year planned target, we recruited scores of additional members in the first year and a half and in the second year and a half we almost trebled this number. We built nearly a score of new Party branches among the basic masses. All Party members belong to appropriate committees and collectives, and have undergone the process of rectification. Many of them are tried and tested, having had long experience in revolutionary struggle and sacrifice.

Many Party members work within the NPA. This is the key to strengthening the absolute (ideological, political and organizational) leadership of the Party over the NPA. It is also the Party

that develops and fosters comradely relations and unity among the old and new members, between officers and men, among Red fighters, and between the NPA and the people.

We were able to establish different Party organs and organizations in the urban areas and form Party groups and committees that are capable of adapting and truly implementing the revolutionary line, policies, tasks and calls within legal institutions and machineries.

2. We have improved our practice of democratic centralism and the application of the committee system of the Party. We have concretely and sharply pointed out and discerned all major tendencies and manifestations of bureaucratism, commandism, sectarianism, liberalism and ultra-democracy of the past, and are now more vigilant and able to correct weaknesses and errors.

In the main, the conditions that triggered and reinforced the negative tendencies have been checked as, for instance, the "PO system" and "floating system", staffs and units with no mass work or political work, and comrades working in legal offices who are not actually needed there. There is now a clearer grasp of the correct relationship between the individual and the collective, between giving guidance and enhancing initiative, between lower and higher organs, between discipline and liberty, and between democracy and centralism.

3. We have been able to multiply the number of cadres from among the mass activists and new members of the Party. We did this by constantly giving high priority and appropriate time to ideological work. Of particular importance were our efforts to widely disseminate among the Party members the valuable lessons gained from the summing-up of our experiences and the recent campaign to undertake the Intermediate Party Course. As a result, we were able to increase the number of Party cadres and members from the urban and student youth. Since 1993, we have produced from among them scores of full-timers, with more than

one-third of them joining the people's army. In general, we have made timely and proper disposition and deployment of cadres at various levels. We have paid particular attention to giving appropriate guidance and training to our cadres. We are therefore confident of achieving a comprehensive development of the Party and revolutionary movement in the Northern Mindanao Region in the coming years.

4. Despite massive enemy operations and campaigns against the Party and the revolutionary movement and the enemy's false claims that the New People's Army has long been isolated from the masses, and disbanded into small teams running and hiding in the remotest parts of the hinterlands, our Party organization in the region has held four successful plenary meetings of its Regional Committee, a conference, as well as plenary meetings of lower organs under the Regional Committee. Leading cadres and Party members observe prudent measures for their security and for the protection of vital Party documents and materials.

5. The Northern Mindanao Region remains financially self-reliant. This has greatly contributed to the accomplishment of its ideological, political and organizational work and has enabled it to send some financial surplus to higher organs. The lines of communication within and outside the region, although slow, remain safe for the facilitation of the flow of important information, reports and documents. The Regional Committee also recognizes and acknowledges the important guidance and help of the Central Committee and the Mindanao Commission. The Regional Committee is always open to help other regions according to its capability, and it is ready at all times to implement the plans and decisions of the Central Committee.

Based on the improvements and victories achieved, the rectification movement in the region is nearly complete. We may safely state that we have nearly or almost accomplished the targets we have set for the rectification movement (the process of

reaffirmation and rectification in IPO) of the entire Party and the revolutionary movement in the region. Thus, the Regional Party Committee, in rallying to the recent call of the national leadership of the Party, can in turn raise the call "Prepare to Raise the Armed Revolution to a New and Higher Level" to all the revolutionary forces in the NMR.

However, this is not to say that the regional Party organization has solved all its problems and overcome its shortcomings in the fields of ideology, politics and organization. There is no end to facing up to problems and shortcomings and dealing with them correctly and promptly in order to ensure the accomplishment of current calls and tasks. It does not also mean that the four-year rectification movement has proceeded in an absolutely smooth and straight process and there are no more obstacles standing in the way to be vigilant against. Some of the problems currently being solved are as follows:

1. We continue to focus our attention on the problem of decreasing number of full-timers in the countryside. In the initial phase of the rectification movement, we lost several hundreds of full-timers in the countryside. The number of our new recruits (although also in several hundreds) has not yet exceeded the number of those who have quit as full-timers. The losses were incurred mostly by what used to be our "full-fledged guerrilla units" or "full-fledged fighting units". In the last year and a half, however, the loss was several times less than that in the earlier period.

Many of those who had left had the notion that military victory was forthcoming in a short period of time and failed to grasp the protracted nature of our struggle for national and social liberation as well as the necessity for painstaking mass work for expanding and deepening the mass base. Thus they could not cope with the difficulties and sacrifices, especially when compounded by difficulties resulting from enemy operations and campaigns and the burden of family and health problems.

2. The decrease in the number of full-time forces has also resulted in the loss of a considerable number of arms, especially in the 1993 to 1994 period. Many of the losses incurred in this period were not due to military encounters but were surrendered by deserters and armed masses who had been demoralized or had lost hope in the revolutionary struggle when the movement declined and suffered setbacks due to our deviation from the correct line. Arms losses considerably decreased in the 1995-96 period. The quantity of arms confiscated from the enemy has not yet caught up with and exceeded the losses on account of the fact that rectification and mass work were our priority during the period and launching tactical offensives was not.

Nevertheless, the revolutionary forces in the Northern Mindanao Region, with its sizeable number of full-time guerrilla forces, amounting to a battalion, firmly adhere to and persistently carry out the call and policy of the Party to "extend and intensify guerrilla warfare based on an ever-widening and deepening mass base" as the principle in solving the aforementioned problems.

3. In the field of ideology, there are instances when our understanding of what we have read or studied is incorrect and when our summing-up of some important experiences and parts of our practice is also incorrect. Thus, we sometimes fail to link revolutionary theory to our practice. There have been instances when differences and struggles are readily resolved but there have also been instances when differences and struggles take a long time to resolve. There have also been some instances when criticisms against incorrect ideas or line of thinking result in loss of confidence and in demoralization, and hinder the attainment of inner Party unity.

We continue to combat the persistent attitude of some cadres and Party members who tend to retreat from taking on greater responsibility and get bogged down in small or light tasks and personal problems as well as the tendencies of individualism.

emotionalism and sentimentalism, although these have been overcome in the main. We also have the problem of backlog in documenting the results of summings-up and social investigations due to the limitation in the writing skills among some cadres. This is compounded by the fact that these cadres have to attend to urgent and important practical tasks and problems.

4. We need to deepen social investigation and class analysis in connection with the implementation of the log ban in the countryside. Some among the Lumads favor the continuation of logging operations, being easily deceived, pressured, bribed and intimidated by greedy capitalists especially because there are enemy agents planted within their ranks. There are also those who depend solely on logging for their livelihood and are unable to find alternative jobs or shift to other occupations. We continue to deepen our understanding of their problems and look for solutions.

There are limitations to our capacity to enforce the log ban. Furthermore, we are weighing the effects of the enemy's reaction to the frequent military actions that we undertake in enforcing the log ban, especially in new recovery areas or in areas where our mass base is still shallow. The decision and policy of the regional committee is to adopt tactical measures that yield some advantage to the Party, the revolution, the people and the environment. Notwithstanding our problems, most of the logging concessionaires are forced to recognize and respect the political power of the armed revolutionary regime in the countryside even as they have their own armed force and are supported by the AFP.

5. In the urban areas, we still need to address the problem of slow growth and weakness of the labor movement. The student-youth movement remains to be the one relatively more active and more developed. One factor is the shortage of cadres assigned or deployed to the labor front. This is also the reason why we still

have a small number of Party and army members who come from the working class.

6. Together with the central leadership, we still have to improve our direct two-way communication lines and avoid the problem of having important communications unanswered for a long time and of getting timely guidance, comments and suggestions with regard to our policies, plans and important documents.

Notwithstanding all the problems that remain to be solved, our regional Party organization and its leadership have shown their capacity to stand on their own, guided by the general call, policies, plans and decisions of the Central Committee and its Executive Committee and also with the help of the Mindanao Commission. All the Party cadres and members in the region are firmly determined to solve the aforementioned problems in order to completely ensure the strengthening and growth of the revolutionary forces in the region and to help advance the Philippine revolution. #

Inside China

THE TEN-THOUSAND-CHARACTER STATEMENT: FACTORS AFFECTING CHINA'S SECURITY¹

Editor's Foreword

The authorship of this 1995 statement is generally attributed to Deng Liqun, a member of the Central Committee of the Communist Party of China (CPC) and former member of the Secretariat and director of the Propaganda Department of the CPC Central Committee, or to a group or trend within the CPC Central Committee.

The statement reflects the so-called left wing of the revisionists ruling the CPC and the Chinese state. It accepts the revisionist line of capitalist reforms and opening up to foreign monopoly capitalism but contraposes its own specific line that capitalism ought to supplement socialism (Chen Yun's idea of capitalist bird in a cage) to the dominant line of Deng Xiaoping that any cat (capitalism) will do so long as it catches mice.

It is informative on the drastic reduction of the public sector in the economy and its subordination to the private sector

¹ Many in Beijing political circles believe that the article was probably written by Deng Liqun's writing group though not by Deng himself. There is also a report that the article was the product of a joint survey conducted by the Changcheng Cultural Research Centre and a state security company under the auspices of Deng's son Deng Yingtao. Others say that the article was written by Teng Wensheng, Deng Liqun's former assistant and deputy director of the Central Policy Research Office. Still others hold that the article was written by the Institute of Contemporary China led by Deng Liqun and even by "new left" young and middle-aged academics in Beijing in the name of Deng Liqun. It is understood that the article was written in the first half of 1995.

(nongovernmental bourgeoisie), on the corruption of party and state officials and on the course and consequences of bourgeois liberalization. But it does not face up to the fundamental fact that all-round capitalism has been restored under the auspices of bureaucrat monopoly capitalism, masquerading as "socialism with Chinese characteristics".

A basic proposition of the statement is that the capitalist reforms and opening up to bourgeois liberalization have run so fast as to jeopardize national security and to lay aside the ritualistic invocations of the "four cardinal principles" (conveniently invoked from 1989 to 1991). It is less concerned with the need for anti-imperialist and class struggle in the interest of the working class and peasantry and carries no remorse for the Dengist counterrevolution against the great achievements of Mao in socialist revolution and construction.

We are publishing this statement for two reasons: First, we inform our cadres and members of the contradictions among the revisionists ruling the CPC. Second, we use the statement as a source of facts concerning the rise of the new bourgeoisie in China, the oppressed and exploited condition of the Chinese workers, peasants and other people and the increasingly undisguised capitalist direction China is taking, as in the former Soviet Union.

We have put in bold italics certain portions of the statement which are critical of current policies but which express a revisionist position. As a whole, the statement reflects the general line of revisionists that for socialism to exist it suffices to maintain the dominance of the public sector of the economy, retain the rule of the communist party, even if its class nature has changed, and produce technocrats and professional specialists. It takes nothing from Mao's theory of continuing revolution under proletarian dictatorship.

There are growing contradictions among the ruling revisionists and the bureaucrat capitalists. But it still remains to be seen

whether the genuine heirs of Mao's legacy among the people can take advantage of these contradictions and fight successfully for socialism against capitalist counterrevolution in China.

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The CPC Central Committee with Comrade Jiang Zemin as the core has worked out a series of correct plans for the major issues concerning state security since 1989. Since the beginning of this year, the CPC Central Committee has again made a number of important proposals and adopted some correct measures.

For various reasons, however, there are still some factors in China at present which are disadvantageous to state security. In order to draw a lesson from the "1989 disturbance" and prevent a repetition of the *toppling of the political power of the proletariat*² of Eastern Europe and the Soviet Union, we must conduct a careful analysis of all factors affecting China's state security.

Instead of analyzing all the factors affecting China's state security, this article will only focus on the factors of domestic economy, politics and culture. Of the economic, political and cultural factors, this article will analyze more deeply the factors which might affect China's state security within the next decade than those which may affect China's current state security but which may be eliminated by the efforts made in the next two to three years.

The factors include ownership structure, class relationships, social awareness and the situation of the ruling party.

1. Changes in ownership structure

In the light of the current state of China's productive forces, the CPC Central Committee has decided to *restore the economic*

² This misrepresents the revisionist regimes as the "political power of the proletariat"

*sector of private ownership so that it can play a useful supplementary role to socialist public ownership*³. Since the implementation of this policy decision, major changes have been effected in China's ownership structure.

Of the total industrial output value from 1980 to the end of June 1994, the proportion of the state sector dropped from 76 percent to 48.3 percent, while that of the collective sector (which possibly included some of the private sector that used the name of the collective sector) increased from 23.5 percent to 38.2 percent and that of the private and individual sector and foreign-funded enterprises increased from 0.5 percent to 13.5 percent. Of the total volume of retail sales, the state sector dropped from 51.4 percent to 41.3 percent, the collective sector dropped from 44.6 percent to 27.9 percent, and the private and individual sector and foreign-funded enterprises rose from 0.7 percent to 30.8 percent. The proportion of the public sector is continuously dropping through the means of leasing, sale, mergers, and the shareholding system. It is estimated that in gross industrial output value, by the year 2000, the state sector will drop and account for only one-quarter of the total while the collective sector will rise and account for 50 percent, and the private and individual sector and foreign-funded enterprises will rise and account for one-quarter. Of the volume of retail sales, the state sector will drop and account for only one-third, while the collective sector will drop and account for one-sixth and the private and individual sector (including retail sales by peasants to non-farming residents) will rise and account for 50 percent. *The growth in the private sector at the present stage will be conducive to the development of social production, make things convenient for the people, and increase employment.* However, if the proportion of the private sector

³ The statement affirms the demagogic revisionist line that capitalist restoration is "supplementary" to socialism.

exceeds a certain extent, it will exert an adverse influence on the nature of China's social economic basis.

Thanks to the introduction of the shareholding system and corporate property rights, the remaining state enterprises are also faced with the problem that they will not be totally owned by the state. For example, Zhejiang's Hangjiahu and Wenzhou have allowed individuals to join the public sector through the shareholding system. Through reform, Sichuan will no longer have state enterprises in its county economy. The state enterprises, whose proportion has been drastically cut through such reform, will not be directly managed by the government and they will not be owned exclusively by state units.

Over the past three years, the leading cadres of many localities have regarded the development of the private sector as the main channel for boosting economic growth. Disregarding the public sector, they have put their energy, cadres, funds, materials and markets into private enterprises, vied with one another in offering preferential treatment to private and foreign-funded enterprises, and proposed several "restriction-free" measures for the development of the private economy. The Heilongjiang party committee put forward the slogan of "opening up a second battlefield" and went all out to accelerate the development of the private sector. Although these comrades have not stressed the theory of privatization, they have taken practical action to boost privatization.

In the course of such change effected in the ownership structure, there has been a drain of over 500 billion yuan of state assets since 1989, an average of over 50 billion yuan a year and over 100 million yuan a day. Some people have even estimated that the drain on China's state assets exceeds 100 billion yuan a year. These state assets which have been turned from public to private are the main source of the primitive accumulation of the new bourgeoisie. We can say that the new bourgeoisie are fed with the

toil and sweat of the people of the whole country over the past 40 years.

The private sector has played a positive role at the present stage and it should be allowed to exist and develop. Our problem is not whether the private sector should be developed, but whether it is necessary to bring the quantity and scope of the private sector under control, whether its role should be restricted to one supplementary to the public sector and whether its negative role should be acknowledged and restricted.

The predominance of the public sector over other economic sectors and the leading position of the public sector in the national economy are the decisive factors determining that China's economy is socialist in nature. For this reason, the shrinking of the public sector and the privatization trend of the social economic structure will inevitably affect and undermine the security of the socialist economic foundation.

The public sector is the economic mainstay of the political power of the proletariat. The public sector not only houses China's industrial workers but is also the main source of China's revenue. The drop in the proportion of the public sector and the shrinking of public ownership will inevitably weaken the party's leading position, the authority of the central government, and the ability of the state in handling contradictions and resolving problems. Moreover, it will menace the consolidation of the proletarian dictatorship.

The newly emerged private sector will also serve as the economic backing of the political demands of the newly emerged bourgeoisie. Historically, based on the principle of "no taxation without representation", the European bourgeoisie won the political power of the state from the feudal rulers. Now the agents of the new bourgeoisie have also proposed "paying taxes to 'purchase' from the government the 'public goods' such as the legal

system, public order, national defence and democracy which they cannot obtain from the market”.

Moreover, the output value of the 80,000 foreign-funded enterprises which had gone into operation accounted for 30 percent of China's gross national product [GNP] by the end of 1993 and the volume of their imports and exports accounted for 34.4 percent of the country's total. The proportion of foreign-invested enterprises in China's economy is growing rapidly. *The growth in foreign capital is conducive to China's economic development*, but it will also make China's economy more dependent on other countries. Compared with the past, we will easily be manipulated by others. When there is confrontation between China and the countries concerned, it will affect China's state security.

II. Changes in class relationships

With the restoration and development of the private sector in recent years, private entrepreneurs and individual operators have again emerged in China.

According to statistics, by the end of June 1994, China had 328,000 registered private entrepreneurs hiring an average of more than eight workers. A total of 5,008,000 were involved in private enterprises, with a registered capital of over 104.1 billion yuan.

Each enterprise had an average of 14.2 workers, with a registered capital of 317,000 yuan. Of these, private enterprises with capital of over 1 million yuan exceeded 5,000 by the end of 1992. Some people say that the figure exceeds 1 million [as published]. There are also a small number of millionaires and billionaires. In some of the coastal provinces, there are private enterprises hiring over 1,000 workers. According to a typical survey conducted by the Research Office of the State Council, the actual number of private entrepreneurs is 100 percent more than the registered figure. If this figure is taken into consideration, the

actual number of private entrepreneurs will be far more than the number registered.

During the initial period of the PRC's founding, the criteria set by China for private entrepreneurs were: 2,000 yuan of capital and three workers hired by factories or two staff members hired by commercial organizations. According to statistics based on the standards of the "Report Requesting Separation of Laborers From Industrial and Commercial Owners" ratified by the central authorities in 1979, China had only 160,000 registered private entrepreneurs before the 1950s.

It is generally acknowledged that there was a national bourgeoisie in China before 1955. A comparison of the current situation with the one before 1955 shows that the number of private entrepreneurs in China at present far exceeds that of the period before 1955 in terms of both absolute number and economic strength. What is more, the criterion for determining private entrepreneurs in terms of the number of workers hired is far higher than that in the initial period of the PRC's founding. Hence, we can say that a nongovernmental bourgeois class has taken shape economically. It is at least a class-in-itself. This is an indisputable fact. (Those with Marxist knowledge know that the bourgeois class is not limited to the private entrepreneurs; it includes the family members and the intellectuals who depend on them. This is the case with the bourgeoisie in the 1950s as well as in the 1990s. Herein lies the purpose and the comparison of the main portion of the bourgeois class, that is, the number private entrepreneurs is sufficient to prove the point.)

According to statistics, by the end of September 1994, the number of individual industrial and commercial owners hiring an average of less than seven workers totalled 20.15 million. A total of 34.38 million people were involved, with a registered capital of 114.67 billion yuan. Therefore, a small bourgeois class, namely,

a class of individual operators, has taken shape, of which some are the reserve force for the nongovernmental bourgeois class.

Since we have decided to restore the private sector, the emergence of a bourgeois class and a petty bourgeoisie is inevitable and normal. *The question does not lie in whether the bourgeois class and petty bourgeoisie are allowed, but in whether we can correctly understand the fact, correctly handle the relationship with the bourgeois class, unite and at the same time wage struggles, and regard the handling of such a relationship as an important component part of the party's political line in the new period.*

With the development of the private sector, foreign capital and the individual economy, the number and economic strength of the nongovernmental bourgeoisie and petty bourgeois class will further expand. *The embryo of a bureaucrat bourgeoisie and a comprador bourgeoisie has emerged.*⁴

As some state enterprises are facing difficulties, the living standards of the staff members have declined. The workers employed by the private enterprises (including foreign-funded enterprises) are again oppressed and exploited by the private owners. As a result, many workers have cast doubt on the leading position of the working class and the direction of the state's socialism. Moreover, they are moving away from the party.

At present, the private entrepreneurs in China are "bending down to pick up the golden apple" on the one hand and have gradually raised independent political demands to protect their economic interests on the other hand. There are now 5,401 private entrepreneurs who are people's deputies above county level, 8,558 who are members of the Chinese People's Political Consultative Conference [CPPCC] above county level, 1,357 who are members

⁴ The bureaucrat bourgeoisie arose ahead of the "nongovernmental bourgeoisie" through ideological revisionism and political degeneration and instituted the antisocialist economic policies. A full-blown monopoly bureaucrat bourgeoisie and comprador bourgeoisie have arisen in China.

of the Youth League above county level, and 1,430 who are members of the Women's Federation above county level. Some private entrepreneurs are still not satisfied with these figures. A general manager of a Shenzhen company said that the entrepreneur class has not fully expressed itself on the future trend of China's society. A private entrepreneur from Fujian's Jinjiang said: "The innovation of China's political system will start along with the development of the private sector and expansion of the ranks of the private entrepreneurs. In the future, large numbers of private entrepreneurs will enter the leading bodies of the government at all levels. We should no longer regard private entrepreneurs as political vases like the people's deputies and CPPCC members." Some private entrepreneurs said "If there are mayors from among private entrepreneurs in the government, we will not have to worry about our legitimate rights." In 1988 more than 20 private entrepreneurs from Fujian's Shishi said "We must recommend figures from political circles who can represent us to take part in the elections." They also jointly nominated candidates for the election of mayor. In order to become a standing committee member of the people's congress of a city, a private entrepreneur in Zhejiang entertained people everywhere. He openly declared that he would offer 1,000 yuan to those who cast their vote for him. As a result, he was elected. Some 21.3 percent of the private entrepreneurs of a prefecture in Hebei entered the grassroots level organs of political power and assumed leading posts. In Hunan's Shimen, 198 private entrepreneurs assumed leading posts, of which 86 were village directors and 67 were secretaries of village party branches. "Chambers of private enterprises", "Guilds of nongovernmental enterprises," "youth chambers", "nongovernmental enterprise clubs", "foreign-invested associations", and other private enterprise organizations have emerged in a number of localities. At the same time, some private entrepreneurs have proposed running newspapers and having their

own "mouthpieces". There are now newspapers, including *Minying Qiyejin Bao* [Nongovernmental Entrepreneurs], *Qiyejin Bao* [Entrepreneurs] and *Changzhang Jingli Ribao* [Factory Directors' and Managers' Daily], which directly reflect their interests and demands.

In the ideological field, some agents of the bourgeois class said: "In the future, we will have to rely more on money to determine human value and talent." "The quantity and quality of tycoons is the hallmark by which to judge whether a country's economy is developed. Hence, there are few and not too many tycoons in China." "Businessmen from the West want a bridge to enter China, that is, large numbers of compradors." "If we have new compradors, China's opening up will smoothly escalate to a new stage." Some people questioned the saying that the only role of the non-public sectors is to supplement the public sector. Some proposed including "the protection of private property in the constitution". Some asserted that reform in the future should "reduce the proportion of state enterprises" through the means of "leasing", "change" and "auction sales". "Reduce the scope of state enterprises so that they will exist in the field of production of public goods merely as an ineffective market tool and the field that naturally monopolized trade and other private enterprises are incapable or are not willing to enter." In other words, they should play a supplementary role to the private sector. "The fission of property rights of state enterprises is the sensible and general trend." Some people urged "the government to change its position and stand at the side of the nonpublic enterprises". Some proposed setting up an "inhabitants community" based on the predominance of the capitalists. They also asked for permission to run private newspapers and freedom of assembly. It is estimated that once the situation permits, these people will not need much time to openly form a bourgeois political party.

Some private entrepreneurs or those in charge of collective enterprises who insist on taking the capitalist road are subsidizing the bourgeois liberals in running newspapers and magazines, and establishing their so-called nongovernmental research, consultative, and intermediary organizations. The private entrepreneurs and the bourgeois liberals have started to form an alliance in the ideological field. *Without doubt, such an alliance will accelerate the change of the bourgeois class from a class-in-itself to a class-for-itself.*⁵

Wan Runnan, a representative of the bourgeoisie, who is in exile abroad, hit the nail on the head: "Standing in opposition to the existing system of the CPC, the newly born middle class wants to protect its own interests. On the one hand, the middle class hates this system; on the other hand, they have to cooperate with this government in order to make more. Herein lie their interests. They use money and materials to corrupt the government and promote change in the society from the negative side." "In order to seek development, they will have to adopt various means and mainly use money to push, operate and lubricate the rigid bureaucratic CPC system. As a result, the CPC regime becomes irremediably corrupt. It is the money of the middle class that has made the CPC corrupt. The more corrupt the regime is, the greater the possibility of a change in society. When the newly born middle class can maintain a certain economic status, they will expect the right to know and discuss political affairs and will further participate in political affairs. This is the process of political democratization." These remarks penetratingly illustrate the political consequences arising from the bourgeoisie.

Although major struggles took place on several occasions within the CPC in the 30 years before the mid-1980s, *they were*

⁵ The private entrepreneurs and bourgeois liberals have always constituted themselves as a bourgeois class in-itself and class-for-itself. Modern revisionism, which fostered them, is an ideology for the bourgeoisie.

*carried out in an environment without the bourgeoisie outside the party.*⁶ Hence, no matter how the struggles proceeded within the CPC, its leadership over the state was not directly menaced. The reemergence of the bourgeoisie at present has fundamentally changed this environment. The interests of the bourgeoisie are fundamentally against the dictatorship of the proletariat and *this antagonism is independent of the cooperation or confrontation between the bourgeoisie and the proletariat. If the bourgeois class wants to change its economic position from a supplementary to a dominant one and change its political position from a subordinate to a leading one, it will share and even monopolize state power. Therefore, the formation of the bourgeois class constitutes a latent threat to China's proletarian dictatorship. While the conditions are not yet ripe, the bourgeois class will vigorously involve themselves in inner-party struggles. Attack the reformers within the party who take the socialist road, and support the reformers within the party who take the capitalist road. Once the conditions are mature, they will "completely destroy" the communist party with the cooperation and backing of the international bourgeoisie and openly and directly use bourgeois dictatorship to replace the proletarian dictatorship.*⁷ Therefore, the bourgeois class is the main object we should take note of in our domestic political and security work in the next decade.

III. Changes in social awareness

Bourgeois liberalization and the four cardinal principles have been engaged in a seesaw battle for more than a decade since 1977. Bourgeois liberalization gradually got the upper hand after 1992.

⁶ The bourgeoisie was both inside and outside the CPC.

⁷ The statement wrongly presumes that the proletarian dictatorship still exists in China. It runs counter to Mao's teaching that when the revisionists take power the working class is overthrown.

Apart from a small number of Marxist periodicals, articles criticizing bourgeois liberalization have disappeared from the media. Bourgeois liberalization has not only revived but has also intensified. Its depth and breadth have exceeded those in the period before the 1989 disturbance.

In the theoretical field, bourgeois liberalization has been mainly manifested in the following: Applying the theory of *modern market economy to resist the theory of socialist market economy*, which actually advocates developing a market economy similar to the capitalist market economy; denying that public and private ownership constitute the fundamental difference between socialism and capitalism so as to prove that private ownership is compatible with socialism and is a component part of socialism; attacking public ownership of the means of production and saying that it is "wild and ultra-leftist socialism"; calling for the implementation of private ownership on the grounds that public ownership is incompatible with the market economy; saying that public ownership is not the goal and that the predominant position should not be preempted in order to oppose the predominance of public ownership and call for further cuts in the proportion of public ownership until the public sector is given up; proposing that state property be turned to private property through the shareholding system and the transfer of property rights to individuals; urging China to "fundamentally" reform its political structure; calling for the establishment of an inhabitants' community based on capitalists so as to get rid of the proletarian dictatorship which protects socialism and restricts capitalism and create conditions for replacing the proletarian dictatorship with a bourgeois one; totally negating the achievements of socialist construction over the past 30 years since PRC's founding and the explorations made in the building of the socialist road by the CPC under Mao Zedong's leadership; regarding the 60-year history of the CPC as one in which "leftism" ran wild and which brought disasters to China.

negating Marxist theories of class struggle and proletarian dictatorship; negating the theory of scientific socialism and regarding it as a traditional and outdated theory, and declaring that Marx's *vision of the communist society was utopian and an illusion*; advocating Westernization and Confucianism and applying these to replace Marxism; suggesting that the "post-modernist school" and "mass culture", namely, vulgar culture, be applied to "eliminate the mainstream ideology", that is, Marxist ideology; and attacking the training of a "new type of selfless person", saying that it is "utopian" and a "false humane spirit" which "ignores the true active person". These bourgeois liberalization proposals have spread unchecked under the cover of the anti-"leftism" banner. The theoretical encirclement and suppression of the four cardinal principles will directly shake the theoretical grounds for proletarian dictatorship and undermine the foundation of our cause.

In literary and artistic works, the main expression of bourgeois liberalization is manifested in: intentionally depicting China's poverty and backwardness over the past 30 years since the PRC's founding and sparing no efforts to exaggerate the shortcomings and mistakes made in the 60 years since the CPC's founding, describing the party cadres and members who have taken the socialist road and the revolutionary masses who have followed the party as negative figures and certain targets of socialist revolution and new democratic revolution as positive figures. In the works reflecting reality, workers, peasants, soldiers, and party organizations have disappeared. The party's cadres have become typical examples of rigidity and conservatism who hinder reform, while the private entrepreneurs and upstarts have become vanguards of reform and heroes of the times who incorporate all sorts of virtues. At the same time, audio-video products from Hong Kong, Taiwan and Western capitalist countries which are immersed in a bourgeois outlook on life, values and political

concepts have flowed into the cultural market in China's urban and rural areas. The spread of these literary and artistic works has shaken people's faith in the four cardinal principles.⁸ Many young people who have not experienced past history will mistakenly believe that the socialist revolution and new democratic revolution led by the CPC, as described by the authors of some works, were mistakes in history.

By reviewing the lessons drawn from the 1989 "prodemocracy movement", the bourgeois liberal forces within and outside the party are sounding out the atmosphere at home and abroad, and have developed relatively systematic and definite views over the past two years. They believe that the only wise and realistic option for China and the only feasible way for the CPC to save the party and the nation is: Starting from "nonideology in the propaganda and ideological field", namely, diluting Marxism, gradually giving up the four cardinal principles, effecting a change in the economy to a free market economy of private ownership and a change politically to a multiparty parliamentary democracy, and steadily effecting a "peaceful evolution" to capitalism through "reform" in a step-by-step manner. In cooperation with the Western capitalist countries and the hostile forces abroad by tacit agreement, they are adopting outflanking tactics to spread the influence of such political viewpoints within and outside the party.

Influenced by the trend of bourgeois liberalization over the past three years, a change in direction has been effected in China's

⁸ The four cardinal principles reiterated by Deng Xiaoping on March 30, 1979 merely as a facade for the revisionist policy of "four modernizations" are

1. Keep to the socialist road.
2. Uphold the dictatorship of the proletariat.
3. Uphold the leadership of the Communist Party.
4. Uphold Marxism-Leninism-Mao Zedong Thought

Whenever necessary, as in the aftermath of the Tien Anmen incident of 1989, Deng and his minions paid lip service to the four cardinal principles while they continued policies to dismantle the factors of socialism in China's economy and society. -- *Ed.*

social awareness. The things which were regarded as correct in the past (of which some were proved to be correct) are now regarded as wrong; the things which were regarded as wrong in the past (of which some were proved to be wrong) are now regarded as correct, and the things newly built through socialist revolution are regarded as traditional old stuff, while pawn and auction sale agencies which existed long ago in the old society are regarded as things newly emerging in the course of reform. At the same time, marked changes have taken place in China's social mood. Some people who have suddenly become rich through means other than labor vie with one another in eating, drinking, visiting prostitutes, and gambling, which strongly stimulate the masses and set examples. Luxurious hotels and shops, night-clubs, golf courses, saunas, massage parlors and brothels, specially designed for tycoons, have been set up in the prosperous economic regions. Money is not only the condition for material comfort, but has also become the criterion for the media to judge a man's social value and career. Ultra-egoism, hedonism and money worship have become the main theme of life and the creed pursued by an increasing number of people. Imitation of decadent Western lifestyles has become a fashion. Tycoons have become objects of public respect. Shops, hotels and amusement centres vie with one another to use "VIP", "magnate", "mogul", "boss" and "emperor" as their names (shops names are the measure by which to judge their social status). Rational incomes obtained through hard labor are no longer regarded as the norm in life and making money through speculation has become the ideal of an increasing number of people.

Many people mock the virtue of selflessness. A worker from Shanghai said: "Alas, I have woken up. Diligence cannot lead to affluence. I must change my concepts, wipe out my past thinking and try to engage in business." In the past, people regarded "going to factories, rural areas and the places where the motherland

needed them most" as an honour, but now they want to "go to companies, foreign countries and places where they can make money". "Party members are very serious" is replaced by "where ignorance is bliss, 'tis folly to be wise" and "having no regrets for wasting one's life" by "why not play through life". Speculation in stocks and real estate, trading of false invoices, pornography, production and selling of counterfeit goods, and even smuggling have become active mass movements in some localities. For a time, China held the "world title" for abduction of women and children, highway robbery and plane hijacking. With the inflow of culture from Hong Kong, Taiwan and Western countries, the mentality of imitating Hong Kong and Taiwan culture, worshipping everything foreign, and yearning for the capitalist world has been passed from ignorant young people to some intellectuals and party and government cadres. Learning to speak the Cantonese dialect, vying with one another for "lucky numbers" and regarding the wearing of shirts and caps with stars-and-stripes designs as fashionable are the external expressions of this mentality. It is conceivable that when there are confrontations between China and the United States or other countries, we can hardly expect people with such a mentality to support the government and serve the motherland. On the contrary, they are likely to betray the interests of the motherland and directly undermine China's security.

The aforementioned changes in social awareness are not only a reflection of some of the current social reality but will also have a negative effect on China's social being.

IV. Changes in the situation of the ruling party

1. Weakening of party organizations. In the past, party organizations were like clenched iron fists and fighting bastions. Not only could they promptly and comprehensively keep abreast of conditions concerning party members and the people around them, but they could also carry out correct ideological work among the

party members and the masses. Consequently, they served as the leading core in a unit or locality and effectively implemented the party's principles, policies, and strategic and tactical intentions. Now, not only have many party organizations failed to arrange for or encourage party members to report about themselves and the people around them, but the party members themselves have also failed to report their own ideas to party organizations. Even if the party members know something about the people around them, they do not report it to the party organizations either. Some grassroots party organizations have in fact become "deaf" and "blind", unable to know anything or play any role. The fact that during the "1989 disturbance" some problems which previously could have been controlled and resolved by party organizations had to be directly controlled and resolved by state security and public security departments was precisely an outcome of the weakening of party organizations. The weakening of party organizations is like osteoporosis. It greatly reduces the party's combat-effectiveness, making it impossible for the party to exercise strong leadership over the masses of the people. Following the disintegration of the collective economy and the flow of peasants in some rural areas, many party branches have sunk into a weak, lax and paralysed situation. A small handful of rural party branches are controlled by religious or other evil forces. Such a situation has endangered stability in rural society and shaken the foundation of the party's work in rural areas.

2. Changes in the ideas of some party members. In the wake of the abandonment of the planned economy, the *partial restoration of private ownership*, and the collapse of the socialist system in Eastern Europe and the Soviet Union, major changes of orientation have taken place in the ideas of some party members under the impact of the erroneous proposition of "upgrading belief" (a call issued by Li Wei of the Economics Institute of Beijing University on Beijing Television's BTV Evening Talk

programme). In their view, socialism has failed, the socialist path is a blind alley, communism is a fantasy and Marxism-Leninism-Mao Zedong Thought is outdated. Some college teachers and students in Shanghai said: "Now communist party members talk less about ideals and the principle of party spirit and more about money." Some party cadres even praise peaceful evolution and call for privatization. Some party members have started looking for "room for maneuver" outside the communist party. Taking advantage of the conveniences that are still available in the party, some party members have rushed to turn their children and even themselves into newly born bourgeois elements and new moneybags. If such ideological changes spread within the party, it would be hard to expect the vast numbers of party members to step forward bravely and fight for the party should a situation occur similar to that of the "August incident" in the Soviet Union. By that time, our 50 million party members will count for nothing. Moreover, those party members who have thoroughly changed their minds are likely to break away from the party, turn against their own side, and serve as a fierce anti-communist vanguard, as happened in the Communist Party of the Soviet Union.

3. Changes in the party's relations with the worker and peasant masses. At present, with the restoration of the private economy, the gap between rich and poor in China is widening and polarization is developing. By February 1994, the bank deposits of rich people, who accounted for 2 percent of the total number of depositors, composed 80 percent of the total deposits of 1,300 billion yuan. According to a survey conducted by the All-China Federation of Trade Unions in 1993, of the 140 million workers and staff members across the country, the average monthly family income of 5 percent of them, involving a total population of 20 million, was only 62.19 yuan and, with the monthly expenditure standing at 67.50 yuan, they could not make ends meet. According to a survey conducted by the Propaganda Department

of the Jiangxi Provincial CPC Committee, more than 60 percent of workers and staff members think that the status of the working class as masters of their own affairs has not been realized and 32.6 percent of workers and staff members think that the status of the working class has declined. A Xinhua reporter said: "The industrial workers who have always been looked upon as 'masters' have a sense of being abandoned. A female worker in charge of looms who checked the quality and quantity of the products said: 'We work hard for a year but our pay is less than that of a self-employed businessman working for only two days. This is extremely unfair.'"

In the first half of 1994, there were 225 strikes across the country involving 37,900 people. They included 71 strikes at state-owned enterprises and 82 strikes at foreign-funded enterprises. There were also 4,000 cases of people collectively applying for an audience with the higher authorities to appeal for help. During their demonstration in February 1993, the workers at Hunan's Jinzhushan mine raised the slogan "we want to eat and we want to live". Now, labor-management conflicts have emerged in some private and foreign-funded enterprises. It is hard to completely avoid poverty for some workers and labor-management conflicts under the present conditions. The problem now is the party's attitude towards the conflicts. As a British reporter put it, faced with conflicts between Chinese workers and foreign bosses, "the trade unions are almost prohibited from carrying out their activities because this may scare potential investors". The Taiwan general manager of Yuenzu Company in Shanghai attacked and hurled invective at the communist party. In spite of this, the department concerned in Shanghai's Hongkou District gave in to him again and again, prohibiting the company's workers, staff members, and party members from reporting to the higher authorities, and forcibly ordering the workers and staff members who had applied to

the Labor Disputes Arbitration Commission for a ruling to withdraw their application.

In the rural areas, in 1991 the per-capita annual income of 9.4 percent of the peasant households across the country was less than 300 yuan and the average annual income of some 20 million people was only 150.8 yuan. A peasant in Renshou County, Sichuan Province, said: "The communist party now loves rich rather than poor people. As the French 'Le Figaro' put it, the Chinese "peasant dissatisfaction is likely to be explosive and may break out at any moment."

The working class and impoverished peasants may be disappointed with the communist party because of the decline in their economic, social, and political status. At least a considerable number of workers and impoverished peasants feel that the party represents the interests of those who have knowledge, capability, and wealth rather than their interests and they have a centrifugal tendency. If the *communist party does not take action to improve its relations with the working class and impoverished peasants*⁹, it will be very hard for the party to gain their support. The estrangement between the communist party on the one hand and the working class and impoverished peasants on the other is likely to leave the party in an isolated and helpless position at a critical moment as the Communist Party of the Soviet Union was during the "August 1991 incident".

4. The corruption of some party and government cadres. Over the past dozen years or so, corruption in China has reached two new levels. Before the 1970s, corruption remained at the low level of offering cigarettes and wine and "getting in by the back door" on such questions as joining the army, recruiting workers and students, and transferring someone to another post. In the 1980s, in an effort to obtain extrabudgetary funds, raw and semifinished

⁹ It is not merely a problem of improving relations but of representing the interests of the working class and the peasants.

materials, energy, railway wagons, or markets, township and town enterprises, as well as private enterprises, set off the practice of giving "money wrapped in red paper envelopes" and "rebates", driving up corruption to the first new level. Since the beginning of the 1990s, guided by the ideas of "not bothering about whether it is socialist or capitalist in nature" and "looking at everything in terms of money", embezzlement, bribe-taking and bribe-offering, smuggling, selling of contraband, manufacture of fake products, pornography and prostitution have been as rampant as water from a burst dike, driving up corruption to another new level. Almost all ugly phenomena of the old society prior to the establishment of the republic have been revived and no party cadre can be totally impervious against every ugly phenomenon. Between September and December 1993, procuratorial organs throughout the country investigated and handled 6,790 major cases involving more than 10,000 yuan in corruption and bribery, a 2.1-fold increase over the same period in 1992; handled 1,748 major criminal cases involving more than 50,000 yuan in embezzlement of public money, a 2.7-fold increase over the same period in 1992; and penalized 715 cadres at the county (section) level or above for economic crimes, a 6.8-fold increase over the same period in 1992, including 61 cadres at the provincial department (bureau) level, an 11-fold increase over the same period in 1992.

Between September and December 1993, the courts tried economic criminal cases involving 13,110 people, an increase of 25.67 percent over 1992. When economic crimes and corruption cases are exposed, officials often protect one another. Under the banner of protecting reform and opening up, some law-enforcement organs often pass lenient sentences on serious cases. For example, recently Jiangxi Province invariably gave light sentences to several dozen cadres guilty of economic crimes. They were given either a suspended sentence or a fine for their crimes. Even if they were sentenced to imprisonment, they were issued false

hospital certificates to enable them to be released on bail for medical treatment. Although the Party Central Committee and the State Council have repeatedly issued injunctions against corruption and formulated some codes of discipline and rules, an effective way to fundamentally resolve this issue has not been found.

Originally, the corruption of some communists was caused or made possible by the bourgeoisie (as was pointed out by Wan Runnan). However, because the purpose of the communist party is fundamentally at variance with the interests of the bourgeoisie, the bourgeoisie still does not trust the communist party even if some communists have degenerated as the bourgeoisie has desired, and it still wants to thoroughly overthrow the communist party. During the "1989 disturbance", the bourgeoisie incited the masses to pound at the communist party in the name of "fighting corruption". Therefore, not only has corruption made the communist party divorce itself from and set itself against the working class and the broad masses of the laboring people, but it has also given the bourgeoisie a pretext with which to attack the communist party and subject it to attack frontally and from the rear.

5. Changes in the political quality of party and government leading bodies. The developments cited above indicate that the next decade cannot possibly be an uneventful one politically and is likely to be one in which the bourgeoisie at home and abroad launches a decisive onslaught against our party and the dictatorship of the proletariat. Economic development cannot by itself imperceptibly eliminate or prevent political turmoil. The situation in the future will set higher demands than at present on the political quality and leadership capability of the comprehensive party and government leading bodies at all levels.

In the periods immediately after the founding of our party and of our country, we had a small number of intellectuals-turned-career-revolutionaries who had a very high level of

accomplishment in Marxist theory, the art of political struggle, and political leadership capability. We also had a large number of cadres promoted from workers, peasants and soldiers who also had a firm proletarian stand and strong, practical political skills. Composed of these people, the leading bodies of the party, government, and army at all levels dealt remarkably with the situation at that time and ensured the founding of the PRC, the accomplishment of socialist transformation and the consolidation of the socialist system.

Since the start of reform a dozen years or so ago, after repeated adjustments of leading bodies at all levels, the cultural and specialized knowledge levels of the comprehensive party and government leading bodies at all levels have been raised extensively and their capability in managing economic activities has also been heightened. This is in keeping with the central task of our party and state at the moment. However, the overall political leadership capability has dropped slightly. Over the past few years, party and government leading bodies at all levels have engrossed themselves in specific work, such as contending for and distributing investments, starting projects, approving land allocations, carrying out urban construction, running development zones, and holding talks with foreign businesses, as well as attending dinner parties, going abroad and cutting ribbons, but they have little time to think and do not know much about various issues, such as the conditions of social classes, popular ideas, and social contradictions. In the course of their work, the leading bodies of some localities have actually turned the two "basic points" of our party into one "basic point".

In selecting leading cadres from among intellectuals, there is a one-sided understanding about specialization. Consequently, many of those joining the local comprehensive leading bodies have studied science, engineering, medical science, or agriculture, few have studied the liberal arts, and fewer still are specialized in basic

Marxist theory. It is said that 80 percent of the students at the Central Party School with a college degree or above majored in science, engineering, medical science, or agriculture. Such a pattern approximately reflects the professional knowledge pattern of the party and government leading bodies at the provincial and city levels. We do have intellectuals-turned-cadres majoring in basic Marxist theory. But most of them work in party schools, institutions of higher learning or social sciences research departments and very few of them have been inducted into the local comprehensive leading bodies at various levels. As "an understanding of economy and management" has been stressed in the selection of leading cadres in the past three years, they are not included. In the eyes of some leaders and organization departments, it is as though only science, engineering, medical science, agriculture, foreign trade, banking and law can be regarded as specialities, while Marxist philosophy, Marxist economics, scientific socialism, the history of the international communist movement and the history of the CPC cannot be regarded as such; *it is as though comprehensive party and government leading bodies at all levels only need those specialized in science, engineering, medical science and agriculture rather than those specialized in basic Marxist theory, and only need those specialized in economic and administrative management rather than those specialized in political leadership.*¹⁰

Many leading cadres (including those at the provincial and ministerial level or above) have studied at party schools, but they are clear and logical only when talking about specific business, and become frivolous and even speechless when touching on Marxist theory. Some of them even erroneously *take Western Marxist concepts and even bourgeois liberalization as Marxist concepts* and pay lip service to them. If such a situation should

¹⁰ The statement takes the revisionist view that party work and political leadership are merely matters of specialization.

continue and spread, *it will be hard to preserve the Marxist characteristics of our party.*

The local comprehensive party and government leading bodies at all levels are different from those of specialized departments. Apart from dealing with economic construction issues, they should also deal with a series of political issues. Given the circumstances cited above, the local comprehensive party and government leading bodies may still be able to cope with the situation at a time of political stability, but they can hardly do so at a time of political turmoil. As it is, the professional knowledge pattern of the local party and government leading bodies at all levels does not conform to the political situation in the next decade.

The CPC is a political party rather than a mass organization of another nature. According to Marxism, politics chiefly refers to the handling of relationships between classes, groups and people. If our party cannot correctly understand and handle classes, class contradictions and class struggle, we may not be able to hold on to state power. If we lose power, we shall be unqualified to manage the economic activities of the society and unable to go on taking economic construction as the party's central task. For this reason, it is imperative to change the situation in which the political leadership capability of comprehensive party and government leading bodies at all levels is declining. To this end, *apart from paying more attention to and stepping up the study of political issues, we should also increase the proportion of people specialized in basic Marxist theory and politics in the leading bodies.*

It is understood that, due to incorrect guiding ideas on the part of some leaders, some phenomena have emerged in some localities and units, such as pushing out and attacking comrades *who are firmly opposed to turmoil or riots*¹¹ and take an active part

¹¹ The statement upholds the revisionist presumption that there is a socialist order to defend.

in uncovering and screening-out work; and promoting and putting in important positions those who sympathized with the "1989 prodemocracy movement" and support bourgeois liberalization. These phenomena have inspired many people who participated in the 1989 "prodemocracy movement", refuse to change their stand, and hold on to bourgeois liberalization. These people cherish the illusion of relying on so-called forces "from within the structure" to reverse the verdict on the 1989 "prodemocracy movement". On the other hand, those comrades who persisted in struggle on the front-line when the republic was in dire peril at that time feel depressed. If there is a similar struggle in the future, some of them will probably hesitate to move forward and will not be as resolute and advance as bravely as before. Such a situation is extremely unfavourable to our party and state security. It is estimated that in the next year or two hostile forces at home and abroad are very likely to take reversal of the verdict on the 1989 "prodemocracy movement" as a point of breakthrough in attacking the leadership of the communist party and the dictatorship of the proletariat. Only by withstanding this attack and passing this test can the third-generation central leading collective of our party be regarded as gaining a firm foothold and be in a position to talk about the future. Therefore, if the aforesaid situations are not rectified from now on, the number of people daring to stand on the side of the party and government will probably drop, while the number of those opposing the communist party and the government as well as those observing neutrality to protect themselves will grow. When a political storm does come and we find ourselves in an unfavourable situation, it may be too late to change the situation. #

COMMENT ON ROBERT WEIL'S ARTICLE, "CHINA AT THE BRINK: CLASS CONTRADICTIONS OF 'MARKET SOCIALISM'"¹

By Joan Hinton and Erwin Engst

Robert Weil's excellent article "China at the Brink: Class Contradictions of 'Market Socialism'" has unmasked through penetrating analysis the essential and increasingly lethal contradictions 15 years of "reform" have brought to China.

We are writing first to express major support for Weil's investigation, and second to discuss two points in his article where our opinion diverges somewhat from his, namely, the class nature of the reformers, and his evaluation of Mao's analysis of classes in socialist society.

Changes in China

In China, by 1980, Mao's era had left this vast country with no internal debt, no external debt, 30 years of stable prices and as Weil says, an "all-encompassing system" of social benefits for those employed in the state sector—which meant virtually the whole urban population of some 200 million people. These benefits included not only employment, but housing, education for the children, medical care, maternity care, pensions etc. in an "enveloping community setting. ... There was essentially no unemployment, begging or homelessness, virtually no crime, no shanty town slums, and even among the very poor, no under class

¹ Presented as a supplementary paper to the *People's Conference Against Imperialist Globalization*, Manila, November 21-23, 1996. Robert Weil's article appeared in the *Monthly Review* issue of December 1994 and all page notations on the text refer to this particular issue.

of social outcasts in desperate degrading poverty". Thus employment in a Chinese work unit under Mao "allowed even at the very low overall level of the Chinese economy, conditions of society completely unfamiliar in the vastly more wealthy United States." (p. 27).

We would add, as to the rural population, before the "reforms" began, its security was provided by the village collectives, the building blocks of the people's communes. After deducting costs of production, as well as funds planned for expanded production and welfare, the yearly village income was divided out to each individual member according to work points earned. Thus, similar to their urban counterparts, over 800 million peasants found personal security, in their case not from the state as such, but from their collective welfare fund. Under this system, even in the poorest villages, each member was guaranteed a subsistence grain allowance regardless of work points. By 1980 this welfare fund had already provided essentially universal primary school education for the village children, minimal care for the old, and most striking of all a nationally integrated health care system starting with "barefoot" doctors at the village level.

Of course this new socialist society was not a utopia. It was a real society born in fierce struggle. Though the proclamation of socialist laws was a qualitative leap forward, it did not mean people became angels overnight. As Lenin said, old customs and habits are a terrible force. Installment of a new legal system created the framework of socialism. The seeds were planted. A complicated prolonged battle for germination of these seeds in every cell of society came next.

The crux of the problem in both the state sector and the collectives was the relation between the leaders and the led. In villages where the village leaders were corrupt, feathering their own nest at the expense of other villagers, there was no way the collective could thrive. The struggle in these villages was a struggle

against the survivals of non-socialist relations of people in the process of production. These nonsocialist relations of production were buried like a cancer within the framework of the new socialist society. As to the social benefits described above, however, even in the estimated some 30 percent of poorly run collectives or state units, the question was not whether they had benefits or not, but rather a question of how poorly or how well these benefits were run.

Weil's article gives a vivid, well documented description of the "reformers'" 15 years of dismantling of this unprecedented system of social benefits which had encompassed more than a fifth (22 percent) of all humankind. On reading his article one can not help but ask:

"Why this ferocious attack? What was the crime of this system?"

Clearly there is but one answer. The crucial crime of this system was its fundamental legal code abolishing labor as a commodity. Without enforcement of this code, the system could never have come into existence, and without this code the system could not survive.

This is in direct antithesis with the premise of capitalism, which enshrines the "freedom" to hire wage labor as a basic human freedom.

In China prior to 1980, the elimination of labor as a commodity, had brought a dignity to the Chinese people impossible to imagine even in the most advanced capitalist countries. It also brought the wrath of the gods from the 2 percent or 3 percent who had been deprived of their "inalienable right" to exploit wage labor.

Immediately after taking power the "reformers" struck a body blow to this basic principle of socialist economics, personally launching the slogan "Let a few people get rich first". This slogan, backed up by the new state machine, gave a green light to

hiring labor for the purpose of personal enrichment. The smashing of the whole collective economy that followed, through state support of speculators, middlemen, rich and middle peasants and urban petty bourgeoisie who were itching for the chance to make a quick buck, soon broke the back of the rural collective economy, opening up a vast market for a new commodity — labor power.

Dizzy with success, the “reformers” immediately set their targets on “reform” of industry, boastfully claiming it would be carried out the very next year. Now, 13 years later, as Weil’s article clearly describes, the “reformers” are still struggling with the “reform” of state industry. Whereas breaking the collectives was relatively easy, since it left the peasants with a means of subsistence — use rights to land — “reforming” state industry is a different question. The “reformers” continually assert their first priority is “unity and stability.” Avoiding any situation that might threaten their political power, they have been very cautious about throwing masses of workers onto the streets. Though some factories have been closed for months at a time, the workers have still been paid up to 60 percent or more of their wages. We heard of a profitable factory near Beijing that was refused loans from the state bank for expansion, because several million yuan of the bank’s reserves were set aside to subsidize workers wages in nonprofitable plants. The contradiction between privatization’s inevitable squeeze on the workers and the necessity to avoid organized mass discontent, has been the main obstacle to rapid “reform” of state industry.

Some jokingly say Deng “discovered capitalism” on his 1979 visit to the US. With all the wealth of the western powers looking for a place to invest, why wait for the Chinese people to build China: let the foreigners do it! They did it in Taiwan, they did it in Singapore, they did it in South Korea — why not let them do it in China? Open the doors wide — let foreign wealth in!

Now 15 years later these eager "reformers" are grappling with the consequences. With a foreign debt already up to US\$100 billion, and a matching internal debt; with corruption rampant, a general breakdown of social order and inflation wiping out the *promised rise in living standards of the population*, and with the demands of foreign investors becoming ever more stringent, the "reformers" are caught in a bind. Like dying men drinking poison to quench their thirst, they are becoming more and more reckless in their search for foreign funds. As Weil aptly points out (p. 15) "In the daily, relentless struggle to keep the foreign money coming in, there is virtually nothing that is not up for sale." Land, bridges, highways and now even airlines are sold (or "leased" for up to 70 years) to the highest bidder.

To make matters worse, like the sorcerer's apprentice who never learned the word to stop the broom carrying water, the "reformers" having so gleefully generated rural commodity labor, are at a loss as to how to stop the ever increasing millions of peasants on the move in search of new wealth, flooding the cities with poverty and shanty towns.

As massive development gobbles up huge tracts of farm land around the cities, irrigation and drainage systems built up during the years of the communes fall into decay, and rural youth of both sexes disappear leaving farming to the older and weaker (Who can get rich raising grain with a hoe?), even the top leadership has at last become worried. Agriculture is in a crisis. China certainly is in deep trouble.

Class Nature of the "Reformers"

In our opinion, the "reformers" never represented middle class or petty bourgeois interests as Weil's article implies (p. 20). Right from the start, just like the KMT, they have been after the whole cake, not just a nibble of it. As Mao pointed out in the Cultural

Revolution "this struggle is a continuation of the struggle with the KMT"

From its conception in 1921, the CPC was a party of the proletariat. In the early '20s it organized huge strikes in the railroads and coal mines. It was only after many bitter defeats suffered in urban insurrections, that it withdrew to the countryside, set up base areas, and finally won the cities by surrounding them from the countryside.

Similarly the "reformers", on coming to power, could not take socialism head on. They had to start at the weakest point — the countryside — and especially remote areas with the least mechanized agriculture. The more primitive the conditions, the less excess labor is available to reorganize into various projects of expanded production. Thus in areas where hand tools, a sickle, a hoe and a carrying pole were still the main means of production, collective agriculture had the least advantage over individual farming. Outflanking the cities from the countryside was a tactical maneuver within the "reformers'" overall strategic plan for marketization of the whole economy.

Thus, though the "early efforts at 'reform' focused on breaking up the agricultural communes and promoting separate family production contracts among the peasantry" (p. 20), this tactical move in no way meant the top "capitalist roaders" themselves represented middle-class, or petty bourgeois interests. Such a move only shows how they used these interests to create a social base for their own ultimate goal.

Though the most obvious early efforts at "reform" were those aimed at breaking up the communes, this was by no means the only activity showing their hand at the time. For instance, in the early '80s, in the name of correcting mistakes of the previous period, the "reformers" quietly turned huge sums of money over to the families of the original Chinese national capitalists as

"compensation" for the investment capital they had held when the communists took over in 1949.

Whereas the property of bureaucrat capitalists had been confiscated at that time, the policy toward the national capitalists had been one of "buying them out" with government bonds. In 1971, Zhou Enlai told us that the accumulated interest on these bonds already paid to these capitalists by the People's Government was equivalent to US\$450 million. In other words, the Chinese people, over a 10-year period, paying \$45 million per year, had already paid the capitalists half the value of that which had been taken over from them. The remaining payments were stopped by the red guards during the Cultural Revolution.

However, with typical capitalist logic, separating interest from capital, the "reformers" disregarded this fact completely. On taking power, they wasted no time diverting enormous public funds to repay certain capitalists the second time around. The actual total sum returned as far as we know was never published in China. But we do know that when the amount became too large for the state to absorb, the payments were stopped. The whole maneuver was kept very low key under the ambiguous title of "carrying out policy". To this day few people in China realize this money was returned, let alone having any idea of the amounts of money transferred in these transactions.

One of the main beneficiaries of this policy was a leading nationalist capitalist, now a high official of the People's Republic of China. His private capital had been one and a half times the total capital of Beijing. In 1986, over 200 members of his extended family living abroad, were invited to a family reunion in Beijing where they met China's top leaders. Their lavish reception was all at government expense.

Clearly, all this was not done by "the upper strata of the peasantry, the more skilled workers", or "the professional elite" (p. 20). This huge transfer of funds from public to private as

monetary support by the "capitalist roaders" for the return of the "old" capitalist class, carried out simultaneously with the breaking up of the rural communes, was just one more tactic adopted by the "reformers" in their strategic plan to release the forces of *capitalism in China*.

As we have said, we believe the class nature of the leading capitalist roaders in China has always been that of the big bourgeoisie. They are bureaucrat-capitalist compradors reborn within the highest ranks of the Communist Party of China.

Class analysis in socialist society

Weil writes: "Unlike his early analyses of the classes of rural China, so precise in their measurement of each stratum and its economic and political tendencies, Mao used sweeping terms in dealing with the 'capitalist roaders' that failed to single out the particular class interests which marked the character of their system and the contradictions in their own ranks. In the absence of such a study, both opponents and analysts of the 'reformers' have been left in basic respects ideologically and theoretically disarmed." (p. 19)

The problem here is that under the conditions of socialism, these social stratum no longer existed. With the elimination of private ownership of the means of production, essentially everyone belonged to a unit from which they received either wages or income from work points. In those days the spread in income among wage earners was about 1 to 10. That is, where the highest government officials or a few older intellectuals had a monthly salary of 300 to 400 yuan, the income of those at the bottom of the ladder was around 30 or 40 yuan. Though there were still differences between workers and peasants, city and country and mental and manual labor left over from the old society, they were slowly being decreased. People understood them, and with correct handling these differences were not antagonistic. So if classes,

class contradictions, and class struggle still existed in socialist society, where were they to be found?

After years of study, investigation and analysis, not only of China, but of all the socialist countries at that time, Mao finally formulated what we consider to be his greatest contribution to Marxism. That is that under socialist economic conditions, the main class struggle in society between the proletariat and the bourgeoisie changes its form, appearing not as a struggle between economic classes, which no longer exist as such, but as a line struggle at the top echelons of the party. This dialectical metamorphosis, where inner party struggle becomes the predominant form of class struggle in society, occurs after the communist party in power has essentially completed the socialist transformation of the economic base, *i.e.*, after the transformation of private ownership of the means of production into public or collective ownership. At this point, the old bourgeoisie has lost its teeth.² Without connections within the party in power it has no chance of a comeback. Thus, the old type of analysis of classes which Weil expected to find in Mao's new analysis of classes in socialist society is in fact missing. The analysis is nonexistent because the classes were nonexistent as obvious economic classes. They existed as incipient classes. It depended entirely on how those who held power at each level used their power.

In a planned socialist economy, cadres at each level have a large responsibility in the allocation of the social product under their supervision. The higher the cadre, the greater the responsibility, and the more wealth involved. At the top levels of government this means decision making for the allocation of huge capital surplus is in the hands of a few powerful officials. Clearly these

² The old bourgeoisie as well as the newly emergent one, although legally and economically restricted, preempted or eliminated in the mode of production, could grow in the superstructure, *i.e.*, the ruling party and the state, particularly among the bureaucrats and intelligentsia. Lui Shaoqi and Deng Xiaoping were the teeth of the bourgeoisie within the CPC -- *Ed*

cadres understand very well what using this power for the benefit of a few rather than the benefit of the vast majority could personally mean to them. As such, those who dreamed of doing so constituted an incipient new class which, once let loose would be capable of transposing enormous public assets into private capital practically overnight.

Under Mao, there were many honest cadres who sincerely believed in socialism, and devoted their lives to working together with all the people to build a new society. There were also many cadre, who held the same beliefs and devotions, but who found it difficult to resist the temptation to take advantage of their positions of power to get favors for themselves or their families.

During those years, education, mass movements and work evaluation meetings, where everything was put out in the open for discussion, served as a continuous process of cleaning up. Everyone in China, both leaders and led, took part in these activities in their work units. Through these activities people had a chance to see themselves as others saw them, realize the effects of certain behavior on the good of the whole and to mutually correct their mistakes. However, there were also leading cadre who only appeared to believe in socialism, who did not correct their mistakes or only made a show of correcting them, and who clandestinely obstructed in one way or another all advances along the socialist road. Mao called these cadre "those in authority in the party taking the capitalist road" or simply "capitalist roaders". How to distinguish between the second and third type of cadre was often extremely difficult. Their mistakes appeared very similar. However, the second type, helped by constructive criticism, could correct their mistakes. The third type was different. These cadre consistently pushed policy which would have changed the economic system itself to legalize both the transposition of public assets into private capital and the accumulation of private capital through exploitation. It was the struggle against activities

of this third type of cadre which appeared as a two-line struggle. The taller the tree, the bigger the shadow. Struggle originating at the bottom could only have local effect. The higher the cadres involved the greater the effect, until struggle at the top of the party affected every aspect of society as a whole.

Once we realize that the analysis of the two-line struggle — the struggle between the “bourgeois reactionary line and the proletarian revolutionary line” as Mao called it — is precisely the analysis Weil is looking for, then we realize the tremendous work Mao has done in formulating this analysis. It is a creative development of Marxism.

In his analysis of the two-line struggle under the conditions of socialism, Mao gave the people of the whole world a tool with which to detect “capitalist roaders” in the party. This analysis is not “sweeping” at all. It is both theoretically penetrating and practically precise. The class interests that marked the character of the system they strove for is also very clear and precise. Those “opponents and analysts of the ‘reformers’ who have been left in basic respects ideologically and theoretically disarmed” (p. 19) have been left this way because they have failed to grasp the significance of Mao’s analysis of the two-line struggle. If Mao’s analysis was really so vague, how was he able to use this analysis to predict so precisely the sweeping changes to a “market economy” in the USSR and China? Mao warned if “capitalist roaders” were to usurp power they would install a fascist dictatorship. What more accurate prediction could one have for the 1989 June 4th Massacre at China’s “Tien An Men”, or the attack on the parliament and the Chechnyans in the former USSR?

During the Cultural Revolution, Mao tried in every way he could to teach the Chinese people how to detect “capitalist roaders” in the leadership of the party by analyzing the line they pushed. The three main criteria were “who do they believe in, who do they rely on, and who do they mobilize?” Clearly the

“reformers” call for a few people to get rich first is an excellent example of “believing in the few, relying on the few and mobilizing the few”. As soon as they came to power, they cut the right to strike from the constitution, forbid people to hang up big character posters, and cut out all mass movements. The opposite is what Mao called “the proletarian revolutionary line” — “believe in the masses, rely on the masses, mobilize the masses”.

Do decisions being made by leaders take into consideration the interests of all the people or just those of a few? Of long term or just immediate interests? Do the policies pushed by the leaders help unite all the people in building a new society or do they cause splits among different ethnic, regional or any other groups? Do leaders discuss things with those they lead or do they do things secretly behind closed doors? Do they involve people in decision making or do they just hand out orders? Do they welcome criticism from below or do they fear it? If so, why? With nothing to hide why should they fear criticism? It was these kinds of questions that Mao mobilized the Chinese people in their millions to ask during the Cultural Revolution.

Using these criteria, people all over China soon began unearthing “capitalist roaders”. The “capitalist roaders” immediately counterattacked with the deadly weapon of factionalism. The situation became extremely complicated. As the proletarian leadership called on all the people to unite against a “small handful”, the “capitalist roaders” incited factionalism both in relentless personal power struggles against each other, and as shields to protect themselves from detection by the people.

Since the main ideology in society was petty bourgeois, the majority of people were left helpless, unable to extract themselves and the leaders they chose from the entanglement of factionalism. This was the main objective cause of the failure of the Cultural Revolution.

The Two-Line Struggle in Agriculture

In China, one of the sharpest and most obvious two-line struggles was waged over the agriculture. Which road would develop China's agriculture the fastest — the socialist road of collectivization or the capitalist road of individual family farms. This intense struggle within the very top leadership of the party continued unabated for 30 years — from the early '50s right up past Mao's death to the end of the Cultural Revolution. Using Mao's criteria, the line consistently pushed by a few top leaders becomes clear.

Immediately after land reform, Liu Xiaoqi advocated the "rich peasant line". He claimed agricultural production would develop fastest by relying on the enthusiasm of the comparatively few more fortunate peasant families (those with more labor power, more connections, less illness, etc.) by allowing them to hire labor. He resisted pushing cooperative farming saying that collectivization could not come before mechanization. Mao opposed this idea, pointing out that this line could only lead to polarization with a few getting rich at the expense of the vast majority who would remain poor. According to Mao, the fundamental way out for agriculture is mechanization. However, in Chinese conditions where each peasant after land reform had but a tiny plot of land, the pooling of land into cooperatives was not only the only way to avoid polarization of wealth among the peasants, but also the only road to mechanization. For collectivization to wait for mechanization would be a disaster.

The vast majority of peasants grasped Mao's line. It was a way out for them. As peasant enthusiasm gained momentum, agricultural coops began springing up everywhere out of earlier mutual aid teams. From around 300 in 1951 they increased to 670,000 by the spring of 1955. As this high tide of cooperatives swept the country, Liu and his supporters counterattacked. They tried in every way they could to block what they claimed to be a "rash

advance". In the name of opposing the "rash advance" they compulsorily dissolved (or axed) large numbers (well over 100,000) of the cooperatives already set up. Mao's vigorous opposition to the axing resulted in readjustment to 650,000 coops by June 1955, and over 2 million by the end of the year. But the line struggle never ceased, with Liu and his supporters attacking sometimes from the "left" (communist wind of the great leap forward) and sometimes from the right ("the four big freedoms" — hiring labor, trading, money-lending and renting out land — of the early '60s).

Throughout these 30 years, history threw the tiny Taihang mountain village of Dazhai into the vortex of this two-line struggle. Due to the unusual ability of its peasant leader Chen Yonggui and his determination to take the socialist road, this remote village of Xiyang county, with only some 80 families, became a battle ground in the test between the two lines.

Nestled in a strip of loess soil at the base of barren rock mountains, the village of Dazhai was originally so poor "a crow flying over would do well to carry its lunch". Chen Yonggui, having come to the village as a beggar himself, had deep feelings for the poorest villagers. What good was land after land reform to those families with little labor power? When the strong men of the better-off families organized a mutual aid team, he led the children and old people of the weaker families in a second team. Production of the weaker team, due to unity of its members, soon surpassed that of the stronger team. By 1952 Chen was chosen as a model worker for the whole province. With Mao's call to get organized, Chen's team formed a coop. As production of the coop rose, more and more families asked to be taken in, until finally the whole village joined the coop led by Chen Yonggui. With family income counted in work points, women for the first time pressed to join field work too. Was this an asset or a liability? Some people worried. Would all this excess labor power decrease

the value of the workpoint? But Chen saw things differently. With so much to be done how could we have too much labor power? Mobilizing the strength of the collective, old and young, men and women, he led the whole village into battle. As gullies became fields, little fields merged to bigger fields, and terracing brought crops to steep mountain slopes income of the coop steadily increased.

It was Chen Yonggui's handling of the 1963 disaster, a flood the like of which only hits once in a hundred years, which brought Mao's attention to Dazhai. In spite of the devastated crops, the 78 of 80 families left homeless, Chen inspired the villagers to divert all relief aid to less fortunate villages. Mobilizing the full potential of the collective, the people of Dazhai rebuilt their homeland. Crop production that year increased 30 metric tons over the previous year.

In May '64, Mao's call "in agriculture, learn from Dazhai" spread to every corner of China. The same year Chen Yonggui, invited twice to Beijing, met Zhou Enlai and Mao Zedong. He made a speech in the Great Hall of the People, attended the Third National Peoples Representative Congress as a delegate from Shanxi Province and on December 26 was one of three invited to Mao's quarters for a meal on Mao's birthday.

Liu struck back. In October 1964 a 300-cadre work team descended on the 400 villagers of Dazhai. The team, carrying out Liu's line for the Socialist Education Movement, as opposed to Mao's line for carrying out the same movement, had been instructed "to dig out the worms gnawing on the red flag of Dazhai". After Chen left for the meeting of the Peoples Congress, the work team, relying on clandestine information given by a few disgruntled individuals, started "digging for worms" with vengeance. This top-down fierce attack descended on all grassroots cadre of the whole county of Xiyang. Under this pressure, 46 village cadre committed suicide. When Chen came

back from Beijing, his enthusiasm saved the lives of at least three Dazhai village cadre, who had been determined to take their own lives.

On January 23, 1965 a new document drawn up personally by Mao, known as "the 23 points", circulated nationally. This document, replacing Liu's document, took the pressure off grassroots cadre. For the first time it mentioned party members in leading posts taking the capitalist road. Mobilizing the vast majority of commune members, this document switched the arrow of attack from aiming down at minor mistakes of a majority of local cadre actively taking the socialist road, to aiming up at a small minority enriching themselves at the expense of others, taking the capitalist road.

Though this document relieved the situation in Dazhai, the two-line struggle never ceased. It was only Mao's initiation of the Cultural Revolution, which finally ousted thousands of work teams throughout China's rural areas, still persisting in Liu's line.

The capitalist roaders counterattacked with factionalism. Seeing the unprincipled seizures of power in Xiyang county, and the incredibly harsh treatment some good cadre were receiving from certain Red Guard groups, Chen could stand the nonsense no longer. A group of older cadre who had returned to Xiyang and 23 representatives of other Red Guard groups, took matters into their own hands. On February 10, 1967, led by Chen Yonggui, they took power in Xiyang.

From his own experience and with guidance from Zhou Enlai, Chen had come to realize the deadly nature of factionalism. Extracting himself from his earlier involvement in Shanxi Provincial factionalism, on taking power in Xiyang he exposed and stopped all factional struggle in the county. This opened up a clear path for carrying out the real aims of the Cultural Revolution. That is, to liberate the productive forces by cleaning out remaining pockets of non-socialist relations of production.

With meticulous effort, village by village, Chen mobilized the whole population of Xiyang to unearth real local "capitalist roaders", *i.e.*, those few village leaders who were using their power to enrich themselves at the expense of the villagers. Once leadership throughout the county was consolidated in the hands of village cadre who honestly cared about the welfare of the villagers, the call to attack natural disasters and transform the land unleashed an enthusiasm for production the world has seldom if ever seen before. In the ten years from 1966 to 1976, grain production in the county increased an unprecedented 3.75 times, from 40,000 tons to 150,000. As income from grain production increased, family incomes rose. More and more surplus became available for all-around development of industry, side occupations and social welfare.

The ten-year development of Xiyang county under Chen Yonggui's leadership, is a living example of the Marxist truth that the main contradiction in society is that between the relations of production and the forces of production. Though the legal system in China at the time had already outlawed exploitation, only by Chen Yonggui's meticulous work in mobilizing the villagers to unearth actual exploitation by village leaders (*i.e.* nonsocialist relations of production) was this contradiction resolved. Its resolution released tremendous forces of production — the enthusiasm of the people of the whole county to transform their land.

For 30 years the "reformers" opposed collectivization, and especially communes, with the argument that mechanization must come before collectivization (theory of productive forces). The ten-year development of Xiyang county, a mountainous region with very primitive conditions, proved the fallacy of this theory. How could the peasants of Xiyang county have developed such enthusiasm for production if the productive relations (peasants organized in people's communes) were too advanced for the forces of production?

As a result of Chen Yonggui's outstanding success in developing socialist agriculture in Xiyang county, Mao and his supporters, against strong opposition from certain quarters, promoted this peasant leader first to the Central Committee of the Communist Party of China, then to the Political Bureau and finally in January 1975 to the position of Vice Premier of the People's Republic of China in charge of agriculture.

Likewise, it was this unprecedented success of the commune system of collective agriculture in Xiyang county, the experience of which was rapidly spreading to many other counties throughout China, which inevitably brought on the "reformers'" attack. In 1980, with Mao and Zhou dead, and Hua forced aside, the ferocious attack on Chen Yonggui removed this last obstacle at the top of the CPC to the implementation of the "reformers'" line. Total smashing of the image of Dazhai through concentrated media attack, total disparagement of this highly successful example of socialist agriculture came next. Claiming Dazhai's achievements to be false, combined with threat of expulsion from the party for any cadre who actively opposed breaking up of the collectives, became the keystone for replacing the commune system with capitalist "free market" agriculture.

As the "reformers" proceeded in this top-down dismantling of the whole socialist system of Chinese agriculture, Chen Yonggui was forced into isolation. He spent the last 6 years of his life under virtual house arrest in a 12th floor Beijing apartment, until his death of lung cancer in 1986.

Following this intense 30-year line struggle over the direction of China's agriculture, one can see clearly the value of Mao's criteria for detecting capitalist roaders. At each stage, the "reformers'" line invariably "believed in the few, relied on the few, and mobilized the few", while Mao's counterattack invariably "believed in the masses, relied on the masses and mobilized the masses". The whole struggle vividly demonstrates the accuracy

of Mao's analysis that the main class struggle in society, under the conditions of socialism, takes the form of a two-line struggle in the party. #