

## BUTCH VALDES TO IAEA MEETING

# Why the Philippines Will Go Nuclear

*Address of Antonio “Butch” Valdes to the International Atomic Energy Agency (IAEA) Conference on the Prospects for Nuclear Power in the Asia-Pacific Region, Manila, Aug. 30-Sept. 1, 2016. Valdes was introduced by Dr. Kenneth Peddicord, Director of the Nuclear Power Institute (NPI) of Texas and a professor of nuclear engineering at Texas A&M University.*

**Dr. Peddicord:** I’m pleased to welcome to the podium a gentleman I sat next to yesterday, and really enjoyed the conversations with him, Antonio “Butch” Valdes, who is with an NGO, the Save the Nation Movement, here in the Philippines. He has worked as a columnist at the *Business World*, a publisher and columnist at the *News Daily*, the *Independent*, and the *Observer*, as a radio commentator, the founding president of the Chamber of Filipino Entrepreneurs, the chairman of the Philippines LaRouche Society, and he’s served as Undersecretary of the Department of Education, Culture and Sports. ... He’s a former president of the De La Salle University Alumni Association, Asian History of

Management Alumni Association, and the Association of Certified Public Accountants in Public Practice.

He holds a degree in Liberal Arts in Commerce, with a major in political science and accounting from De La Salle University and a master’s degree in management from the Asian Institute of Management. Please join me in welcoming Butch Valdes to the podium.

**Antonio “Butch” Valdes:** Thank you very much. There were a few lines there that I was not familiar with, but thank you anyway. [laughter]

Let me be the initiator of a change of pace. But from the outset, I’d like to, on behalf of my fellow Filipinos here, I’d like to thank the IAEA, and of course, the Department of Energy, for creating this particular conference, a conference which could not have been timed in a more appropriate period, and especially here in our country.

I am one of those who have been pushing for nuclear energy for quite some time now, over 15 years as a matter of fact, but that was not because I knew a lot about nuclear energy, at the time, but more because I had looked into it—as a layman, as a businessman—not



Presentation by head of the PLS, Butch Valdes, at the IAEA conference in Manila, Aug. 29, 2016.

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as a scientist—as an economist, a businessman, and a professional.

I, together with many other Filipinos, was asking myself, what has happened to our country, and where is it going? There is a saying in the Philippines, in our language, so I'll try to paraphrase it: When you don't know where you come from, you don't know where you are, you will not know where you are going. The Filipinos here would understand what I mean. So, in order to be able to do this, you had to dig up a little in the past, and see what has happened. I was a bit unclear about certain periods, but after knowing a little bit about those periods, I began to realize that there was a process, a process that brought us to this particular situation.

As far as nuclear power is concerned, I have to start in the period where the whole world was shocked in 1945, when the atomic bomb was exploded—the only time that a nuclear bomb was ever exploded in the whole history of mankind, and it created such an impression on the rest of the world—including of course my parents; I was not yet alive during that time—but this kind of shock and awe that was created at that time, led to a kind of mindset, most especially, in my experience here in our country.

### **Eisenhower's Pledge to the World**

So we realized that the United States, after Harry Truman dropped that bomb,—that the next President realized that he had to correct a certain image and an understanding of what nuclear energy really was. And I am happy that the IFNEC [International Framework for Nuclear Cooperation] and the IAEA promote Atoms for Peace, because the very first organization that we had put together in pushing for nuclear energy was called the Atoms for Peace Movement. And it was in line with the program that President Eisenhower had initiated in the United States to present to the whole world. He called it the Atoms for Peace program.

And the whole objective was a success here. Let me read it together with you: “To the making of these fateful decisions, the United States pledges before you—and therefore before the world—its determination to help solve the fearful atomic dilemma—to devote its entire heart and mind to find the way by which the miraculous inventiveness of man shall not be dedicated to his death, but consecrated to his life.”<sup>1</sup>

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1. An extract from President Dwight D. Eisenhower's address to the UN General Assembly, Dec. 8, 1953.

For some, of course, from the United States, this might be ordinary, but for us, in the rest of the world, it was inspiring. And it inspired us so much that we, I'm sure, communicated with the government of the United States and we became the first recipient of this particular Atoms for Peace program. Soon after, we were granted the resources and the technical help to put up a reactor, a 2 megawatt reactor, and to start the Philippine Atomic Energy Commission, which is the precursor of what we now know as the PNRI, the Philippine Nuclear Research Institute.

During this time, which was in the 1950s, there were attempts, of course, and the continuous study of what nuclear energy could do, for peaceful means, in terms of our economy, in terms of our agricultural production, and the possibility of industrialization. But at that time, these benefits had already been shown to us, but because, I suppose, because of the low cost of oil at the time, the effort to go into nuclear was not as urgent as later on, and this became the decision of government. It was not as urgent because, well, there were politics involved, but the other thing was that oil was just that cheap.

### **Nixon Pulls the Plug**

But some time in 1971, the economic order changed. During this period between 1946 and 1971, the whole world was being run by a certain economic order that came out of the Bretton Woods agreement; that Bretton Woods agreement basically meant that there will be fixed exchange rates, which means there would be no fluctuation on currency exchanges; no fluctuations, it was fixed. And the IMF was the one that was supposed to be moderating this. And aside from that, of course, usury was considered to be a crime, and it was a crime during this particular period. People who were charging excessive interest rates were charged because of the anti-usury law.

This was all the way up to 1971. Just imagine if the exchange rates were fixed. People could, at that time, start looking for long-term investments, because if the exchange rates were fixed, the interest rates do not fluctuate. And if the interest rates do not fluctuate, the cost of money stays stable, and you as an investor would be able to project yourself, 20, 30 years on. And that's exactly what was happening.

So, if that is the case, a lot of money, resources, could go into the physical economy, infrastructure.

However, in 1971, initiated also by the United States, President Nixon pulls the plug and says, the

world will be going to a different economic order, and we were going into a floating exchange rate. Now, these floating exchange rates allowed money to be a commodity, because, since it was varying in relationship with other currencies, it became an object of investment. That's why it became more difficult, right at that time, to start investing in infrastructure, somethings that you will need over long-term gestation periods.

Now this condition made it difficult for us, because the IMF took the lead for the financial institutions to start imposing certain rules. I still remember the time when they told us—at that time the President was President Marcos—they told us that we needed to devalue our currency vis-à-vis the U.S. dollar, and that they considered our currency to be overvalued—it was at that time more or less about 4 pesos to \$1—and that we needed to divide it immediately to 8 pesos to \$1.

You can just imagine the kind of shock that this was going to do to us. Under the threat that we will not be granted the resources by the banking sector to be able to import our oil, if we did not devalue, we devalued, not exactly to 8, but pretty close to 8. And subsequent devaluations then happened: Just imagine, if we needed only 4 pesos to pay \$1 debt, in a very short period of time, if you bring it all the way up to 1986, we would need 28 pesos to pay \$1, and that was going to be borne by the population. But that is the system, and we still went, nevertheless.

### A Coup to Stop Industrialization

Because of this pressure that was extended to us, Mr. Marcos decided in 1974, to go into an energy development program—a program which was going to be based on three baseload activities. One was geothermal, another was hydroelectric, and a third was nuclear. Of course, we went into all of this, including nuclear, but the nuclear portion took a little bit more time.

As part of this nuclear energy development program, he pushed what we called an 11-point industrialization program. This whole industrialization program was going alongside an energy development program, a



*Right to left: PLS head Butch Valdez, DOE Secretary Alfonso Cusi, and Dr. Carlito R. Aleta, former Director of the Philippine Nuclear Energy Institute, at the IAEA conference in Manila, Aug. 29, 2016.*

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program which he expected to make the country energy self-sufficient by 1990. This did not happen.

Sometime in 1986 we had a revolution. We couldn't start our nuclear power plant, for one reason or another. In 1985, we were ready to fire it, but this was stopped, because, according to U.S. Ambassador Bosworth at the time, they wanted to take a look at the condition of the plant. There were no questions about the condition of the plant. They said that the gates and the perimeter needed more security against terrorists and the hospitals that were in the vicinity—a 30-mile vicinity—were not Class A hospitals, they were Class B and C hospitals; they did not count the Class A hospital that was only about 10 kilometers away from the nuclear power plant, that is, in the Subic Bay [i.e., in the U.S. military base—ed.]. This was the situation.

By the time we hit 1986, revolution—and the coming administration decided to mothball what was an otherwise ready-to-operate nuclear power plant. And of course—for some people this might be obvious, but others might not see through what I'm saying—there were definite plans, as far as I'm concerned, for us not to go industrial, and to stop us from this whole energy development program would have stopped us, as earlier said, yesterday by Congressman Mark Cojuangco.

### Service Economies Don't Need Scientists

The rest of Southeast Asia also did not go nuclear. Why? I'll let you answer that. But you see what had

happened. At the same time that this thing was being mothballed, a major economic thrust was being pushed. They called it “globalization.” The globalization program was to convert economies which were otherwise *producer economies*, or setting themselves up to be producer economies, into service economies, which meant they were going to make use of our cheap labor, through,—if you know how cheap labor is generated—they continue to devalue your currency vis-à-vis their own. As you get cheaper, you are now given contracts to do the work which they could not do anymore because it’s too expensive. So we became precisely *that* kind of economy.

And during that period, we stopped producing scientists. What we produced were nurses, caregivers, culinary arts people, and other areas of service. I am not denigrating them; this is where the education institutions went, because that was where the work was. So this is the situation.

Again, from a standpoint of politics, I will let you answer that. But for us, what we see here and the reason nuclear was very important, we know that man is the only creature that has been able to use fire for its benefit. And using fire for its benefit, it was on that, that the development of man, the whole history of mankind, was based—in the *whole history* of mankind.

## **We Are Promethean**

We refer, of course, very often pedagogically to a guy named Prometheus. Prometheus as you know was the one who brought the beneficial use of fire to mortals, despite what Zeus was saying. And for this he was punished. Our national hero, José Rizal, even sculpted a figure of Prometheus being tied to a rock, to be eaten by vultures, because he has defied Zeus, because he had taught mortals the beneficial use of fire.

Now, the IAEA is doing precisely what Prometheus was doing, but it will not be tied to a rock. And we are going to move very quickly, through the leadership of—of course—yourselves, and it is through you that this kind of thinking that we have, makes us more inspired. Because together you understand what man has to do in order to face up to those interests that are decided, that are determined, to try to prevent man from developing. But as you see, over the last 70 years, despite all of these efforts, the world and humankind is moving forward.

I mentioned earlier the value of fusion energy, and reprocessing. I say this not because I am a scientist, but

because I read that man continues, *continues* to study all kinds of solutions for possible problems that we will be facing. Because we had gone through a whole history, where we first discovered the benefit of fire from wood, and as we discovered the technology, we then had what you call the capacity to sustain an even greater population. And every stage of the way, *every* stage, after wood, we discovered coal; after coal, we discovered oil; and after oil we discovered nuclear fission. The next will be nuclear fusion. And probably the next will be something else, like matter-antimatter reactions. But all of this is within our capability, maybe not the present IAEA, but the succeeding one, the succeeding organizations that will go there.

Because after all, if we are to assure ourselves of continued existence, we must use what we’ve all been given, whether I’m an accountant, an economist, a scientist, an educator, or any ordinary businessman, we have that capability to be creative—imagination. Imagination is cheap, but it yields the highest return on that investment.

*Valdes responded to a question regarding the anti-nuclear power organizations.*

**Valdes:** I found out over the years, so many years, that we’ve been presented with so much disinformation—I’m sorry, they are not my colleagues, so I don’t mind denigrating them.

This is a campaign, a campaign that is being waged, a fear campaign for us to get out of science, for countries like us and people like us not to go into scientific inquiry and not to latch onto scientific truth, and to be affected by other types of campaigns which have different objectives. And that is, I suppose, a reality of humankind. There are those that will not want you to develop because their objective is to control other humans.

On the other hand, it is truth which is the basis of true science. Let me interject, that there are scientists, and there are scientists. There are those that are of course motivated differently. But there is true science. And the fact that the IAEA and the technology which is nuclear technology has been around for 70 years and it is still going strong, still affecting lives positively all over the world, that is a true testament of what scientific truth is. No matter what campaigns are being waged for the moment, they will die off. Because eventually, truth will be the basis. You just have to steady the ship, stay focussed, just steady as it goes—and go for it.