

CONTENTS

RAISE THE ARMED REVOLUTION
TO A NEW AND HIGHER LEVEL;
MESSAGE TO ALL COMRADES 1

LONG LIVE LENIN AND STALIN,
CONDEMN THE MODERN REVISIONISTS,
RESUME THE PROLETARIAN REVOLUTION 20

THE GREAT PROLETARIAN CULTURAL REVOLUTION:
IMPACT ON THE PHILIPPINES
AND CONTINUING GLOBAL SIGNIFICANCE 40

Contribution to the Symposium
Marking the 30th Anniversary
of the GPCR, December 14-15, 1996

RESOLUTIONS OF THE 5TH CONFERENCE
OF THE INTERNATIONAL CONFERENCE
OF MARXIST-LENINIST PARTIES AND ORGANIZATIONS 80

CELEBRATE THE GREAT OCTOBER SOCIALIST
REVOLUTION, WAGE REVOLUTIONARY STRUGGLES
UNDER THE LEADERSHIP OF THE PROLETARIAT 100

Joint Declaration
November 1996

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

Raise the Armed Revolution to a New and Higher Level

Message to All Comrades

By Armando Liwanag
Chairman, Central Committee
Communist Party of the Philippines
December 26, 1996

On behalf of the Central Committee, I extend warmest greetings of comradeship to all the Party cadres and members on the occasion of the 28th anniversary of the reestablishment of the Communist Party of the Philippines on the theoretical foundation of Marxism-Leninism-Mao Zedong Thought.

We congratulate you for all the victories in the course of the Second Great Rectification Movement. We have expanded and consolidated the mass base for carrying out the national-democratic revolution through protracted people's war. We have the confidence to lead the intensification of guerrilla warfare and the mass movement.

Let us celebrate our significant successes and allow these to resound. However, let there be no room for complacency. Let our successes inspire us to pursue the revolutionary struggle ever more vigorously. Let us constantly improve our style of hard work and arduous struggle. Let us continue to rectify and overcome our errors and shortcomings through comradely criticism and self-criticism. Let us unite more than ever before and work ever harder to carry the Philippine revolution forward.

I. All-Round Achievements of the Party

The Communist Party of the Philippines is stronger than ever before as it continues to win all-round victories in ideology, politics and organization in carrying out the critical and constructive tasks of the rectification movement.

All Party cadres and members adhere to the ideological line of Marxism-Leninism-Maoism. They uphold and strive to apply this on the concrete conditions of the Philippines and on the concrete practice of the Philippine revolution. They have learned important lessons from the rich accumulation of positive and negative experiences in 28 years of continuous revolutionary struggle.

They have tested and tempered themselves in all-round revolutionary struggle against the imperialists and the local reactionaries as well as against the subjectivists, revisionists and the "Left" and Right opportunists. Using the Marxist-Leninist stand, viewpoint and method, they have gone repeatedly through the dialectical process of study and practice.

As a result of the Second Great Rectification Movement, the ideological level of the Party's rank and file and their revolutionary commitment of service to the people have risen. At the core of the Party are old and new cadres who have educated and trained themselves in the course of the rectification movement and revolutionary struggle against the enemy.

The Party has stood forthrightly against the modern revisionists and the capitalist-roaders in other countries where socialism had long been betrayed. It has won the respect of proletarian revolutionaries throughout the world by undertaking the rectification movement and by clarifying the Marxist-Leninist position for socialism against modern revisionism in the face of the imperialist ideological and political offensive.

The Second Great Rectification Movement has undergone two major phases. The first is identifying, criticizing and repudiating

major errors and shortcomings for which the central leadership has been responsible. The second is dealing with errors and shortcomings arising at the level of specific organs and units, with or without the influence of errors and shortcomings from above.

The dialectical relationship of the two phases has enriched the living study of Marxism-Leninism-Maoism. The process involves the initiative of both the Central Committee and the lower organs of leadership. The departure of the incorrigible opportunists and liquidationists has enhanced this process. Comradely criticism and self-criticism has been promoted as a scientific method for raising the level of unity and fighting will and capabilities of the entire Party and the people.

Formal Party courses at the primary, intermediate and advanced levels are enthusiastically being undertaken. Party organs and units have taken the basic Party course and regional Party cadres, the intermediate course. All Party organs and units are being encouraged to move ahead in the reading and study of Marxist-Leninist texts. These texts are being reproduced and circulated, with the use of traditional and modern methods.

All Party cadres and members resolutely and militantly adhere to the general line of new-democratic revolution through protracted people's war in correspondence to the analysis of Philippine society as semicolonial and semifeudal in the era of modern imperialism and proletarian revolution. The proletariat holds the class leadership and the perspective is socialist.

Together with the broad masses of the people, the Party pursues the general political line of struggle for national liberation and democracy to overthrow by armed force the ruling system of the comprador big bourgeoisie and landlord class and defeat their imperialist masters, chiefly US and Japanese imperialism. The Ramos regime is the current chief representative of the ruling system. It is the enemy escalating the oppression and exploitation of the broad masses of the people.

The political line is sharpened by resolute revolutionary struggle not only against the violence and deception perpetrated by the US-Ramos regime but also against "Left" and Right opportunism and the thinly disguised counterrevolutionary line of the renegades and various types of anticommunist petty-bourgeois grouplets that the enemy is using in the anti-CPP psychological warfare in the US-instigated low-intensity conflict.

With the correct ideological and political line, the Party strengthens itself as the advanced detachment of the proletariat and as the vanguard of the Filipino people in the Philippine revolution. By leading the New People's Army, the CPP differentiates itself in principle and in practice from all those that pretend to be Left but take a reformist position against the revolutionary movement.

As a result of the rectification movement, the Party cadres and members have widened and deepened the revolutionary mass base, have recovered many of the areas lost because of "Left" and Right opportunist errors and have expanded into new areas. The mass base is more than ever ready for the intensification of guerrilla warfare nationwide. The regional Party committees and the guerrilla front commands can form, train and direct combat units to carry out tactical offensives, using flexible tactics.

Under the guidance of the central leadership and the closer direction of the regional Party committees, the guerrilla front commands can collect accurate information for discovering or creating opportunities for tactical offensives and assign the fighters for the core combat units, rotate them periodically for combat duty and mass work and augment their strength with small units or with fighters who know best the target and the pertinent social, political and physical terrain.

In the course of the rectification movement, the New People's Army has carried out tactical offensives and other armed operations and campaigns in the strategic defense of the people and in

securing the advance of revolutionary mass work. In accordance with the demands of the masses, it is high time to raise the level of revolutionary armed struggle within the capabilities of the revolutionary forces and the masses. The NPA must launch only the tactical offensives that they are capable of winning and must let the enemy punch the air when he comes in superior force and there is no way to defeat him.

Land reform is being carried out as the main content of the democratic revolution. The minimum land reform program of rent reduction, elimination of usury, raising of farm wages, improving farm-gate prices and promoting production is being pursued vigorously. It needs to be carried out on a wide scale, especially in new areas as well as in recovered areas where previous gains in land reform have been lost. In only a few areas has land rent been reduced to as low as 10 percent of the crop. In far more areas, the antifeudal struggle needs to be revived or even launched for the first time.

The preliminary organ of political power, the barrio organizing committee, is a means of rapid expansion, following contact work and social investigation. It initiates the immediate assumption of responsibility by persons appointed and starts the process of consolidation, which entails building the mass organizations and conducting the mass movement in preparation for the regular elected organs of political power and building the local branches of the Party.

Mass campaigns are being undertaken to wipe out illiteracy and conduct revolutionary education, organize and mobilize the masses, train the militia and self-defense units, promote production and sideline occupations, collect contributions and taxes, safeguard public health and sanitation, settle disputes among the people and create a healthy cultural life. Depending on the political and security situation, the barrio revolutionary committees

can be elected by the representatives of the mass organizations or directly by the local people.

The legal democratic mass movement has developed dramatically since the beginning of the rectification movement. The mass organizations and alliances that take the national and democratic line have expanded and consolidated themselves. They are at the forefront of the struggle against the intensified oppression and exploitation by the US-Ramos regime.

The workers, peasants, urban poor, ethnic minorities, fisherfolk, women, student youth, professionals, patriotic businessmen, religious and other people have engaged in militant mass actions on class and sectoral issues as well as national and international issues. With more Party cadres and members at the grassroots level and doing painstaking mass work in urban and rural areas, the Party has maintained its leadership in the mass movement and has undertaken mass actions and campaigns on a self-reliant basis.

Since 1992, and especially since last year, the Party has demonstrated the growing strength of the organized masses and has debunked the lie of the imperialists, the reactionaries and the reformists that the masses have turned away from the revolutionary struggle for national liberation and democracy led by the Party.

There is coordination between the revolutionary armed struggle as the main form of struggle for overthrowing the ruling system and the legal struggle as the secondary but indispensable and important form of struggle for confronting the enemy in his own urban citadels and trunklines. The legal democratic mass movement has energetically broadcast the revolutionary message throughout the country.

Because of the rapid class polarization in the Philippines, the Party can further develop the united front in support of the revolutionary armed struggle against the enemy. The basic alliance of the toiling masses, the alliance of basic revolutionary forces

(including the urban petty bourgeoisie) and the alliance of the positive forces (including the middle bourgeoisie) can be strengthened. Further on, the Party can take advantage of the splits among the reactionaries. The objective is to range the broadest array of forces in order to isolate and destroy the power of the enemy.

The Party upholds the organizational principle of democratic centralism. It is centralized leadership based on democracy and democracy guided by centralized leadership. There is both discipline and democracy in opposition to revisionism and liquidationism and to bureaucratism and ultrademocracy.

The Party has recruited many candidates and full members from the ranks of the advanced activists in the mass movement in the urban and rural areas. It has continued to grow in strength on a nationwide scale and is closely linked with the toiling masses of workers and peasants.

An increasing number of Party members and candidate-members from the ranks of workers and educated youth are going to the countryside to serve in the New People's Army or as cadres among the peasant masses in the community. At the same time, the vibrant legal democratic mass movement is testing and tempering an ever growing number of mass activists from the ranks of the workers, urban poor, peasants, farm workers, fisherfolk, educated youth, women, ethnic minorities and other people and preparing them to become Party candidate-members and full Party members.

The removal of incorrigible opportunist renegades and traitors from the Party has made the Party and mass movement healthy and strong. If they had their way, these scoundrels would have destroyed the Party from within. They would have brought the Party to where they are now — collaborators of the US-Ramos regime. The correctness of the rectification movement is verified not only by the resounding victories of the Party but also by the

flagrant degeneration of the few who have been removed or have removed themselves from the Party.

To let them announce publicly the status of their work, all central staff organs and regional Party organs are enjoined to submit within the next three months to the Central Committee the draft of a communiqué of five to ten pages reporting on their ideological, political and organizational achievements, major problems already solved or still to be solved, in their respective spheres of responsibility since the start of the Second Great Rectification Movement but especially in the year of 1996. These communiqués shall be published in *Rebolusyon* and *Ang Bayan*.

II. Bankruptcy and Instability of the Ruling System

The chronic crisis of the semicolonial and semifeudal ruling system continues to deepen and worsen. It provides the fertile ground for the subjective forces of the new-democratic revolution to grow in strength. The ever intensifying exploitation and oppression drives the broad masses of the people to wage revolutionary struggle.

The Philippine economy has further deteriorated because of the unbridled rapacity of the foreign monopolies and the local exploiting classes of big compradors and landlords. The US-Ramos regime has been extremely servile to the neocolonial and neoliberal dictates of the US, Japan and other imperialists, directly and through such multilateral agencies as the IMF, World Bank and WTO.

The regime's promise to turn the Philippines into a newly-industrializing country by the year 2000 and a "new economic tiger" is patently false. In fact, the policies of trade and investment liberalization, deregulation and privatization prevent industrial development and aggravate the agrarian character and underdevelopment of the country.

Unlike Taiwan and South Korea during the cold war, the Philippines does not protect the investments of the state and domestic private sector, does not carry out land reform and neither has nor use savings to build basic industries. The Philippines is now confronted with a global crisis of overproduction of the low value-added products of export-oriented manufacturing, that is concurrent with reduced consumption in the stagnant industrial capitalist countries and with the export drive of the US in nearly all types of manufactures, including consumer electronics and textile.

The so-called GDP growth rate of more than 5 percent and the GNP of more than 7 percent in the Philippines means neither the industrial development nor any rise in the standard of living. In fact, the bigger the GDP and GNP become, the more severe is the reality of exploitation and impoverishment of the overwhelming majority of the people.

These macro-data are bloated by the rising cost of imported goods for local consumption and export-oriented manufacturing, the double counting of export receipts and remittances of overseas contract workers, the big bubble in real estate speculation and private construction, the high cost of importing energy, transport, telecommunications and office computer equipment, the fleeting revenues from selling off state assets, bureaucratic corruption and military overspending, the rising tax and debt burden, the understatement of the inflation rate and the usual false estimates of gross output in agriculture, industry and services.

There can be no industrial development where the basic industries are not being established but where manufactures are imported in larger proportion than ever before and where land reform is not at all carried out beyond the tokens of the past but where land accumulation has been accelerated by so many old and new devices. Even the infrastructure (roads, bridges and the like) has become rotten and inadequate because funds have gone into

far more unproductive spending as cited in pointing to the content of the GDP and the GNP.

Import-dependent manufacturing for domestic consumption and agricultural production (rice, corn, sugar and coconut) are threatened and cut down by import liberalization. The entire service sector, from banking to retail trade, has been opened to 100 percent foreign ownership. The land is open to massive acquisition by foreign and domestic speculators under the signboards of industrial zones, real estate development, integrated forest management agreement (IFMA), the Mining Act of 1995 and so on.

The ever growing foreign trade deficit and foreign debt burden show quickly the bankrupt status of the Philippine economy. The current accounts deficit is actually far bigger than what it appears to be. It is reduced by window-dressing, especially by double counting of the foreign exchange deposits of exporters and overseas contract workers as new nonmerchandise income when these are converted into pesos.

The deterioration of the Philippine economy is reflected in the abuse of a widening range of financial devices, including the following: foreign loans (public and private), local public debt (especially the sale of treasury bills at high interest), conversion of foreign loans into local equity, foreign portfolio investments, privatization of state assets, expanded coverage of the value-added tax, repeated oil price increases and so on. The tax burden is being increased at the expense of the toiling masses and the middle social strata.

The budget of the reactionary government is becoming more ludicrous than ever. Most of the appropriations go to debt service and to the military, police and other coercive apparatuses of the state. The rest are mainly for bureaucratic purposes, including scandalously large "pork barrel" appropriations and a splurge on office computer equipment. The so-called budgetary surplus in recent years has been created by revenues from the sale of state

assets, borrowings from the banks and social security funds and, of course, by the increasing tax burden of the people.

The US-Ramos regime is obsessed with "modernizing" the armed forces and police rather than making any pretense at industrialization or providing social services. Under the cover of appropriating 331 billion pesos for a 15-year period, the regime intends to spend more than 30 billion pesos for "military modernization" within the 1993-1998 period. The money goes mainly to graft-ridden acquisition of weapons, communications equipment, planes and naval vessels, supplied by US companies.

The "social reform agenda" of the US-Ramos regime is a sham. This regime falsifies the data on the social conditions of the people, conceals or minimizes the havoc wrought on their lives by its policies and actions, exaggerates tokens of pretended social concern, and makes false promises. The acknowledgment of any social problem becomes an excuse for channeling public funds to bureaucratic corruption. Brute military force has been used to destroy the homes of the urban poor and to deprive ethnic communities and the rural poor of their land. Even such a huge natural disaster as the lahar overflow from the eruption of Mt. Pinatubo becomes an occasion for the officials of the regime to steal billions of pesos.

Unemployment continues to go beyond 40 percent. The prices of basic commodities keep on rising, pulled up by heavier taxation, rising cost of imports and repeated oil price increases. Inflation cuts down the real income of the employed. The impoverishment of the broad masses of the people is accelerated. At the same time, the infrastructure is deteriorating and social spending for education, health and the like is being reduced in favor of military spending.

There is superabundance of urban and rural oddjobbers. The unemployed from both the ranks of the toiling masses and middle social strata are driven to look for employment abroad. Thus,

documented and undocumented overseas contract workers are now nearly ten percent of the total population. Under the "flexible labor policy" dictated by the imperialists, the regime escalates exploitation and oppression of the working people purportedly in order to further cheapen labor and thereby to attract foreign investments and overseas labor contracts. Such labor policy corresponds to the policy of preventing national industrialization and land reform.

The ruling system is thoroughly rotten. The people detest the oppressive and corrupt character of all branches of the government. They are also outraged by the fact that all the current key players in reactionary politics, in parties and coalitions, are all descendants and beneficiaries of the US-Marcos regime.

The Aquino regime was merely a passing device to do away with Marcos in person and at the same time to preserve the ruling system. Against the interests of the broad masses of the people, the post-Marcos regimes have reconciled the interests of the political descendants of Marcos and the anti-Marcos reactionaries. General Ramos represents most the continuity of the ruling system under the direction of US imperialism.

The repressive character of the state has sharpened against the broad masses of the people, especially against the workers and peasants, even as the regime tries to conjure the illusion that it is benign and seeks national reconciliation. The regime has always exposed its basically fascist character by conducting military and police campaigns of suppression against the people in the name of peace and development and by pushing the so-called antiterrorism bill and the antidemocratic content of such a bill in various bills, executive proclamations and orders.

The objective of the psychological warfare in the US-instigated low-intensity conflict strategy is to create the illusion of political stability and democratization, split the patriotic and progressive forces and isolate the revolutionary forces. Thus, the regime

has cultivated, handled and fielded special agents to pose as Left and to attack the Left.

The political parties and coalitions of the big compradors and landlords unite against the people and the revolutionary movement. But they also compete against each other and tend to weaken and put their own political system in crisis and disarray. The electoral exercises among them do not mean onesidedly the stabilization of the ruling system but also mean the exposure of their severe differences, which the revolutionary movement can take advantage of.

The ever worsening socioeconomic crisis generates more bitter rivalry over economic loot and power. And in turn the political crisis aggravates the socioeconomic crisis. These conditions present opportunities for the revolutionary movement to use the armed struggle and the united front to put the ruling system in an even more desperate and hopeless course.

The US-Ramos regime wants to perpetuate itself in power. If Ramos himself cannot stay in power beyond 1998, he is bent on picking his successor and maximizing the political role of military officers in the ruling system. The election and appointment of military and police officers to civilian positions and rising appropriations for the military and police forces are clear manifestations of the ceaseless militarization of the state.

Since coming to the presidency, the US-Ramos ruling clique has apparently been able to contain temporarily the political factionalization within the military by providing extraordinary political and economic accommodations to erstwhile anti-Ramos factions. But more than ever, the military and police forces remain grossly factionalized, as competing bureaucratic cliques and as criminal syndicates.

The Moro people's struggle for self-determination does not cease with the flagrant capitulation of the Nur Misuari clique in the Moro National Liberation Front (MNLF) to the US-Ramos

regime. The Moro Islamic Liberation Front (MILF) is continuing the armed struggle and is winning over to its side many of the MNLF followers. Opportunities have arisen for the revolutionary movement led by the Party to build its own strength among the Moro people and to build an alliance with Moro forces determined to continue the struggle for the Moro people's right to national self-determination.

The revolutionary movement has not lost an ally with the Misuari clique's capitulation to the Manila government. Since the signing of the Tripoli Agreement in 1976, the Misuari clique in the MNLF had begun to betray the Moro people's revolutionary cause and had engaged continuously in truces with the Marcos, Aquino and Ramos regimes. By ceasing armed struggle since 1976, the MNLF gave away initiative to the MILF and other armed Moro organizations. But even after capitulation, the Nur Misuari clique remains problematic to the ruling system as the clique tries to retain or even enlarge an armed force to protect itself.

US imperialism and the local reactionaries have utterly failed in their attempt either to destroy the Party and the revolutionary movement from within or to discredit them and isolate them by using traitors and renegades and an array of anticommunist petty-bourgeois grouplets, that deck themselves out as Trotskyites, urban insurrectionists, popular democrats, social-democrats, Gorbachovites and so on.

These agents of psychological warfare in the LIC have proven to be no more effective than the paramilitary forces, fanatical religious cults and special operations teams (SOTs) previously fielded by the enemy in the countryside against the revolutionary movement. They have been thoroughly exposed as racketeers feeding on secret funds from the imperialists, the reactionary state and foreign funding agencies.

They fail to realize even the minimum objective of conjuring the illusion of a "big split" in the Left, separating the urban petty

bourgeoisie from the revolutionary movement and spreading the notion that globalization, population control, sustainable development, democratization, environmentalism, genderism, ethnocentrism and civil society (to mention some of their buzzwords) under the rule of the bourgeoisie have made the anti-imperialist and the class struggle outdated and irrelevant.

As far as the question of revolution is concerned, the issue of solving the basic problems of the people, the life-and-death struggle between the armed revolution and armed counterrevolution occupies the center of the political stage. So-called mainstream and sidestream organizations within the ruling system cannot conjure the illusion of political stability and decline of human rights violations. The armed revolutionary movement led by the Party is determined to overthrow the entire ruling system through a protracted people's war.

The regime unceasingly launches military and police campaigns and operations to grab the natural resources and social wealth from the people in the name of "development", "environmental protection" and "social reform" and to suppress the mass movement and the revolutionary forces. The political, civil, economic, social and cultural rights of the people are violated and trampled upon. The depredations of the imperialists and local exploiters justify and incite the broad masses of the people to armed revolution.

As a result of the rectification movement, the revolutionary movement has seized the initiative, expanded and consolidated the mass base for waging the people's war. Under the absolute leadership of the CPP, the New People's Army is in a position to intensify guerrilla warfare on a nationwide scale on the basis of an ever expanding and deepening mass base. The united front for armed struggle has broadened.

The legal democratic mass movement has also surged forward. The nationwide and localized mass protest actions on national,

class and sectoral issues are ever growing and prove the correctness of the rectification movement. In the past year, the most important protest actions included those against the anti-terrorism bill, the expanded value-added tax, oil price increases, the Mining Act of 1995, the brutal forced mass evacuation of ethnic communities and rural poor from their homes and farms and the suppression of the rights of students and teachers.

The recent people's caravan from Manila to Subic and the nationwide mass actions in November to protest against the Asia-Pacific Economic Conference (APEC) Leaders' Summit has demonstrated the strength and broad mass support of the national-democratic movement. The anticommunist petty-bourgeois grouplets once more exposed themselves as puny reformist adjuncts of the imperialists and local reactionaries, specializing in pro-imperialist and anticommunist liberal phraseology.

The CPP has correctly characterized the NDFP peace negotiations with the GRP as a process subject to the line of national-democratic revolution and as one of the legal forms of struggle subordinate to the armed struggle and the legal mass movement.

A just and lasting peace is impossible without addressing the roots of the civil war, without solving the basic problems of the people. In the course of the peace negotiations with the GRP, the NDFP has demonstrated to the entire world the justness of the revolutionary cause and has set the principled standards for negotiating with the enemy.

The NDFP has submitted to the Federal Council of the Swiss Government and the International Committee of the Red Cross the Declaration of Undertaking to Apply the Geneva Conventions and Protocol I. This means the adherence of the revolutionary forces to international humanitarian law as a belligerent force in the civil war. The people's war conducted by the Party is a struggle for national liberation and democracy.

The NDFP has made a draft of the Comprehensive Agreement on Human Rights and International Humanitarian Law and is eager to accomplish a mutual agreement with the GRP on this. It also wishes to proceed to the discussion of social and economic reforms. But the GRP has so extreme a reactionary position as to deny human rights violations even under the Marcos regime. It has also refused to enter into a mutual agreement on the indemnification of the victims in accordance with the favorable decision of the US court.

The GRP's repeated violations of the Joint Agreement on Safety and Immunity Guarantees (JASIG) have jeopardized the continuity of the GRP-NDFP peace negotiations and have sharpened the vigilance of the NDFP, especially the personnel involved in the peace negotiations. The revolutionary forces are prepared against any act of the GRP to collapse the negotiations.

The ever-worsening crisis of the ruling system urges the broad masses of the people and the revolutionary forces to carry the national-democratic revolution forward through protracted people's war, more resolutely and more militantly than ever before.

III. Depressed and Turbulent Capitalist World

The crisis of the world capitalist system continues to worsen. The global centers of capitalism no less are stagnant. Beyond them are worse conditions of depression and social turbulence. Capitalism is destructive to productive forces on a world scale. Thus, the global disorder rages. Lenin's theory of uneven development and his description of the era as that of imperialism and proletarian revolution remain valid.

The rapid concentration of capital in the global centers of capitalism is unprecedented in the entire history of capitalism. It is accelerated by the capitalist adoption of high technology in social production and by the most exploitative and speculative forms of finance capital. The main aspect of capitalism today is

not the global expansion of industrial capitalist development but the destruction of productive forces on a global scale, mainly affecting the third world and the former Soviet-bloc countries but also affecting even the industrial capitalist countries.

There is the sharp contradiction between the capitalist relations of production and the forces of production. The organic composition of capital (constant capital in the means of production) has risen so fast that the profit rates for entire national economies tend to fall. The monopolies try to counter the global and national falling rates of profit and maximize their profits by reducing the wage fund and causing chronic mass unemployment. Unemployment and pressing down of wages and living conditions constrict the market and further cause the profit rates to fall as in a vicious cycle. The crisis of overproduction worsens. Large unsold inventories lead to bankruptcies and retrenched production.

The US has sought to revive its manufacturing capability for domestic consumption and export, has undervalued its currency and has promoted its exports at the expense of the other global centers of capitalism. Its objective is to overcome the accumulated foreign debt, the budgetary and trade deficits incurred in the course of waging the cold war against the Soviet Union and accommodating allies in the US consumption market.

The US is using its lead in high technology as the cutting edge of its drive to retain its supreme economic, political, military and cultural position in the world capitalist system. It is upsetting the balance of its relations with other imperialist countries. The imperialist countries are straining to contain their sharpening competition by uniting against the less developed countries and shifting to them the burden of the crisis.

The manufacture and sale of high-tech products became the most important factor for some limited growth in the US economy in 1994 and 1995. In part, high-tech products are for retooling US industry and in another for personal use and consumption. The

US is pushing the International Technology Agreement to totally eliminate tariff rates on its electronic exports by the year 2000 and to sell these products to the "middle class" of the world, in other capitalist countries and some ten "emergent markets".

The US has pressed down wage levels domestically and in the NAFTA. It has taken advantage of its domestic and regional market and has pushed its export drive towards the European Union, Japan and the less developed countries where fiscal spending and consumption are assisted by multilateral official loans and speculative private capital. The export drive sharpens US competition with the other global centers of capitalism and aggravates the economic and social contradictions within national boundaries.

Among the global centers of capitalism, the European Union has the highest unemployment rate. It is driven to adopt austerity measures, further press down wage and living conditions and cut down social spending in the name of fulfilling requirements for monetary union. The economic and social conditions in Western Europe have so deteriorated that the proletariat and the rest of the people in many countries, especially Germany, France, Italy, Greece, Spain and Portugal, have risen up to wage general strikes and other forms of mass protest.

The former Soviet-bloc countries are wide open for capital expansion. But in the main, the policy of all the imperialists is to dump their surplus products on them, develop some Central European countries and Russia itself as the distributing centers of consumer products from the West, keep some industries in order to avail of cheap labor to some extent, make Russia further dependent on its raw material exports and let its nuclear and other weapons systems deteriorate.

Even as Japan is still in the morass of bad bank debts and other consequences of the bursting of its bubble economy, it has come under pressure to engage heavily in public-deficit spending for infrastructure, promote domestic luxury consumption, reduce its

trade surplus with the US and further open up to investments and US manufactured imports and military buildup subordinate to the US as main security partner. The Japanese proletariat and people have waged militant struggles against the worsened terms of the US-Japan security alliance, against the continuing US occupation of Okinawa and against the economic and other impositions of the US on Japan at the expense of the people.

Aside from trying to break the Japanese market wide open for US exports, the US is taking the initiative in trade and investments in East Asia and keeping Japan to a position of senior but secondary economic partner. They seek to allay their contradictions by mutually exploiting Southeast Asia and Northeast Asia. With Southeast Asia securely in their pocket through the neocolonial states, IMF, World Bank, WTO, the ASEAN and the APEC, the US and Japan are united and determined to turn China into their mutual neocolonial adjunct. This is supposed to be the big prize.

The US is confident of openly pushing China to further liberalize its trade and investment policies and dismantle or privatize the state enterprises. The confidence of the US stems from the fact that both the Chinese bureaucrat and private capitalists are deeply entrenched and are committed to big comprador relations with the world capitalist system, that the export-oriented manufacturing in China is dependent on the US consumer market and that the Chinese economy has become lopsided enough and has fully departed from a self-reliant comprehensive socialist economy.

The US policy towards China continues to be one of "engagement" and "containment", encouraging economic liberalization to lead to political liberalization as in the former Soviet Union (the capitalist roaders themselves ultimately cast off the signboards of communist party rule and socialism) and containing China on such issues as military buildup, Taiwan, Tibet and the like. The anti-communists are still more conspicuous in demanding the

proclamation of an undisguised bourgeois state than the proletarian revolutionaries are in opposing the Dengist road of capitalist restoration.

At any rate, the "tigers" of East Asia and their imitators, including China, are now faced with the recessive economies of the imperialist countries, the global overproduction in export-oriented manufacturing of garments, personal electronics, leather products, toys and the like, the pressure to liberalize trade and investment policies and the US drive to export US and NAFTA consumer products. The outbreak of the workers' general strike in South Korea exposes the limits of import-dependent export-oriented manufacturing and marks a new significant development in the resistance of the proletariat to the crises of overproduction in the world capitalist system and the neoliberal policy of deregulation and privatization and the flexible labor policy of the big bourgeoisie.

The overproduction of raw materials since the '70s continue to devastate the economies of the overwhelming majority of third world countries. No foreign capital flows into these countries even for export-oriented manufacturing. The oil-producing countries have rapidly declining economies and plunging levels of consumption. More than three-fourths of the flows of global capital are concentrated in the three global centers of capitalism. The rest circulate in some ten countries mainly in East Asia, secondarily in Latin America and tertiarily in the former Soviet-bloc countries. Africa has gotten only a trickle.

The economies of Russia and other former Soviet-bloc countries continue to deteriorate. Their industries have been depressed since the late '70s when monopoly bureaucrat capitalism was still masquerading as socialism. Under the current undisguised rule of the private and bureaucrat capitalists, far more criminal than entrepreneurial, entire industrial systems have been either closed down or cannibalized.

Production decline in the former Soviet Union remains more than 50 percent from the level in 1991. The dominant mafia bourgeoisie headed by Yeltsin is preoccupied with the export of raw materials and the import of consumer products facilitated by the imperialist banks. The revisionists and neorevisionists are still politically ahead of proletarian revolutionaries in opposing anti-communist ruling cliques and therefore serve to block the advance of the proletarian revolutionaries who are still in the process of understanding how the revisionists reversed the socialist line of Lenin and Stalin.

In all continents of the world today, there is grave and deepgoing social unrest and disorder. The most barbaric kinds of counterrevolutionary violence have arisen from the longrunning depredations of neocolonialism and finance capital, and from the desperate rivalries of reactionary cliques mouthing the slogans of anticommunism, nationalism, ethnocentrism and religion. At the same time, in certain countries, there are armed revolutionary movements for national liberation and democracy led by working class parties.

The objective conditions for making revolution against imperialism and the local exploiting classes are favorable. But some time is needed for the subjective forces of the revolution to arise and develop in strength from the ranks of the proletariat and other working people. The intensifying oppression and exploitation of the people drives them to resist the imperialists and local exploiters. But the people must also shake off the stultifying influence of revisionism, reformism and opportunism which have run for so long.

It is a matter of honor and just pride for the Communist Party of the Philippines to be among the revolutionary parties of the proletariat in the world which are at the forefront of the struggle for national liberation, democracy and socialism against imperialism and reaction by waging the new-democratic revolution through

protracted people's war. At the same time, the CPP is aware of the tremendous odds and has a strong sense of humility and perseverance as it encourages the resurgence of the anti-imperialist and socialist movement on a global scale.

As surely as the imperialists and local reactionaries are intensifying the exploitation and oppression of the proletariat and people, the CPP is certain of the eventual resurgence of the anti-imperialist and socialist movement on an unprecedented global scale. Being the most oppressed and exploited, the peoples and nations of the third world countries and former Soviet-bloc countries are the most predisposed to wage armed revolution. There is the crying need for the subjective forces of the revolution to arise and develop.

The few revolutionary parties of the proletariat leading armed revolutionary movements are in the third world. There are other parties which avow themselves to be Marxist-Leninist and are leading armed revolutionary movements for national liberation and democracy. There are also some ruling parties that still describe their states as socialist and are fighting for national independence against imperialism.

In countries where socialism previously existed but was subsequently betrayed by the revisionists and where revisionist regimes ultimately collapsed or are still ruling, there are genuine communists who continue to adhere to the revolutionary legacy of the great communists and who are still learning how to seize the ideological and political initiative from the blatant anticommunists and persistent revisionists.

The revisionist betrayal of socialism in China has been a key point in the successful all-out economic, political and ideological offensive of imperialism against the anti-imperialist and socialist movement. Priorly, the US had started to be on the strategic decline and the Great Proletarian Cultural Revolution had appeared to consolidate socialism in China. It remains an

interesting question whether there are still enough proletarian revolutionaries who can take advantage of the growing struggle between the phony communists (revisionists) and the blatant anticommunists.

In the industrial capitalist countries, parties that strive to be Marxist-Leninist and antirevisionist are still few, small and weak. Revisionist, unabashed social-democratic parties, bureaucratic trade unions and petty bourgeois-minded "civic initiatives" are still running ahead of proletarian revolutionaries in riding on the social discontent of the proletariat and the people, despite the widespread disintegration of the revisionist communist parties.

There have been dramatic upsurges of mass resistance by workers, women, youth, and other people in industrial capitalist countries because of chronic unemployment and social cutbacks. But the lack or weakness of genuine Marxist-Leninist parties is a major cause for the still sporadic character of mass protest actions.

In the spirit of proletarian internationalism, the CPP is active in developing the closest bilateral and multilateral relations with the parties that adhere to Marxism-Leninism-Maoism and also close relations with parties that avow themselves to be Marxist-Leninist and are open to exchange of ideas and experience and desirous of mutual learning, mutual understanding and mutual support.

At the same time, the CPP engages in broad relations of anti-imperialist solidarity with all parties, organizations and movements that fight imperialism and reaction. A broad anti-imperialist united front is necessary for Marxist-Leninist parties to arouse, organize and mobilize the broad masses of the people and draw up the broadest possible range of forces against the enemy.

There is a dialectical relationship between upholding the ideological line of Marxism-Leninism-Maoism and pursuing the political line of anti-imperialist struggle. By its ideological line, the

CPP is sure of its own revolutionary integrity and footing. By its political line, it can link itself with the broad masses of the people and engage in alliances.

IV. Carry the Philippine Revolution Forward

In concluding, let us underscore certain major tasks for the Party to carry out in the forthcoming year.

1. Let us continue with our living study of Marxism-Leninism-Maoism through the rectification movement and with periodic and timely criticism and self-criticism of errors and shortcomings. Let us continue to criticize and repudiate revisionism, empiricism and dogmatism. Let us advance in carrying out the formal Party study courses at the primary, intermediate and advanced levels.

2. Let us carry the new-democratic revolution forward by striving for greater victories in the revolutionary armed struggle, in mass work and mass movement in both urban and rural areas and in united front work. Let us intensify guerrilla warfare on a nationwide scale on the basis of an ever widening and ever deepening mass base.

3. Let us uphold the principle of democratic centralism. Let us recruit more candidate-members from among the advanced mass activists in the revolutionary mass movement. Let us assign more Party cadres and mass activists from the ranks of the proletariat and the educated youth to work with the New People's Army and the peasant masses.

4. Let us hold high the banner of proletarian internationalism and participate in the broad anti-imperialist movement. The new-democratic revolution led by the proletariat in the Philippines is part of the world proletarian revolution and the broad anti-imperialist movement. #