

# Shultz's Boys Are Running Yet Another Coup in the Philippines

by Michael Billington

Precisely the same scoundrels who served as the flunkies for George Shultz in 1986 and 2001, in carrying out military-imposed regime-change in the Philippines, under the cover of "People's Power," are now preparing to oust President Gloria Macapagal Arroyo, who apparently no longer serves her masters' purposes. It was Shultz, then the U.S. Secretary of State, and his Deputy Paul Wolfowitz, who recruited Gen. Fidel Ramos, the appropriately named Cardinal Sin, and the Makati Business Club (the Philippines business elite) to orchestrate the overthrow of President Ferdinand Marcos in 1986. The first act of the new President, Cory Aquino, was to scrap the completed nuclear power plant, as demanded by Shultz and Wolfowitz, thus ending the Philippines' leadership in technological and scientific progress, in Southeast Asia. The Philippines has been subservient to the neo-colonial globalization process ever since, and is now an economic basket case, completely unprepared to face the financial crash unfolding internationally.

The same Shultz-directed crew, in 2001, overthrew Joseph Estrada, a popularly elected President who was not fully under their control, placing a more submissive Gloria Arroyo in his place. Like Cory Aquino before her, Arroyo's first act was to follow Shultz's orders on energy policy—this time, privatizing the national power company. Since that time, the nation has been run by a triumvirate of Arroyo, Shultz's boy General Ramos, and the Speaker of the House of Representatives, Jose de Venecia. De Venecia has served as the primary asset of the right-wing Heritage Foundation circles in Washington, offering up the Philippines for sale cheap, to the London-New York speculators, with debt-for-equity schemes and constitutional changes to allow the foreign takeover of mining and other industries.

However, de Venecia and Ramos have now turned against Arroyo, and are moving to recruit the deposed Estrada, who is still widely popular, to their own plan to oust her (although it is highly unlikely they will allow Estrada back into power), while the followers of the deceased Cardinal Sin within the Church are calling for a popular revolt against the government, and the Makati business honchos are throwing their weight behind the operation, as before. An added, and sinister aspect to this new attempted U.S.-run military coup, is that the population is being riled up against China, in keeping with the

binge of China-bashing recently unleashed in the U.S. by the Heritage Foundation circles.

The spark for the crisis was the deal signed by the Arroyo government with China's state-run telecommunications giant ZTE, to build an extensive broadband network across the Philippines. De Venecia's son Joey, however, made an bid for a cheaper, and far less extensive network. When the deal went to the Chinese, Joey and Papa de Venecia went ballistic, accusing the government (and Arroyo's husband, in particular) of huge kickbacks and corruption in the China deal. This smelled for many reasons, not the least of which being that de Venecia's friends at Heritage have repeatedly denounced Gloria Arroyo for her ties to China, as part of their anti-China crusade.

Right in step, the *left-wing* front group Bayan, as part of their many demonstrations calling for Arroyo to step down, also began calling for the suspension of all ongoing infrastructure projects in which the Chinese government is involved. In fact, China is essentially the only nation on Earth funding infrastructure projects in the Philippines, in particular a large-scale program to rebuild the decrepit and largely collapsed rail lines connecting Manila with areas north and south of the city.

Under intense pressure, President Arroyo cancelled the deal with China's ZTE, while denying any corruption. ZTE issued a statement saying it would not "allow itself to be dragged into any political circus," denying any bribe offer in the deal.

## The Political Soap Opera

In early February, after turning against President Arroyo over the ZTE broadband deal, de Venecia was unceremoniously dumped as Speaker of the House, by his own ruling party (clearly with President Arroyo's backing), and is likely to be thrown out of the party altogether. He then held a high-profile dinner with the deposed President Estrada, and is threatening to "tell all" about the corruption and election theft in the Arroyo Administration. Also, Rodolfo Lozada, an engineer who was involved in the ZTE deal, is accusing the head of the elections commission (who was also in on the deal) of getting a multi-million-dollar kickback, in payment for having fixed elections for Arroyo! The President and her



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*The triumvirate of (left to right) Jose de Venecia, Gloria Macapagal-Arroyo, and Fidel Ramos is breaking down, as the foreign coup-makers aim to destroy any remnants of national sovereignty in the Philippines.*

husband are also accused of organizing a cut of the deal for themselves.

Cory Aquino, the token leader of the People's Power charade against Marcos in 1986, has thrown her weight behind whistle-blower Lozada, as has the Catholic Bishops' Conference, which called for "non-violent communal actions" (i.e., people's power) against the government's corruption, even while admitting that the whistle-blowers were equally corrupt.

The primary difference between the current manipulated coup and those of 1986 and 2001, is that President Arroyo has virtually no support within the population, while Marcos and Estrada did. Her administration has been forced to use increasingly dictatorial means to maintain power, including decrees that her government officials should ignore Congressional inquiries; blatant cheating in her 2004 reelection; and the illegal imposition of emergency rule to crush the opposition to the vote fraud, while she has allowed U.S. military operations against Islamic radicals in the South which openly breached constitutional restrictions against foreign troops operating on Philippine soil. Factions of the military are essentially out of her control, carrying out death-squad killings of anti-government political activists with impunity, despite the President's efforts to crack down.

On the other hand, the population no longer swallows the myth that the earlier coups liberated them from tyranny—they now have the historical record before them, that the Philippines lost its sovereignty, lost its potential Southeast Asia leadership in science, medicine, culture, and technolo-

gy, and is facing catastrophic economic and social disintegration, as the fruits of their "people's power." Even many who were leaders of the coup against Marcos are now working to reverse the disaster which followed (see "LaRouche, FDR, and Nuclear Power in Southeast Asia," *EIR*, Dec. 14, 2007).

Nonetheless, Shultz's boys could pull it off. To see that those calling for a new coup are again simply looking for warm bodies on the streets to cover for a new and likely more brutal comprador leadership, read the words of the editorial in the leading establishment newspaper, the *Philippines Daily Inquirer* of Feb. 16: "The options are in the hands of every Filipino, even though there may be individual disagreements as to the means, methods, and objectives we, as a people, should collectively pursue. 'Bring it on!' This, to our mind, is the option in the hands of a public confronted with the hubris of any administration that thinks it

can fool all the people all the time. The individual citizen, unsure of what collective action to pursue, can find his or her bearings by means of resolving individual action. That action can take many forms, but it should take the form of a single message: 'Bring it on!'"

This is indeed a call to anarchy, which can serve only the Anglo-Dutch financial oligarchy, whose current policy is one of rendering chaos on every front, with the objective of finishing off the idea of the sovereign nation-state itself. With a hyperinflationary explosion ripping through Asia and the world, the already destitute Philippine economy is being thrown to the wolves while the ruling families are turned against each other. It is particularly foolish to sabotage relations with China at this dramatic crisis point in history.

The Philippine LaRouche Society has focused on the urgency for Filipino statesmen and citizens alike to orient not towards policy-less power plays, such as "Bring it on," but rather, towards the new financial architecture proposed by LaRouche, which is now at the center of the monumental battle raging within the United States, as the financial collapse coincides with the U.S. Presidential elections (see "Mitt Romney Walks Out" by Lyndon LaRouche, <http://www.larouchepac.com/node/9977/print>), while building a fight in the Philippines to revive the great nuclear and related projects, and the necessary educational policies, of the Marcos era. There are some within the Arroyo government and in the private sector who are taking up this effort. They must be supported.

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