

An Indictment of Globalization: The Case of the Philippines

Mike Billington of EIR's Asia Desk, and Dennis Small, EIR's Ibero-America Editor, interviewed Antonio "Butch" Valdes, a long-time associate of Lyndon LaRouche from the Philippines, for The LaRouche Connection public access cable TV program. The interview took place in Leesburg, Virginia, on May 23, during Mr. Valdes's visit to the United States.

Mike Billington: Hello, this is Mike Billington. You're watching The LaRouche Connection. I welcome you here, today. We're going to have a discussion with Mr. Butch Valdes, from Manila, the Philippines, who is here in the studio. Butch is a long-time friend and associate of Mr. LaRouche, since the early 1980s. He recently was the Under Secretary of Education in the previous government, under President Estrada, and has been the head of the LaRouche Society in the Philippines, the key organizer of the LaRouche Youth Movement, which has extended into the Philippines; and over these last 20 years, besides being a close friend of *EIR* and LaRouche, has also been involved in many different political organizations in the Philippines, in the fight to pull that country out of its current very severe crisis, which we will discuss.

He also is the host over the last three years of a weekly radio show in Manila, from Monday to Friday, and a Sunday radio show which is broadcast all across the Philippines, and for which he takes calls in from the United States, Europe, Australia, and from LaRouche collaborators and friends throughout the world. So it's very much an international show.

Also joining us in the studio is Mr. Dennis Small, who is the head of our Ibero-American organization, the *EIR* Editor for Ibero-America. Dennis will bring in the perspective of the work that we've done in Ibero-America, and the relationship between that and our work in the Philippines, as we head into the worst global financial crisis in history; as we face a crisis in the United States and Europe, with governments facing a general breakdown crisis; the impact of these events on the Philippines and the potential of the Philippines' role, as a crucial nation in Asia, in helping to resolve these global crises.

We are glad that you are here to watch and enjoy this discussion with us.

So, let me start by asking you to give a general situation report, Butch, on the status of the economy, primarily, the economy and the political situation in the Philippines. I know that most people think, in a world where we're suffering great

economic crises around the world, that nonetheless, Asia is some sort of a center for development, that it has continued to grow. And there's some truth to that, although there's also tremendous poverty across Asia. But, while there is a certain amount of development across the continent, the Philippines has been an unfortunate exception to that. Could you give our listeners a sense of the crisis, as it is now in the Philippines?

Butch Valdes: Well, the real economic crisis that has been burdening our country, has precisely been caused by a growing pressure insofar as the foreign debt service is concerned. Over and above the foreign debt servicing, we also have a local debt servicing which the Philippines has had to go into, because the lending windows of the financial institutions per se, have closed down, so we have had to issue local bonds, in order to generate the pesos necessary to service the foreign debt. That is the principal burden the Philippines has been laboring under for the past so many years. And the only solution that has been brought about by the economists that are supporting the government, and all those that are in-house, especially the Economic Planning Minister, has always been to increase taxes, and of course, to try to borrow more.

When you say "borrow more," the kinds of bonds we have to issue now, start to require a higher and higher yield for those that are going to be lending to us, and we are pretty close to going into junk-bond status right now. The kind of repayment that is being required, at least to repay the foreign debt situation, has caused pressure in terms of having to increase the Value Added Tax, or a consumer tax, that has been imposed on the people. Right now, it's about 12%. But this is not just a 12% add-on to the prices of goods, because it has a multiplier effect. And people have really been having a lot of difficulty.

In order to try to quell the uncertainty, and the natural destabilization that this is causing, the government has had to make sure that the exchange rate between the peso and the dollar would be so-called "stabilized." And the stabilization process, as you might know, means an intervention by the Central Bank, using its reserves, into the foreign-exchange market, which means, intervening with something like \$50 million a day, or upwards. So, \$50 million a day is being used, taken out of our reserves, in order to keep the exchange rate pretty much stabilized. The objective, supposedly, is to try to give the impression to foreign investors that we have a stable currency situation, and that this stabilization has been caused by a stabilized political situation as well.



EIRNS/Mike Billington

Philippine LaRouche Movement leader Butch Valdes (left), with Gail and Mike Billington, at the FDR Memorial in Washington, D.C., May 2006. Franklin Roosevelt's emergency recovery policies are now familiar to millions of Filipinos, thanks to Valdes's radio show.

This is farthest from the truth.

Not many now believe in what [Philippine President] Gloria Macapagal Arroyo, or her economic managers, are doing, because this is precisely the kind of reasons why there's political destabilization or political unrest. (I'm sorry to use the word "destabilization," because that's the term the government uses, whenever people are complaining about having a lot of difficulty living.)

More recently, just to give you an indication of the poverty level, an independent survey company, called the Social Weather Station, has come out with an announcement, that on the last survey that they made, they had concluded that there are now 2.8 million families that are supposedly starving. And the numbers per family that we use, is something like five members for every family; so roughly, we see that there might be about 15 million that are now going hungry. By "going hungry" we mean, people probably eating one meal a day, or even less, depending on the kind of situation they are in.

Dennis Small: Excuse me: this is out of a total population of how many in the Philippines?

Valdes: Officially we have 84 million people. Out of this 84 million people, about 15 million are supposed to be going hungry. This has been increasing gradually over the years. I'm not sure exactly how that translates into the UN-type of statistics, where they put the poverty level, some ten years back, at 43%—the poverty level of our population.

Now, the criteria for saying that people are in the poverty level, are supposed to be those people that are receiving less than 1,000 pesos a month, at the exchange rate to the dollar

of about even less than 50:1—maybe about \$20 a month. So, this is the poverty level. And the majority of our countrymen right now, I would say it would be more than 43%, probably it's more like 55%.

Small: Yes, the United Nations uses broad parameters on poverty, and extreme poverty, which of course then have to be modified country by country. But the numbers that I've seen that the United Nations uses is, poverty is characterized as \$2 per day or less; and extreme poverty, or indigence, i.e., going hungry, which is what you're describing, is \$1 or less per day. Now, that varies per country. But you're talking here, about 20% of the population in a situation of indigence, or extreme poverty, or hunger! That's amazing!

Valdes: Right. And there has been a UNICEF study recently, some months back—it came out sometime in January, I think—wherein it placed the Philippines—certain specific areas in the Philippines had hunger situations worse than that of North Korea, or certain parts of Africa.

So, this has been announced. Of course, there has been a purposeful move on the part of our government to try to close its eyes to what has been happening in different parts of the country. And you can see many instances and examples of what poverty is like. Just recently, before I had come over here, in one of the tabloids, because it doesn't reach the main newspapers—in one of the tabloids, it talks about a woman with three children who went deranged because of poverty, no longer could feed her children, so she killed her children and then kills herself.

These are the kinds of situations which we never, never saw before. And for a mother to kill her own children, it must really be bad.

A Special Responsibility

Billington: This is probably, I'm sure, very shocking to Americans. I know that since you've been here this past week and briefed people here in our *EIR* office and others in Washington, people are rather stunned. Because the Philippines, of course, is a nation that the United States liberated from Spain, but then proceeded to occupy for 50 years before [President Franklin] Roosevelt granted independence. We have a special connection, a special responsibility as well, to the Philippines. And people hearing how horribly the nation is collapsing at this point, is a very shocking thing for a nation that in fact has a special responsibility for that country.

I know that you have huge unemployment in the Philippines. And I know also that people, out of absolute desperation, have left the country, leaving their families behind, to find jobs overseas. But I think Americans probably don't know that this, in fact, is not just something people do out of desperation, but it's the actual *intentional* policy of the



EIRNS/Mike Billington

Nearly 3 million families, 15 million people in the Philippines are at the “poverty level,” i.e., living on less than \$1 a day. Shown here: a typical shantytown, or slum in Manila.

government, to promote sending its people away from their families to work overseas, in order to gain foreign reserves with which to pay that debt.

Could you discuss that a bit?

Valdes: Yes, there is specifically an agency, under the Department of Labor, that sees to it that there is a constant outflow, or regulated outflow of people going to different parts of the world to seek employment. It’s the Philippine Overseas Employment Agency. They make sure that the people that are going there—let’s say, for example, they want to go to Japan to become entertainers—they provide a facility where they are taught to be good entertainers. If they are dancers, they have to be taught how to dance well, and so on and so forth. And there are roughly about 8 million Filipinos, probably even more; officially there are 8 million abroad. Of course, we’re expecting maybe 50% more abroad right now. But, they’re working in different levels, from gardeners, drivers, nannies, to other things, whatever else that will be needed. A lot of them have gone to the Middle East, despite the fact that they know that there’s war. We have had families losing members of their families in Iraq, for example, because it was only the Philippines that was desperate enough to go there and do whatever it needed to gain some funds, and bring them over there.

And when they’re interviewed, “why is it that you want to go to a war-torn country, where there’s a lot of fighting,” they say, “Well, if we die there, we’re dying trying to earn a living. But here, we’re going to die anyway without employment. So that is the choice.”

So this is the kind of situation we have.

The other thing that many people don’t realize, that is very—well—debilitating as far as the growth of our society is

concerned, is that, if the government goes into an employment generation scheme to try to export our people, what it has done over the years is to create millions of families that are one parent less, at least. So children are growing up in a kind of situation, which is considered like that of broken families—but because of poverty. And many times, it’s *both the mother and the father* that are out of the country trying to earn a living. So the children are growing up in an environment without parents; if they’re lucky, they are going to have grandparents taking care of them, or others. So, these children, who will not be in school, they will be out-of-school youth, will create social problems. Of course, crime will always go up, and so on and so forth, you’re going to have drug problems, and this is exactly what has been happening to the Philippines.

Small: This overall demographic situation that you’re describing, I believe they’re called the OCWs, the overseas workers?

Valdes: It’s Overseas Filipino Workers, OFWs.

Small: So, the Overseas Filipino Workers, you’re saying officially it’s about 8 million or so; again, that’s maybe 10% of the entire population, with the broken families, and the destruction and so on. This is a phenomenon, which is very familiar to me, from the Ibero-American situation, because, as so-called globalization has spread—in other words, the destruction of the economies of Third World countries, such as the Philippines, or Mexico, or El Salvador—you have nations and economies that can no longer employ and support their own population, and therefore they export portions of their own population, as Mike was describing, in order to gain the resources to pay the debt.

In the case of Mexico, the proportions now are very similar to what you're describing for the Philippines: Ten percent of the Mexican population is now in the United States, because they can't get work in Mexico. They're economic refugees. A country like El Salvador has 25% of its entire population in the United States.

So, this phenomenon of the Philippines that you're describing is, in fact, a pattern of what globalization is producing, of a destruction not only economically, but of the very fabric of the society, all for the purpose of paying the debt, and staying within the globalized system, supposedly. What is happening in the Philippines, politically, in terms of opposition to these policies of globalization that are tearing the country apart, both economically, as well as socially and politically?

Valdes: Well, insofar as opposition to globalization as such, I can safely say that, at least the Philippine LaRouche Society and its local movement, which is Katipunan ng Demokratikong Pilipino [League of Filipino Democrats], will probably be the only organization now directly confronting this issue of globalization and what it has done.

The dumbing-down process had started long before, making us believe that there are no other alternatives but to join this globalization direction. More specifically, before the time of President Fidel Ramos, which was 1992 up to 1998, we still had some semblance of an opposition, or reservations on the part of certain government officials and the private sector, opposing an opening up of our economy. So we had what we called a "short list" and a "long list." The short list was all of those areas, parts of our economy, that can be opened up, and the rest would probably have to take a little bit more time.

As soon as President Ramos took over, he scuttled this whole list business, and came up with a program that would open up the country 100% before the year 2000—he called that the "Philippines 2000." He went about specifically destroying all of the mechanisms which were necessary in order for us to generate jobs, because all the factories have now started to go down. And we became very quickly just makers of handicrafts. Right now, if you go to a trade center or something, where you invite foreign buyers, 90% of the products that you will see there are handicrafts. We're not doing anything that has anything to do with actual manufacturing and processing.

The only thing we claim to be manufacturing, is actually an assembly operation for the semi-conductor industry, wherein we start welding these little parts to these computer boards. And that alone, 85-90% of that is actually imported. We just put in the labor component, and we call that "manufacturing."

The New 'Growth Industry': 'Call Centers'

Billington: The people that used to be in manufacturing, or the jobs that used to be available in manufacturing, are either going overseas, or, as I understand it, and as Americans recog-

nize, many people are getting jobs in these so-called "call centers." These call centers are basically simply servant jobs, servicing Americans, in regard to their credit cards, and bills, and things like this. Why don't you describe this, because it's basically the only job available to your youth, even youth with degrees in economics, as I understand?

Valdes: Well, it's supposed to be the "growth industry" in the Philippines—the only growth industry is the call-center operation! And we now have something like 50,000, or maybe now about 100,000 of our youth that are already involved in call-center operations. And then, they're hoping to reach maybe 300,000 in about another year or so.

Of course, we do call-center work, only because it's more expensive to do here [in the United States]. So, they found a way of getting it done in the Philippines, because we had this facility of the English language, and we could somehow understand the kinds of instructions that are being given. Anyway, this does not take too much creativity, because they have a list, like a checklist that they ask. And you can't even hold any conversations with them, because they practically memorize what they have to ask, and standard types of questions.

Now, most of the college graduates right now, university degrees, others, whatever course they get into—they could be economics graduates, or they could be engineering graduates, or marketing, or whatever it is—their first attraction is the call-center operation, because it pays the highest right now: roughly between 18-20,000 pesos a month. So, that's like \$300, somewhere there. Maybe \$300 a month pay, or \$10 a day, something like that.

And of course, regardless of what work hours you have—because if we're doing call-center operations in the Philippines, it's 12 midnight in the Philippines and 12 noon here on the East Coast—so they have a 24-hour type of operation there.

Billington: I would guess these call centers are not contributing a great deal of technological development to the Philippines, are they?

Valdes: No, not at all. Not at all. And yet, they are the most attractive now to the college graduates. We just had somebody who is part of the Philippine LaRouche Society, whom we were able to recruit when she was in college. And then, as soon as she graduated—she's an economics graduate, and she was awarded the best thesis award in that school, and it's one of the top universities, it's the University of Manila, where you have to have a certain IQ capability to be able to enter that university—so, when she graduates, the first thing she goes to, because of the needs of her family, is to a call-center operation.

Kissinger's Coup Against Marcos

Billington: Let me go to something else. It's actually the same thing. This wasn't always true in the Philippines. The

The screenshot shows the POEA.gov.ph website. At the top left is the POEA logo and the text "POEA.gov.ph". To the right, it says "The Official Website of the Philippine Overseas Employment Administration, Department of Labor and Employment, Republic of the Philippines". Below this is a navigation bar with "Statistics", "Services", "Tips", and "FAQ". The main content area is dated "Wednesday 24 May 2006" and features several sections:

- Jobs at POEA**: A large graphic with the text "Jobs at POEA".
- OFW Advisory**: "Schedule of EPS-Korean Language Test". Date of Examination: June 4, 2006. Time: 2:00 - 3:30 p.m. Venue: Adamson University, San Marcelino St., Manila for applicants with permit code no. 03235 to 06234, and University of the East, CM Recto, Manila for applicants with permit code no. 06235 to 09235. Applicants are required to be at the test venue one hour before the time of exam and at the assigned classrooms 30 minutes before the exam.
- News**: "Recruiter for Sweden factory charged with illegal recruitment". Victims of Cebu Manpower Corp. trooped to POEA to file charges against the agency that promised them jobs as factory workers in Sweden. The victims, residents of Davao City, Zamboanga, reported that it has been 10 months since the agency collected "placement fees" from them ranging from P75,000.00 and above but failed to deploy them. Some applicants paid as much as P393,500 so that the processing of their documents will be facilitated. The agency was able to pocket around P6.5M from the 27 victims and the amount is expected to rev. up to millions more since a big number of victims are expected to file their complaints against the agency. Cases of Large Scale/Syndicated Illegal Recruitment and Estafa were filed at the Prosecution Office in Makati City for preliminary investigation. The cases were charged against Elizabeth "Beth" Papag & Choro I. Santos, President and Secretary of Cebu Manpower respectively. Also charged were Noel Papag, Dennis Acosta, Erwin "Tisoy" Papag, and one "Bobat/Bobat/Bebet"/ and "Bobby". Cebu Manpower Corp. is located at Unit B, 2/F, 1760 Avenue Center, Dian Street, Palanan, Makati City.
- Overseas Filipino Workers**: "Australia Skilled Worker Registration Paunawa sa mga aplikante sa EPS Korea Avoid Illegal Recruitment. Looking for overseas jobs? Are you sure you are applying with a licensed agency?"
- Working abroad?**: "THINGS YOU SHOULD KNOW ABOUT YOUR DESTINATION".
- Employment Permit System**: "Working abroad?"
- Hiring Filipino Workers**: "Working abroad?"

 On the right side, there are several vertical menus: "CORPORATE INFO" (About POEA, Services, Statistics, Annual Reports), "DIRECTORY" (POEA Officials, Regional Offices, Labor Attaches, Phil. Embassies, Phil. Consulates, Foreign Embassies, Medical Clinics), "INTERACTIVE" (Recruitment Agencies, Job Vacancies, Seafarer Certification, Phil-JobNet), "OFW LINKS" (D O L E, D F A, M T C, O W W A, PHILHEALTH, S S S, TESDA), "DOWNLOAD" (OFW InfoSheet, OFW e-Card Form, Manpower Registry Form [doc] [pdf]), and "Best viewed using Microsoft Internet Explorer" with a download Acrobat Reader icon.

Promoting globalization: The Philippine Overseas Employment Agency places ads like this one, encouraging Filipinos to seek overseas employment. They even train them for service jobs. Eight million Filipinos, officially, work abroad. When asked why they go, even to wartorn countries, they say: "Well, if we die there, we're dying trying to earn a living. But here, we're going to die anyway without employment. So that is the choice."

Philippines in the 1960s, and '70s, and '80s, despite a lot of difficulties and problems, was a nation with a mission, and had a sense of development which was probably unique in Asia, or at least in Southeast Asia. This was during the period of [Ferdinand] Marcos—who is of course denounced and castigated, he and his wife, as horrible dictators. But in fact, during his period, Marcos had a vision which included big industrial projects, the electrification of the country, the building of the first nuclear power facility in Southeast Asia, a number of industries, development of agriculture, development of health facilities, and so forth—most of which is forgotten by the IMF-related people who helped overthrow him.

You mentioned President Ramos from the 1990s: Of course, it was President Ramos who worked with the likes of George Shultz, then, the Secretary of State, and his Undersecretary for Asia Paul Wolfowitz, figures very well known here in America today, from this neo-conservative administration, who ran the so-called "popular overthrow" of Marcos, which in fact was orchestrated as a military coup from Washington, with Ramos as the military headman.

You met us just a few years before that. And I think if you tell the story of how you met us, and how you got involved, it will also give Americans a sense of what happened to the Philippines back in the 1980s.

Valdes: Right. Well, first of all, maybe I should mention what my background was. I was head of an accounting firm, considered to be the second-largest in the Philippines, at the time. We had close to 800 staff, doing all the external audit work, independent auditors for something like 2,800 plants at that time. Now, because of the political situation, and there was this uncertainty that was created, putting so much pressure on myself, as consultants—because the clients would ask, what's going to be going on? What type of investments should we go into? And so on and so forth. So, it necessarily pushed us, or I pushed myself, to try to figure out what was going on. It was very, very difficult.

And of course, the convenient reason that we always pointed to, was a corrupt leadership. And that's what everybody says: That's what the U.S. says,

that's what the Catholic Church said, so, this guy must be corrupt and really doing to us the worst thing that the Philippines have ever experienced.

Now, as we were going through this, a friend of mine from the United States goes to Manila, and hands me, in 1984, which was already the most critical period, because they had just assassinated Ninoy Aquino, who was a leading opposition leader, in August 1983. So, there was capital flight, we couldn't pay our debts. Marcos was asking for a moratorium; it was not being granted, unless he gave into certain concessions.

So, sometime in February 1984, this friend of mine hands me an *EIR*, which he picked up, he said, from the airport

coming over here, and he said I might be interested in it. So I took a look at it, and the title of the *EIR*, the main issue was something like “The Philippines: Kissinger’s Next Iran.” You know, Iran had just been, in 1980, or ’79, the Shah of Iran was toppled and Khomeini was put in place. So, this startled me, and I started reading the article. I think it was an article written by, if I’m not mistaken, it was Gail Billington who wrote that article. At any rate, I was surprised, because that article was the first publication from the United States that did not put Marcos in such a bad light. It was not too favorable, but at least it was pointing to certain moves being done in the United States that were supposed to be against Marcos for specific reasons, and it had to do with our capability to go into an industrialization mode.

Now, going back, by that time, we knew that Marcos came up with an energy development program as early as 1973, wherein, over a span of a number of years, he wanted to be self-sufficient insofar as our energy requirements were concerned. And that meant that we would not be dependent on imported oil. And the whole program meant that by 1990, we would have been 90% self-sufficient in our energy requirements. At that time, of course, we didn’t believe that, but it was being bandied about like that. It seems that it may have been possible, if we had gotten our nuclear power plant on-line by 1985, which was the objective, and we were on time, despite the fact of all these environmentalists trying to stop the movement. Plus, of course, it was the president of Shell Philippines who was very active, trying to stop us from opening up our nuclear capability. The president of Shell Philippines at the time was a guy named Cesar Buenaventura, who, after the revolution, was awarded a knighthood by London for being able to stop us from being able to put up our nuclear facility.

At any rate, from what I understand, from the former Energy Minister, Mr. Ronnie Velasco, it was Bosworth, among others, who in 1985—

Billington: This was the U.S. Ambassador to the Philippines.

Valdes: The U.S. Ambassador Bosworth, who asked that we don’t start up the nuclear plant. Because this would have added tremendous capability on our side, to start to be self-sufficient in as far as our energy requirements were concerned. So, this was not started. And everybody knows, of course, 1986, we had the revolution.

And immediately, the first thing they did, was to try to get the nuclear power plant to be inactive, and many supporters and advisors of Corazon Aquino, who became President, made sure. They even came here to the U.S., and filed a case against Westinghouse, which we lost, which “losing” meant that from that time on, we didn’t have a nuclear facility, but we still paid \$160,000 a day to pay the debt, because of the damages of not continuing the facility. And up to now, we’re still paying \$160,000 a day, because of this “privilege” of not

having a nuclear plant working.

The reverse has since happened, wherein we are now 90% dependent on imported oil for our energy requirements. We had a natural gas facility, 70% of which was owned by the Philippine government, and Fidel Ramos has since privatized this and we now own less than 10%. And of course, natural gas, which is being processed by Shell, we have to buy it at foreign prices, not Philippine prices but NYMEX prices—New York Mercantile Exchange prices: So, we produce the natural gas right there, on our shores, but we still have to pay international prices for it.

Mexico Was the Model

Billington: Dennis, this was the early ’80s, the same period that López Portillo was President in Mexico and had very ambitious plans for the use of his oil, to trade for technology, and especially nuclear power. Do you want to comment on that?

Small: Well, just that: This was in fact the period, when there was a real sense within developing-sector nations that it would be possible to build a new world economic order that would be more just. And in the eyes of many of those leaders, such as José López Portillo of Mexico, who was President from 1976 to 1982, and was actually a good friend of Mr. LaRouche’s up until President López Portillo’s recent death a year or two ago, he was a very active proponent of not only Mexico’s industrial development, but in particular to use its oil wealth, which was owned by the nation, use it as a transition as a means of getting into the Nuclear Age, to have nuclear technology.

From about 1982 forward, but really especially the decade of the ’90s—and I think this was the case around the world—this was the decade of utter globalization, free trade, privatization, where every concept of national development, sovereignty, industrial growth—they tried to wipe it off the face of the Earth. Now, these ideas are beginning to come back, especially given LaRouche’s more prominent role inside the United States, in heading up a faction in the Democratic Party, which is closely associated with the ideas of Franklin Delano Roosevelt.

So, what we see at least on the Ibero-American side, is a return to the idea of nuclear energy, as is occurring internationally. And I would suspect that you have a similar type of sense in the Philippines, that it might now be possible to do things.

Argentina is playing a key role in South America, at this point, with the idea of getting rid of the IMF system and moving to something new, like the New Bretton Woods that Mr. LaRouche proposes. So in a way, I’m getting back to the question I asked you earlier, about what is the opposition to globalization? Or, perhaps, more concretely, what are you and what is the LaRouche Youth Movement doing with the idea of bringing the Philippines into a New Bretton Woods new world monetary system?



Ferdinand Marcos (above) had a vision for the Philippines, including big industrial projects, electrification, etc. His successors, former President Fidel Ramos (far right), President Gloria Macapagal Arroyo (center), and House Speaker José de Venecia, are following the IMF script, which is destroying the country.



Michael Rey Baniquet OPS-NIB Photo

Valdes: Well, we've been on this—we started the radio program, for the past three years now. And that radio program was conceived precisely because there was a real need for it. This was being done—I decided in opening that up, because there was going to be a Presidential election a few months later, and I could see that both the opposition and those that were incumbent were not going to deal with the financial and economic issues, yet this was the most important. They were going to deal with a lot of other things, but, you know, the opposition was being led by a popular movie star, who was not too familiar with what was going on. And of course, you have the incumbent, Gloria Macapagal Arroyo, who probably knew exactly what was going on, but decided to go full free market, and be in the control of the creditors. Because none of her programs, despite the fact that she was saying “poverty-alleviation program,” had anything to do with addressing the biggest burden of our budget, which was the debt situation.

Now, having seen that, we said, our role was to make sure that the people understood that the real issue had to be economic; the real issue had to be our poverty situation, and that our capability to produce has been destroyed. I remember Mr. LaRouche, in one of his addresses and explanations, he said, “The people know that they are not observers watching gladiators fight it out in the arena. They must know they have to be in the arena themselves, because it is *their* lives that are at stake.” And this is precisely the message that we were trying to make people understand.

Number one, was the awareness, getting them out of this dumb-down process. And it's not just the mass, it's not just the poor people. The dumbing-down has affected even those that have PhDs . . .

Small: Well, those are the most dumbed-down people in the United States. The more degrees, the dumber you are!

Valdes: Right!

Small: And businessmen, and so forth. And we would address them. And I remember the theme, all the time in many of my initial statements, that we considered leadership, not just government leadership, not just business leadership, but the *academe*. And I always said that the academe is the most dangerous, because they destroy generations.

Billington: How about the youth?

Valdes: Okay: the youth, what we've also done, because I've started to gain some listenership in our radio program. Of course, with your help: Mike has been calling in. I think you—Dennis—have been able to call in once or twice—

Small: Once or twice, yeah.

Valdes: And several other friends from here, from all over, we've got some listenership and some credibility. Because, you know, our program is situated in such a way that there are other fundamentalist religious programs being aired during that time, so we're the only ones that really would be interesting to many people. So we're situated properly there.

Now, we got invited, I got invited to talk to different universities, and this is precisely what—we went to address the economic societies, the graduating class, or whatever have you, in something like five or six main universities in Metro Manila. That included the University of the Philippines; De la Salle University, where I come from; and University of Santo Tomás, which is the oldest university in the Philippines.

And all the time, addressing these issues, and getting the young people to come out and demand a future from their elders.

And of course, especially in the state university, the feedback we got was, they were afraid to confront their professors, because their professors threatened to flunk them, if they continued to espouse these anti-globalization ideas! It was convenient for them, initially, to just shut us off and call us “communist” or “left” or whatever. But eventually they realized that doesn’t work, because the left doesn’t like our ideas, as well! And we were precisely doing certain things, and continuously mentioning the concept of the General Welfare, and various things.

And again, we have to get away from this “imperialist America” type of concept—although there are imperialists here in America, but this generalization thing, that anything that comes from America is supposed to be fascist, or imperialist, or so on and so forth. Because we started explaining the history, which we got to learn, because of the exposure to Mr. LaRouche and his ideas.

And I am confident that many of our youth in the different universities, despite the fact that they are not actively involved in a movement, have been given the initial ideas that will give them the capability to at least not just swallow things that are being shoved down their throats, such as free trade and the rest of these things.

The Philippines in Asia

Small: Well, in the immediate term, you have of course, a total crisis going on in the world and in the Philippines, so youth will be facing very real choices. And their whole world is crumbling around them, as it is here in the United States, and other places in the world. So that the current ideas “don’t work.” So the fact that you are an outlet, a relay station for LaRouche’s ideas in the Philippines, and have been for 20-odd years, is intersecting that process as well. That’s one point, which I think is important for people listening to this show to keep in mind.

A second point, which goes much further back in history, which I’ve been anxious to ask you about, is something which Mr. LaRouche refers to frequently, when he discusses the Philippines, and what the role of the Philippines is in Asia; because, as some of our listeners may be aware, the Philippines was originally a Spanish colony, very different from other countries in Asia, and therefore was a transmission belt into Asia of some of the best—and the worst—ideas coming from Western Europe as well.

So, what can you say more broadly historically, about the role of the Philippines, in this global concert of action that LaRouche is trying to put together?

Valdes: Well, LaRouche has precisely pointed out to us that we do have a major role in terms of being a conduit of sorts of what are the great ideas coming from the Western European world, and being able to initiate this and share this with the rest of the Eastern section of, or neighboring countries of the

Philippines, in that particular sense.

We are unique. And I used to joke about this, with some of our friends. I said: We really are unique. Because we are the only ones in this part of the world that have Spanish names but “chinky” eyes. And of course, we laugh when it’s said, but it is precisely what has happened to us. We were a culture of Spain and many parts of Europe, even Germany, France, and so on, so forth, because of individuals like José Rizal, and many of our people, who studied in Europe prior to going to the United States. And brought these ideas that we up to now, cling to, especially the ideas of José Rizal, which are utterly, almost purely European, and this will have to continue and we’ll spread it out. And that’s the role that we continue to reiterate to be that of the Philippines.

And also the facility of the language. Because the United States had taken us over from Spain in 1901. And one of the principal contributions of the United States to us, of course, is the American system of education. Of course, that means the facility of being able to speak in the English language, which was our advantage for some time. We’re now losing that advantage, because the educational system has deteriorated over the years. But we still have that facility and closeness through the culture and the ideas coming from great people.

Franklin Delano Roosevelt is one such individual, which we have almost regularly exposed to the Filipino people. Because the conditions that he faced in saving, not just America, but the rest of the world, in the 1930s and ’40s, when he became President, will probably be the kind of role our leader, our next leader, somebody that Filipinos elect, will have to do. So, these ideas, we continuously, almost religiously, bring out, as to what steps and what type of thinking can be done.

Since you mentioned the Nuclear Age and nuclear development, this is one of those that we are planning to embark upon, by organizing a Nuclear Philippines Club. We’re going to open up discussions and invite all of those people to bring this debate publicly, as to whether a nuclear facility should be set up in the Philippines or not. Especially in the light of the last exposition of Minister Velasco as to what had happened to the Marcos Administration’s efforts in bringing us a real energy development plan. Right now we don’t have any such thing.

Our Energy Secretary, the former Energy Secretary anyway, used to work for Lazard Frères, and his real experience was only to be part of this commodity futures market and investing for them. So if you have an energy secretary with that kind of orientation, you can just imagine what kind of energy development program we would have.

Billington: My last question is: In the current crisis in the Philippines, one aspect of it has been focussed around a desperate effort by Ramos—and he’s also drawn President Gloria Macapagal Arroyo into this effort—is to do away altogether with the American System of government, the system



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LaRouche movement leader in the Philippines, Butch Valdes, left, LYM members, and Michael Billington, center.

with the checks and balances between the courts, the legislative and the executive branch. And they're quite blatant, that they want to do this because the "damned Senate" is getting in the way—

Valdes: Expediency.

Billington: Expediency—getting in the way of our implementing IMF demands, new taxes, and so forth, which they say will save the economy, which of course, only saves their payment of debt, while the population and the country collapse. So, this has become a fierce fight. They want to change to a parliamentary system. Could you say a few words about that, and how you think this fight is going to play out?

Valdes: First of all, there is this fight, precisely to try to railroad this idea of trying to transform our structure of government from Presidential to parliamentary. Now, the majority of the Senators have refused this, for what I would think might be personal reasons, because their force will be somehow dissipated. And I was just telling some people, I said, that this is precisely the reason why it should be the Presidential system. Because, despite the motives of the Senators and those people that are opposing a change, the Presidential system *works*, in terms of checking and neutralizing the efforts to try to railroad this, and the beneficiary is still the people. Despite the motives of those people that are involved.

Now, José de Venecia, who is now the Speaker of the House, Fidel Ramos, together with Gloria Macapagal Arroyo, since they saw this opposition in the Senate, they tried to go around it, by saying that there is a provision in our Constitu-

tion that allows what you call "people's initiative," which is a signature-gathering thing, which will confirm whatever moves they want to make. And they're now in the process of collecting these signatures. I think they were able to do it in a few days, because it takes that long to write up all of the names! And, of course, the opposition says, "we'll take you to the Supreme Court." And we expect, of course, the Supreme Court being substantially appointed by Gloria Macapagal Arroyo and Fidel Ramos, would be moving towards either an approval of this, or it's going to be a very difficult situation for them. But if they're able to do this, the Senators are saying, we're going to have civil war.

Because the people are rejecting this, the people are actually rejecting this. Gloria Macapagal Arroyo has just about has the lowest popularity rating, even *worse* than the worst times of Marcos.

Billington: And worse than George Bush?

Valdes: Probably. It's a pretty close fight. But—

Small: That's hard!

Valdes: That's hard. But, in our radio show, I say "the most unpopular and untrusted politicians today, are Gloria Macapagal Arroyo, Fidel Ramos, and José de Venecia." We don't even have to look at the merits of the Presidential system and the parliamentary system: the fact that these are the most unpopular and most distrusted politicians, who are pushing the change, why is it that we still have to talk about it?

And because of this, many people have actually rejected it. But they're going to railroad this. Indeed, we may have a possibility of a civil war, and that is the choice that these leaders will have to make. And we hope, of course, we don't reach that point.

There is another institution which will have to play or make its hand felt, if they are acting as one, which is the military. The Catholic Church has already gone against what Gloria Macapagal Arroyo wants in many different areas, and even in this Cha-Cha [charter change] thing.

Now the military is still ambiguous about it—there is a joke, by the way, let me say it, because I said "the generals." One of my radio callers asked, "is that what you mean by 'General Welfare'? That the welfare of the generals is being taken care of by this present administration?"

So then, maybe somehow these things are going to play out whatever way. And we always said that the economic situation will decide what the fate of this present administration will be, most especially because of the statements that

Mr. LaRouche has made with regard to the coming financial collapse.

Billington: Well, we have to close. And I want to thank you for coming. And thank you, Dennis. And thank you for coming to the United States, Butch. I think this trip has opened up a lot of eyes, and it is going to lead towards greater collaboration between the Philippines and the United States. But also with our friends and allies across Ibero-America, who, through your trip here, today, might end up having regular conversations with your Youth Movement there and with you, and with the hope that the Philippines can return to its historic mission.

Valdes: We look forward to that, Mike. And thank you.

Billington: And come again.

Valdes: I've been very welcomed here.