

Neo-Cons' Allies Out In the Philippines

by Mike Billington

Within days of the July 27 mutiny by dozens of young Philippine military officers, demanding the resignation of Defense Minister Gen. Angelo Reyes and the head of military intelligence Gen. Victor Corpus, the latter tendered his resignation. The young officers had put their careers on the line, charging Reyes and Corpus with complicity in arms sales to insurgents, and for the direct instigation of terrorist acts, aimed at facilitating U.S. support for the Philippine military and direct U.S. involvement in anti-terror operations in their country, despite explicit constitutional restrictions against such foreign military operations on Philippine soil. General Reyes, however, refused to step down, insisting that his presence was essential to preventing a coup against the government of President Gloria Macapagal-Arroyo.

On Aug. 29, with the nation descending rapidly into economic and social chaos, Reyes was fired. Arroyo accepted Reyes' "resignation" with "deep regret."

Reyes had become the leading asset within the Philippines for the Washington neo-conservatives, centered around Vice President Dick Cheney and Defense Secretary Donald Rumsfeld, who are now exposed for the lies which were used to justify the activation of their pre-emptive war doctrine against Iraq. Their lying in the Philippines was just as overt, if not as deadly—at least as yet.

When Secretary of State Colin Powell travelled to the Philippines in August 2002, he assured the worried U.S. ally that the United States would help defeat the Abu Sayyaf terrorist gang, but had no intention of re-establishing bases in the nation, nor deploying troops into combat, both of which were outlawed by the Philippine Constitution. As in many foreign policy issues then and now, this State Department policy was in conflict with that of the civilian leadership at the Pentagon. In fact, most U.S. military officers, recognizing the anti-American character of the Rumsfeld/Cheney doctrine of pre-emptive warfare, look more to former General Powell at the State Department than to Rumsfeld to represent their interests.

Clearly not happy with Powell, Rumsfeld called for Philippine Defense Secretary Reyes to come to Washington on Aug. 12, where the two established a joint civilian-to-civilian Defense Policy Board, explicitly to circumvent the direct military-to-military chain of command, bypassing Powell at the same time. Rumsfeld's goal was to use the Philippines

as a basing area for the neo-cons' intended confrontation with China.

That policy has now been dealt a significant blow. President Arroyo actually had no other choice than to fire Reyes. Just hours before his "resignation," the press in Manila had reported that the "media managers" for the President had informed her that Reyes must go, or the political crisis in the population and within the military could get out of control. More than one ranking officer in the Philippines military told *EIR* that Reyes must "pull a Corpus"—i.e. resign, for the benefit of the nation.

Summit With the Opposition

The exposure of Rumsfeld's dirty hand in the Philippines is an opportunity to get beyond the endemic political infighting in Manila. The subversive threat has been exposed and partially removed, but the legacy of manipulated political coups (mostly directed from Washington) leaves many other scars. President Arroyo did the right thing in dumping Reyes, and also in her simultaneous call for a "summit" with the Congressional opposition forces, possibly to form a "government of national unity" until the national elections in May 2004. Some of the opposition have accepted the proposal for the summit, including Sen. "Gringo" Honasan, although he is at the same time facing an indictment charging him with complicity in the July 27 mutiny! However, Arroyo has not as yet sent a formal invitation for such a summit, but has allowed the discussion to be carried out via the press.

Several important opposition factions may reject the proposal anyway. Former President Joseph Estrada, who was overthrown in the military coup of January 2001 (under the cover of a "people's power" movement) and is now in detention facing a trial for corruption, has insisted that the coup was patently unconstitutional, and that he is therefore still the legitimate President. Sources tell *EIR* that he is unwilling to contradict that formal position, fearing talks with Arroyo would legitimize her Presidency. In addition, Panfilo Lacson, a former police chief under Estrada who is now a candidate for President, has launched a campaign accusing Arroyo's husband of corruption, which looks eerily like the campaign used to bring down his former boss, Estrada. Lacson, too, is so involved in the political mud-wrestling that he is unlikely to join the summit.

Looking to Asia

President Arroyo has shown signs that she is trying to face the reality of the nation's economic and social crisis. Discussing the run on the peso and the fall in the stock market, she spoke of the "speculators" trying to undermine the Philippines economy—a charge much despised among her backers in New York and London. Arroyo has accepted most demands from these international financial institutions, but has also maintained close ties with Malaysia's Prime Minister Dr. Mahathir bin Mohamad, the champion in Asia of resisting the



An asset of U.S. Defense Secretary Rumsfeld (left), Defense Minister Gen. Angelo Reyes (right), is forced out in the Philippines.

free-trade mantra of the International Monetary Fund (IMF). Perhaps Arroyo is at last willing to follow his lead.

Arroyo also signed two historical agreements with China on Sept. 1. After years of sitting on the sidelines of the substantial progress by the East and Southeast Asian nations in building independent institutions to counter Western financial dictates, the Philippines has now joined the “Asian swap” regime, concluding a \$1 billion swap arrangement with China which will provide regional reserves to defend against speculators, and to move toward investing a portion of the Asian currency reserves directly in Asia. China also extended a \$500 million long-term, low-interest credit to be used in rebuilding the decrepit Philippines rail system, and in agricultural development.

These steps mark a positive direction for a nation facing disintegration in the midst of a global financial breakdown. Uniting behind these and similar economic and strategic matters, making these the subject of debate for the upcoming elections, points a way out of the morass.

The Real Coup Threat

The *Philippines Tribune*, although it has been the voice of the most virulent anti-Administration polemics, from both the Estrada and Lacson camps, exposed a far more serious threat of a coup against Arroyo—from none other than former President Fidel Ramos. Ramos has been the hatchetman for the international banking cartels for the past 20 years. The coup against President Ferdinand Marcos in 1986 was orchestrated by Ramos, with Washington’s backing, using a group of “civil society” non-governmental organizations (NGOs) under his control, together with his networks in the military. Cory Aquino was placed in the Presidency. During her term, and during his own subsequent two terms, Ramos turned the nation over to the international banks and energy cartels, deregulated the economy, and signed corrupt

foreign contracts which destroyed the energy industry and other essential utilities.

Ramos was also the power behind the January 2001 “people’s power II” coup which replaced the popular “Erap” Estrada with his Vice President, Gloria Macapagal-Arroyo. Ramos, again with Washington’s backing, gave then-Chief of Staff General Reyes the orders to withdraw the military’s support for President Estrada, his commander-in-chief.

Nor has Ramos shied away from pressuring Arroyo when she took steps toward addressing the desperate situation of the poor, or toward cooperating with regional nations to form an independent financial system for Asia. On Jan. 20, 2002, the first anniversary of the 2001 coup against Estrada, standing with Arroyo at the Edsa Shrine, the scene of the “people’s power” demonstrations of both 1986 and 2001, Ramos threatened Arroyo that if she did not desist from her appeal to the poor, and “secure the support of civil society and the business sector in the next 12 months,” that there would be another “people’s power” revolt and she would be dumped.

The new coup plot by Ramos and his circle, revealed by the *Tribune* on Sept. 3, is a move to carry out that threat. First, Peping Cojuangco, the brother of Cory Aquino, held a meeting with several retired military officers and leaders of the Council on Philippines Affairs, the liberal “civil society” NGO under Ramos’ influence, which ran the previous “people’s power” coups. Their plan was to counter the potential that President Arroyo might join forces with the opposition against their interests, by forcing her to resign immediately, making way for Vice President Teofisto Guingona, as a figurehead for the Ramos group. While Cojuangco denied any such coup plans, he admitted that the meeting had taken place, to discuss “remedies to the crisis the country is facing.”

The *Tribune* also reported that Ramos was working with Reyes and others to recruit military officers to force Arroyo to step down, perhaps by threat of mass resignations.

The Westphalia Approach

Were both Arroyo and the opposition to take the high road, and put aside the often legitimate grievances, as European countries did in the 1648 Peace of Westphalia, then a solution could be found. Certain pressing issues must be faced immediately: a peace agreement with the Moro Islamic Liberation Front (MILF) must be signed (Reyes twice sabotaged such an agreement), and real economic development begun in Mindanao; the investigation into the young officers’ charges against Reyes and Corpus must be pursued, to root out the neo-con subversion; and stronger relations with Asian nations must be forged, to defend against the unfolding global depression, and to bring Asian optimism into the Philippines again. This requires taking advantage of the removal of the neo-conservatives’ regional cohorts, and uniting against the war and depression policies they represent.