

had been found in October 2001, *in Indonesia, by Indonesian intelligence, but, because they opposed cooperation with the United States, they had kept it secret.*

Indonesia did not fall into the trap. Foreign Minister Hasan Wirayuda, after meeting President Megawati Sukarnoputri, said they had never heard of such a document. "I just laugh every time I'm asked about that. Why do I often argue about something which does not necessarily exist, from unnamed sources?" The Foreign Minister said Indonesians do not feel threatened by these small groups, "because they do not enjoy wide support from our community." Similar responses came from all sides of the political spectrum.

The *Straits Times* quietly dropped the story after two days, but the fact of the outrageous accusations must be taken seriously. In fact, Singapore's senior leader (and Britain's leading comprador), Lee Kuan Yew, jumped into the picture to keep the story alive, claiming that there were terrorist leaders running loose in Indonesia, presenting a threat to the region and to the United States. When Indonesia reacted strongly, demanding evidence or an apology, Lee Kuan Yew's spokesman responded that "the facts are well known, and reported widely in the regional and international press!"

### **Dr. Mahathir Strikes Back**

The attacks on Malaysia reached a peak in the Jan. 28 *Newsweek*, which wrote about an FBI report which claimed that Malaysia is a favorite meeting place for al-Qaeda, and had become "a primary operational launchpad for the Sept. 11 attacks." *Time* added fuel to the fire, saying that not only was Malaysia a hub for the preparations for Sept. 11, but, "if that isn't shocking enough, consider this: The networks are still thriving." The only "evidence" is that two of the accused hijackers of the Sept. 11 jetliners, and the one man now on trial in the United States for the attack, Zacarias Moussaoui, had passed through Kuala Lumpur in 2000, and met in the apartment of one Yazid Sufaat, who is now under detention by the Malaysian government. These meetings had been monitored by the Malaysian police, who promptly informed the U.S. government, which, nonetheless, did nothing to prevent their subsequent entry into the United States!

Malaysian Prime Minister Dr. Mahathir bin Mohamad responded to the slanders and the referenced FBI report: "These people were training in the U.S. all the time, and then they planned in America how to hijack American planes, at what time, which plane, which building. All that was done in America, not done in Malaysia." He said the terrorist suspects had been travelling all over the world, including to Switzerland. He said that he doubted that Sufaat, who is under detention in Malaysia for suspicion of domestic terrorist activities, was involved in the planning of the Sept. 11 attacks, and asked those who have information to provide it. "Let's see the evidence. It is very easy to say that he had done it, but did he do it in Malaysia, did he plan everything? I doubt it. . . . It's too sophisticated an operation," he said.

# The Destruction of the Philippines Since the 'Edsa' Revolution

by Herman Tiu Laurel

*The following two-part article was written by Philippines columnist, radio talk-show host, and political activist Herman Tiu Laurel, for the Feb. 25 Philippines Tribune. Given the current U.S. military deployment into the Philippines, with the great potential for a provocation (either accidental or intentional) leading to an escalation into a wider war, we believe that this penetrating look at the destruction of the Philippines economy and social fabric over the past 15 years, from a figure active within that process, is crucial for Americans to understand how the current situation evolved—and America's role in causing that breakdown.*

*A few words of introduction are necessary, since the column was written for a Filipino audience. Edsa I, II, and III (Uno, Dos, and Tres) refer to the three "People's Power" revolutions which have taken place in the Philippines since 1986, all involving mass demonstrations at the Edsa Shrine in the center of Manila. In 1986, with backing from the U.S. State Department, the military, under the direction of the head of the Police, Gen. Fidel Ramos, turned against the President of the Philippines, Ferdinand Marcos, and installed Corazon Aquino, the wife of slain opposition leader Benigno Aquino, as President. This was Edsa Uno, or the Yellow Revolution, as yellow was used as a symbol for supporters of Corazon Aquino. At the center of the manipulated "People's Power" demonstrations was Cardinal Jaime Sin, the Archbishop of Manila.*

*In the following article, Corazon Aquino is referred to as the "yellow-clad Housewife," while General Ramos is the "Cigar-Nibbler." Cardinal Sin shows up as the "fat cleric."*

*Following the Aquino Administration, Ramos was elected President until 1998. His efforts to change the Constitution so that he could run again failed, and the populist Joseph Estrada was elected by the largest majority in Philippines history. However, within two years, Ramos, Aquino, and Cardinal Sin were at it again, and repeated the 1986 military coup-process, replacing Estrada with his Vice President, Gloria Macapagal Arroyo. This was known as Edsa Dos. Within months, however, the mass-base support for Estrada, especially among the poor, brought about Edsa Tres, a spontaneous mass demonstration on May 1, 2001. Unlike Edsa Uno and Edsa Dos, Edsa Tres was not sponsored by Washington, and was crushed by the military, with many deaths.*

Another term to note: “Makati” is the financial district of Manila, and the Makati Business Club is the policy arm of the financial oligarchy. Comments in square brackets are by the editor.

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## Part 1—Edsa Uno

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In the decade before Edsa Uno, I saw development that brought the Philippines to the verge of economic take-off. We had the auto engine manufacturing and body stamping plants, our version of Apple computers in Chico. We exported rice. Grapes were grown in Ilocos and Cebu. Our universities were among the top ten in Asia. We had a nuclear power plant in near operation. After Edsa Uno and that yellow-clad Housewife took over in 1986, none of these are left.

Before Edsa Uno, we had fuel price stability. State-owned Petron and the OPSF [oil price stabilization fund] regulated our oil prices. Foreign oil companies complained, but that was better than us suffering, as we do today after privatization and deregulation. Electricity was abundant and cheap. The state ensured a sufficient energy supply, with programs developing geothermal, hydro and mini-hydro, dendro-thermal, and nuclear power, with the 1,400 megawatt Bataan Nuclear Power Plant (BNPP).

After Edsa Uno, many of these energy projects were shelved. Energy crises upon crises followed. A *tisoy* [the old Spanish elite born in the Philippines—this refers to the Aboitiz family] was brought in to bring light to the energy program. He brought instead the Dark Ages: years of incessant black-outs (but raking in billions for the Aboitiz power generator business). The crises continued until the Cigar-Nibbler took over and signed billions of dollars of overpriced and devious power contracts, dooming our National Power Corp.

The Left and the NGOs [non-governmental organizations] waged Luddite anti-nuclear-power demonstrations and nuclear-scare propaganda to scuttle the nuclear power plant. With technological apartheid from the West aimed at preventing strategic know-how from falling into the hands of Third World countries, the anti-nuclear-power-plant campaign succeeded, despite scientific proof of the tectonic safety of the plant.

Cancellation of the BNPP left us not only severely short of electricity supply; it opened us to predatory energy pirates and saddled us with a \$1.2 billion debt. The plant would already be paying off, if it had been allowed to operate. True, there were anomalies, as there are in many government projects; but the biggest swindle was Westinghouse’s—to design deficiencies we were made to pay for. We are still paying 500 million pesos [about \$10 million] a month in interest on the BNPP loan.

The BNPP case is pedagogically vital, showing us how all sides to the controversy lacked concern for our strategic survival, to resolve the issue rationally. Malice and ignorance caused the mothballing of the strategic investment in our en-

ergy future. But the foreign interest won on all fronts: sabotaging our development, and gaining indecent profits and perpetual interest payments on a wasted loan. For us Filipinos it was a tragedy.

Such tragedies increased in frequency when the yellow-clad Housewife took over this country. Among her first acts were to remove 1,000 products from the list of Filipino goods protected by tariffs, and promising the U.S. Congress to pay all foreign debts, just or unjust. The auto body stamping plant was sold off to China, the engine plant shut down. Nothing was left of the Chico, not even the seeds. Not since World War II did the “rice pila” [queue] happen again, until the Cigar-Nibbler’s time.

Today, grapes come from China or Korea; four top Philippines universities have dropped down to numbers 48, 71, 72, and 74 of the top 100 in Asia. Electricity service is among the poorest in Asia, but at the second-highest cost. The Philippines has become the Asian country with the most number of coups after the yellow-clad Housewife took power. The latest coup in 2001, called Edsa Dos, brought reprobation from democratic leaders the world over, as well as Asians such as Lee Kuan Yew.

A decade and a half after Edsa Uno, these sour realities many have come to see and be embittered about. Edsa Uno is now known by its countless failed promises from such people as that yellow-clad Housewife, the Cigar-Nibbler, the fat cleric, the *mestizos* of Makati, the various shades of the Left, the cost-oriented NGOs, Makati’s plunderers in pin-stripes, the rogues in military and police uniforms, the *trapos* and the *bimpos* (spice and not-bright boys).

It is no surprise that few now join them at Edsa to celebrate. The event has made our nation so much poorer, in the short span of 16 years. It should be renamed Edsa Unós [Filipino for wood borer, termite, weevil, or storm], for the deterioration in our national economy and the decay in our political edifice. For indebting us in perpetuity, eroding our children’s education with budget cuts and privatization. These and more, are part of the great decay of Edsa Unós.

Our people have learned the bitter lessons from 16 years of increasing misery and betrayals of promises. And so it rose up in a cry of rage in Edsa Tres.

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## Part 2—The Tip of the Greenberg

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Our last column, entitled “Edsa Uno,” discerned the facts and fictions of Edsa Uno and the past two decades. We recalled how the Philippines was on the verge of economic takeoff, being an automotive OEM [original equipment manufacturer] producer, with expanding agriculture; how the Edsa Uno regime of Corazon C. Aquino, et al., brought that economic infrastructure down and ushered in an avaricious monster—a Gang of usury and financial speculation, which proceeded to eat up the Philippines.

The Gang is the financial mafia, controlled by the world’s

oligarchy through Maurice Hank Raymond Greenberg, head of the American International Group (AIG), which has its roots in the opium trade-linked financial interests of Cornelius Vander Starr in Shanghai 80 years ago. Financial clout and transnational operations of this magnitude converts to geopolitical clout, something which Greenberg has particularly relished to feed his corporate avarice.

Edsa Uno, Corazon C. Aquino, and Edsa Dos, are nothing without the financial-political clout of Greenberg. An extensive report on this from the *EIR* group of the LaRouche Movement ([www.larouchepub.com](http://www.larouchepub.com)), entitled “The Gang That Ate the Philippines,” can be read at the [www.geocities.com/sulongpilipino](http://www.geocities.com/sulongpilipino). Naturally, the AIG group got total control of Philippines financial and economic policies through its financial technocrats and Makati Business Club (MBC) gofers—policies which have invariably gutted, looted, and plundered the national economy.

Our last column described how our tariff protection for local goods, automotive body stamping and engine making plants, energy development programs and other development projects were scuttled after Edsa Uno. Massive transfer of public assets to private hands followed, from which the international finance oligarchy started extracting usurious income, through virtual loans (book entries only), but with real increases in profits through increasingly exorbitant prices.

Privatization accelerated: the remaining state shares of the Manila Electric Company, then of the national oil company Petron, the National Steel Corp., the Metropolitan Water and Sewerage System, the power generation contracts—leading to the wholesale sell-off of the National Power Corp., among many others. Financial liberalization brought in international banks at the expense of local banks, while interest rates surged, contrary to promises. Devaluations accelerated and foreign debt exploded.

Imports rose as tariffs declined and duty-free shopping was promoted, while domestic industries contracted drastically. The Makati Business Club lobbied and got new tax measures, which the Bureau of Internal Revenue admits has cost up to P 400 billion [about \$8 billion] in lost tax revenues over the past decade. These have turned up as tax savings in the books of the Makati Business Club members, who now pay less than the traditional franchise, sales, and *ad valorem* [value-added] taxes; and more to give to the finance mafia bosses.

A decade and a half of Edsa Uno is already too much for a people in increasing misery from the economic and financial decline. Philippine per-capita income today is still P 12,913 [\$258], a nominal increase of 2.5% from P 12,595 [\$252] in 1980. In an age of rising expectations, and after 150% peso devaluations, mainly under Edsa Uno and Greenberg-dominated financial policies, these past 20 years have been disastrous for the people. It is no wonder that Edsa Tres, the real people, rose up in historic protest in May 2001.

Despite the calamitous consequences of the Greenberg-led policies, Edsa Dos acting President Gloria Arroyo proudly



*Former President Corazon Aquino, “the yellow-clad Housewife,” who ushered in the era of usury and financial speculation.*

flaunted Greenberg to head her team of international advisers. With self-satisfaction, Arroyo and Edsa Uno and Dos believe Greenberg is their firewall, to shield them from a suffering people. What they see, however, is only the tip of the Greenberg. Like everything associated with the decade-long and heady exuberance of financial-bubble building, Greenberg is going down.

Last Feb. 18, the Virginia, U.S.A.-based *EIR* research group flashed the news that AIG share prices came under pressure, like Enron before it collapsed, as it is being watched for financial derivatives problems. Speculation was further fueled by the absence of Greenberg, the head of the second-largest U.S. insurance/finance conglomerate, at an industry bi-annual conference in Bermuda last week. Then, CNN’s Moneyline reported AIG among ten now being investigated for its accounting practices.

The fate of Greenberg and AIG is tied to the global financial blow-out that is now in process. Beneath the tip of the Greenberg group is a gigantic bubble, leading to a collapse of some of the world’s largest financial houses. The fate of Edsa Uno and Dos is, in turn, tied to this crashing world. Its myths are all disintegrating—the supremacy of radical free trade and market economy, the theory of the “end of the nation-state,” globalization, liberalization, privatization, and deregulation.

The future belongs to leaders and states that protect the General Welfare and the people, and punish financial profiteers and speculators.

*Mr. Laurel, who co-chaired the founding of the LaRouche Society of the Philippines, invites a spokesman from the EIR intelligence staff in Virginia to appear on his radio show in Manila every week.*