
Book Review

The Philippines' Fight For Nuclear Energy

by Mike Billington

Trailblazing: The Quest for Energy Self-Reliance

by Geronimo Z. Velasco

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Twenty years ago, the Philippines received the final approval from the International Atomic Energy Agency (IAEA) to turn on the fully completed nuclear power plant in Bataan, which was to provide 16% of the energy needed in the island of Luzon, including the capital, Manila. This was to be the first commercial nuclear power plant in all of Southeast Asia, representing the scientific and industrial coming of age of the Philippines, and by implication its Southeast Asian partners, in the post-colonial era.

The plant was never opened. The father of that nuclear facility, Geronimo "Ronnie" Velasco, has finally, after these 20 long years, written a memoir of his work as Minister of Energy, and CEO of the Philippines National Oil Company (PNOC) between 1972 and February 1986, when then President Ferdinand Marcos was deposed in a military coup supported and directed from Washington, under the cover of a "people's power" movement. Eliminated along with Marcos and Velasco were the nuclear power plant, the government control of the oil and energy utilities, and the 11 major industrial projects that were to be fueled by these national energy programs. The hysteria induced in the population at that time against the Marcos regime was to no small extent the result of an international campaign by synarchist banking circles in the West, now known as the neo-conservatives, against nuclear power, aimed at undermining the energy independence of sovereign nations.

Velasco's book, and private discussions with this author, demonstrate a clear understanding of the evil character of that attack on the Philippines by the Anglo-American financial and oil interests, even if he is not always clear on the reason for that subversion. The fact that it took 20 years to write this book reflects the fact that only now is there an audience for

the truth. As Velasco told me: “We did not have the political space until now. Anything we said during or after that time [the 1980s], we were just dismissed as ‘Marcos’s boys.’ It took us all of these years in order to get the space for the public to even listen, to hear.”

This is true internationally, as the lies of the greenies and the neo-cons against the use of nuclear energy are finally being exposed, both scientifically and politically. Velasco’s book demonstrates that he is capable and willing to contribute to the necessary renaissance in nuclear energy, and also to debunking the fraud of “privatization” and “deregulation” of utilities as a cover for the foreign control of sovereign nations.

Roots of the Sabotage

There were two causal factors in the destruction of the use of nuclear power in the Philippines (as also worldwide) in the 1980s, but both trace to the same source. The 1986 coup which removed and vilified Velasco and President Marcos was controlled by then-Secretary of State George P. Shultz and his Assistant Secretary for East Asia and Pacific Affairs, Paul D. Wolfowitz, who used the Philippines as one of their first exercises in neo-conservative subversion in the name of “democracy,” achieving “regime change” in favor of a puppet regime under the control of the International Monetary Fund and the London/New York banking houses. The native military manager of the coup, Gen. Fidel V. Ramos, was then and is still today a wholly owned asset of this synarchist banking cabal, which is now driving for fascist forms of dictatorship in Washington itself, under the direction of Shultz and Dick Cheney.

The U.S. participants in this treachery do not hide their role, only their purpose. Just as in the many “Orange Revolutions” of today in Eastern Europe, Central Asia, and elsewhere, and in the overtly military cases such as Iraq, Wolfowitz, Shultz and their cohorts brag of their intention to make the United States the “only superpower” on Earth, while hiding behind the banner of “democracy.” Prof. Theodore Friend, a U.S. academic who writes on the Philippines, told a conference in Washington in February that Wolfowitz had called him and a few other Asia hands to his office at the State Department in 1983, and tasked them with overthrowing Marcos. “We concluded that Marcos was vulnerable. We didn’t use the term ‘regime change’ at that time, but we decided that if we unleashed indigenous forces, Marcos could be brought down, and we pointed ourselves in that direction. With George Shultz as Secretary of State, we did it just right, timing the intervention so as to make things happen.”

The things that these tyrants made happen are described in gruesome detail in Velasco’s book.

The second causal factor in the destruction of the Philippines nuclear program was the fear fostered in the population through a campaign of anti-nuclear lies and propaganda. While this anti-nuclear campaign is generally associated with the radical left environmentalist movement, *EIR* has recently demonstrated (March 24, 2006) that the driving force behind



Geronimo Z. Velasco

Geronimo Velasco and his wife, Erlinda. With this book, he has broken a 20-year silence on the international campaign to shut down the Philippines’ nuclear power program, which he directed.

these lies were the same neo-cons we just met in the role of political subversives. Paul Wolfowitz and his mentor at the University of Chicago, Albert Wohlstetter, while leading the charge in favor of the use of nuclear *weapons* in preventive wars, even against non-nuclear nations, as is now the official policy of the Bush/Cheney regime, argued in the 1970s that nuclear *power* must not be allowed to be used for energy generation, especially in the Third World. Wohlstetter wrote that “every time a new country obtains a nuclear power reactor, it is moving significantly closer to a nuclear weapon development capability,” adding the lie that “nuclear power promises very limited economic benefits to less developed countries.”

In other words, the political subversion and the scientific subversion are two aspects of the same policy, as espoused by the synarchist banking circles—the end of the sovereign nation-state, fostering a global empire under the control of international financial institutions based on “globalized” control of intentionally restricted energy resources.

The Marcos Vision

Velasco, a prominent businessman in the post-war Philippines, was chosen by President Marcos to run the national oil company PNOC in 1973. In 1979 Marcos created a Department of Energy under Velasco’s direction, also making Velasco head of the National Power Company, Napocor. As

CEO of PNOC, Velsaco was assigned the task of negotiating state-to-state oil contracts with oil-producing nations, to avoid the “free markets” which Marcos knew to be controlled by the energy cartels. While Velasco succeeded in signing such contracts with Saudi Arabia, Indonesia, and others, it soon became apparent that actual energy independence depended on drastically reducing the nation’s dependence on imported oil altogether. Under Velasco’s direction, Napocor, which had been founded in the 1930s under the guidance of Gen. Douglas MacArthur, with the help of Col. Lucius Clay, launched an aggressive program of hydroelectric and geothermal development, while working with the IAEA to contract for a 620-megawatt nuclear plant, to be built by Westinghouse in Bataan. Between 1978 and 1985, the national program succeeded in providing electricity to all 56 provinces in the seven major islands, with 20 power plants, 90% using non-oil sources. Dependence on imported oil was reduced by 44%. Had the Bataan nuclear plant been turned on when it was completed in December 1985, the goal of the Marcos plan to fuel the 11 great industrial projects would have been fully met.

Velasco makes clear that every single step of the process in building the nuclear facility depended on approval from the U.S. government, and yet when it was completed and ready to be activated, U.S. Ambassador Stephen Bosworth suddenly “called on me and requested that the U.S. government be allowed to send a team that would help us evaluate the plant’s readiness for operation.” The resulting evaluation, Velasco notes, had nothing to do with the functioning or safety of the plant, but rather stated that the plant should not be opened because of a lack of escape routes and hospital beds in the vicinity.

Velasco recognized that this was a ruse; that in fact “the Americans had lost faith in President Marcos, and they could not trust him to have such a powerful weapon in his hands.” This is only partially true, as evidenced by the fact that the first act of the puppet government that replaced Marcos in February 1986 was to shut down the nuclear power plant—i.e., no government, no matter how subservient to U.S. demands, was to be allowed to have nuclear power. It is of note that *EIR*, six months before the February 1986 coup against Marcos (see *EIR*, Aug. 16, 1985) had warned that Ambassador Bosworth, on behalf of Secretary of State Shultz, was meeting “up to two hours every day with Acting Chief of Staff Lt. Gen. Fidel Ramos, a West Point graduate whom the United States is attempting to groom as a leader of a new civilian-military junta.”

In a discussion, Velasco asked me, if Washington had no intention of allowing the plant to function in the first place, “Why did they grant us a permit to construct the nuclear plant?” This points to the real issue before us today: the progressive takeover of the United States by the anti-American, imperial-minded forces representing, not the self-interests of the United States, nor certainly the interests of other sovereign nations, but rather, the interests of the international financial houses, the “military-industrial complex” which President



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The Bataan nuclear plant, completed in December 1985, was never used, under pressure from the U.S. government which had originally approved every step of its construction. Today, the Philippines pays over \$155,000 every day in debt-service costs for the moth-balled plant.

Dwight Eisenhower (who commissioned the Atoms For Peace program, which launched the nuclear program in the Philippines and dozens of other states) warned about at the close of his Administration in 1960.

Indeed, the last nuclear plant to be built in the United States itself was contracted in 1978. In neighboring Mexico, President José López Portillo had commenced in 1978 on a track, with the full backing and cooperation of *EIR* founder Lyndon LaRouche (see *EIR*, Feb. 27, 2004), to use Mexico’s newly discovered oil resources in oil-for-technology deals designed to build 20 nuclear plants and achieve industrialization and full energy independence. López Portillo’s plans were crushed and the Mexican banking system destroyed by the synarchists, in response. Instead of a modern industrial economy, Mexico’s population has been reduced by “free trade” to slave labor conditions in foreign-owned sweatshops, while drug lords dominate entire regions, as well as much of the government. The anti-nuclear paradigm-shift has cost the human race dearly, in wealth and in lives.

The Costs of Not Going Nuclear

One of the most valuable historical revelations of Velasco’s book is the total hypocrisy of the charge that Marcos and Velasco squandered the nation’s resources through corruption and overruns on the nuclear plant. In fact, shutting the plant cost the nation billions of dollars—still today, the Philippines pays over \$155,000 *every day* in debt-service costs for the moth-balled nuclear facility, which never produced a single watt of electricity.

Velasco notes that the cost for uranium fuel for the facility would have been \$20 million per year, compared to the \$180 million to be saved in oil import costs (three times that amount at today's prices). Instead, the inflated costs of imported oil were paid, in addition to \$460 million in debt service alone between 1987 and 1989.

Even the exorbitant cost of the plant itself can be traced to the synarchist takeover in Washington. Following the Three Mile Island nuclear accident in 1979 (which showed that all the safeguards worked, but was nonetheless treated as a "disaster"), and, as Velasco notes, the Hollywood hype of Jane Fonda's film *The China Syndrome* spreading ridiculous myths about the dangers of nuclear energy, the United States imposed a new set of safety conditions on nuclear construction. The Bataan construction was put on hold for 15 months, and new contracts for the additional safeguards were signed. However, this was taking place just as U.S. Federal Reserve Chairman Paul Volcker was raising interest rates to 21%! Not only did the cost of the Bataan plant itself double to \$2.1 billion, but the debt-servicing costs skyrocketed.

Velasco reports that the disaster of shutting down the nuclear plant was aggravated by the promise to pay for it anyway. In a speech given before the U.S. Congress by U.S.-installed President Cory Aquino in September 1986, she "promised that she would pay all the country's debts down to the last cent. My heart fell when I heard her say that," Velasco told me.

The Queen's Role

Of course, there were also leading figures within the Philippines demanding the closure of the nuclear plant, but here, too, Velasco reveals a most interesting fact. Leading the assault was one Cesar Buenaventura, head of Anglo-Dutch Shell operations in the Philippines. When Aquino was placed in power, Buenaventura advised her to shut down the Ministry of Energy altogether, and close the nuclear facility permanently. "I have no doubt that he had Shell's interest in mind when he recommended the ministry's abolition," writes Velasco, because the nationalist policies under Marcos "threatened to erode the oil companies' position in the energy market." He adds: "Incidentally, the Queen of England knighted Buenaventura thereafter. Did that have anything to do with the ministry's fate?"

One year after his removal, Velasco was summoned by the Philippine Congress, where he warned that since nothing was being done to replace the power from the nuclear plant, Manila would run out of electricity within two years. Indeed, in 1989 the capital city began to experience outages of 10-12 hours per day, for the next four years. Worse, Fidel Ramos, when he maneuvered himself into the Presidency in 1992, used the blackouts to coerce the Congress to grant him emergency powers, without oversight, to negotiate contracts with foreign power companies. Unlike Marcos, who was con-

demned as a dictator for using martial law to launch projects under the auspices of state-owned entities in the national interest, Ramos won praise from Wall Street for using his dictatorial powers to sell the nation to Enron and other private interests. Ramos signed 40 independent power producer contracts, all on a "take or pay" basis, forcing the country to buy each plant's total capacity, in dollar-denominated prices, whether or not the power was needed. When the Asian currencies were attacked in 1997-98 by international speculators, these contracts bankrupted the nation, virtually doubling the costs of energy in terms of the national currency, while all the electricity had to be purchased even though it was not needed.

A Renaissance Mission

Velasco, now 79 years old, understands the crime of globalization, and the urgency of returning to the American System of regulation and protection. Commenting on the privatization of Petron, the national oil company, by Ramos, and of the National Power Company by current President Gloria Macapagal Arroyo, Velasco writes: "Unlike in a private firm, where the CEO's principal responsibility is to keep the shareholders happy, in a government corporation our job was ultimately to promote the national interest."

It is not surprising to learn that Velasco was once a professional 'cellist. At 79, he has not lost the internal sense of the individual's potential to affect history. The book itself is not just a defense of his career, and the nationalist vision of President Marcos, but a guide to future generations as well.

The Philippines has never recovered from the U.S. subversion of 1986. Velasco notes that the Philippines now consumes about 1.5 barrels of oil per year per capita, although "in my time we already estimated that each Filipino was consuming about two barrels a year, which seems to indicate that the quality of life of most Filipinos is even deteriorating." The population also continues to suffer from the myth that "people's power brought down a dictator," that the theft of the nation's sovereignty was a step forward rather than a partially self-inflicted wound.

Even Velasco has trouble seeing any solution, by focusing too much on the crisis with his nation's borders, rather than looking to the systemic breakdown crisis centered in the United States, where developments in the Philippines are largely being determined, for better or for worse. He closes his book not by promoting the urgent necessity of a renaissance in nuclear energy, but rather sees little hope, due to a "host of constraints that were not present in my time," naming the huge debt burden, and the pseudo-democracy of the current political system. True enough, but it is precisely by coming forth, 20 years after the fact, with the truth of the international roots of the coup of 1986, and the international subversion of the nation's historic mission, that Velasco is joining his heart and voice to those around the world fighting to bring about the necessary global solution.