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## Interview: Geronimo Z. Velasco

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# Globalization's Destruction Of the Philippines

*Geronimo Z. Velasco, known to all as Ronnie Velasco, became one of the most successful businessmen in the Philippines in the 1960s, as CEO of Republic Glass, and of Dole (Philippines), Inc. President Ferdinand Marcos then tapped him to head the Philippines National Oil Company in 1973, and then to head the newly created Ministry of Energy in 1977. Under Velasco's direction, the Philippines moved toward independence from the international energy cartels, through extensive hydropower development, nation-to-nation deals with several leading oil producers, and most importantly, the construction of the first nuclear power plant in Southeast Asia, which could have provided the nation with the required power to fuel the large-scale development plans of the Marcos Administration.*

*When Marcos was deposed in 1986 in a U.S.-directed "regime change," Velasco was also thrown out, and the nuclear power plant, finished and ready to go, was mothballed. After 20 years, Velasco has finally published a powerful memoir, Trailblazing: The Quest for Energy Self-Reliance, telling the story of the lost potential, and of the role of the U.S. in that subversion. His book was reviewed in EIR, May 12, 2006.*

*The following interview was conducted on July 23 in San Francisco, by Mike Billington.*

**EIR:** You told me earlier that it took you 20 years to be able to write your book, because you didn't have the "political space" to write it. Why not, and what do you think changed, that made it possible to do it now?

**Velasco:** As I stated in the book, if I had written it earlier, I don't think people would have read it or would have appreciated it, because we were washed out politically—the Marcos image. And although my associates at the Philippine National Oil Company (PNOC) were all professionals—none of them were politicians, including myself—I decided to take all that time, because the space was really not available to us. They would have made fun of us: "Oh, this guy is bragging; this guy is this, this guy is that." But I decided, when I was in San Francisco in 1986 [immediately after the coup which removed Marcos, and Velasco—ed.], on the basics of a book. I was fortunate, in that my secretary at the PNOC, who worked for me for 14 years, all the time that I was with the government, came over to San Francisco as well. Over the weekends, for several months, we spent time together at my house, where I



Courtesy of the Velascos

*Geronimo  
"Ronnie"  
Velasco and his  
wife, Erlinda.*

was dictating my memoirs.

This was my first time to write a book. All our papers—still today—official and personal, that were found in our office, are still garnished by the agency that was created by Cory Aquino [who was placed in the Presidency to replace Marcos—ed.], to go after Marcos and his people. I've been trying to seek release of those documents, but I was never granted access.

**EIR:** Not even to see them?

**Velasco:** Not even to see them, let alone take them. In fact, they say there are certain documents that are missing, and they were even accusing me of having had them stolen. You know how things go! So, I was fortunate that I took time and dictated, while I was here, over the weekends, when my secretary was free from her work.

**EIR:** What led you to decide to go ahead at this point, to publish them?

**Velasco:** All along, I knew I was going to write a book—primarily, you might even call it in self-defense. Because we had been accused of things, just about for everything that we did. I had been fortunate, because I was working with a group

of professionals, who were essentially ex-Esso professionals. That's essentially how PNOC was created. Esso, the oil company, decided, in '73, to leave the Philippines. They offered their facilities, their network of service stations, etc., for less than \$19 million. It was a good buy on the part of the government, and that's how we started.

Now, together with the physical assets came the staff, who were well trained. Quite a number of my staff had PhDs, from universities in the U.S. One of them is from MIT; quite a number of them are from Harvard; one, my immediate assistant, was from Carnegie Mellon—very prestigious universities. And moreover, they were trained in the Esso offices here in the U.S. So I was fortunate that this was the kind of staff that was available to me.

But they were hesitant to work for the government, and their first reaction was, they all wanted to leave. I literally had to plead with them. I said, "Let's all work these things out. You guys know I'm not a politician, I'm not a government man. This is my first government job; I'm basically a private-sector person, having been head of Dole and head of Republic Glass. So I said, "If in six months we can't make things work, I'll let you go." None of them left. And we stayed together, all of us, for all those years, until 1986.

In 1986, Cory [Aquino] decided to dismantle the whole energy program, for whatever reason. I think it was strictly a political reason, in the sense that anything Marcos created, was no good. And, people thought that.

So how could I write something, when people believed Cory? Until some time had passed, when people discovered that most of her decisions on the things she dismantled, were completely wrong.

**EIR:** And you said the reception to your book has been quite good.

**Velasco:** Yes, in fact I'm really elated by the fact that, for the kind of subject I introduced in the book, it made the bestseller list. I have quite a number of friends at the University of the Philippines, who have been writing books—not necessarily textbooks, but on current events and observations, and they said, "You lucky bum! How the hell did you make the bestseller list? We never did."

**EIR:** Has it helped to stir up interest in the nuclear power issue, which was so discredited by Cory?

**Velasco:** To a certain extent, yes. Because I have received telephone calls from a number of organizations and private individuals, asking me whether it was possible to revive the nuclear plan. In fact, I'm really thinking of writing a newspaper article, in order to cover this.

But I think the biggest problem we have, if we want to revive the nuclear plan, is the constitutional limitation. Because in the present Constitution, which is the Constitution made by Cory—that's something typical about the Philippines: We get a new leader, we get a new Constitution!

**EIR:** They're trying again right now!

**Velasco:** Yes, they're trying again to have a new Constitution. In the present Constitution, there's a limitation, that we declare ourselves nuclear-free. Now, what do you mean by that? This is the first question. I think the intent is simple: that we will never carry nuclear arms. Which is something like the declaration of other countries. So, whether waste material, like uranium waste, is "nuclear," because it's convertible—that's the basic criterion. And the legality of that, is what has to be first clarified. If there is a new Constitution passed, I don't know how they will look at that statement.

**EIR:** Our LaRouche Youth Movement of the Philippines is very anxious to do a formal tour of the Bataan nuclear plant, to get some pictures, and use that as part of the political organizing in the country, to try to revive the spirit for nuclear energy—so if you have a voice in getting a tour of the plant, we would encourage you.

**Velasco:** I will gladly. I have a beach place where I spend my weekends, now that I'm in retirement. As the crow flies, it's probably three miles from the nuclear plant. In fact I used to use that as one of my arguments: that I'm not scared; that I will live there.

**EIR:** In terms of trying to establish a higher degree of energy independence, how successful was that during your era, and where does that stand today?

**Velasco:** When we started in '73, we were 96% dependent on oil for energy sources. Four percent was basically hydro. There is an organization, National Power Corporation [Napocor], which was blended into the Ministry of Energy, and they developed the capability to develop hydro systems internally. It was started by a distinguished Filipino engineer in the '30s.

**EIR:** In collaboration with Lucius Clay and Douglas MacArthur's associates, I understand.

**Velasco:** That's right. A Filipino engineer was able to get the assistance of Maj. Lucius Clay, and was able to convince the governor-general then to allow the organization of National Power. In 1975-76, we were the only country in Asia that had the capability to do a complete hydro-system by ourselves. We would design the dams; we would design the whole system. But of course the power plant had to be supplied by a foreign company, because we didn't have the capability to build the power plant.

**EIR:** And by 1986, what was the energy independence, approximately?

**Velasco:** We were almost 50%. Had the nuclear plant gone on, by 1986 we would have been more than half, because the nuclear plant was supposed to supply, to my recollection, 15% of the electrical requirements in the main island of Luzon, which is the main consumer.

**EIR:** You have mentioned to me that your experience working earlier in your life, in the United States—

**Velasco:** At Murray Manufacturing in Kentucky; it was actually owned by Tappan Stove.

**EIR:** You have said that you developed an appreciation for the machine-tool capacity in the United States, and credit that as the core source for America's potential in almost any area. This is something that LaRouche has always emphasized, the machine-tool principle. Could you say a few words about that, and whether it has developed at all in the Philippines?

**Velasco:** Well, to a certain extent. You see, one of the strategies that the government adopted, was to be self-dependent. When I was growing up, the best shirts, to us, were Arrows; the best shoes, unquestionably, were Florsheim. In fact, I am told by my mother, that some of our food came from the United States. We didn't even have that much chicken, egg production, because the U.S. was sending everything! So we were heavily import-dependent.

Now, to reverse that, the government, after the independence of the Philippines, decided to go into a strategy of import substitution. Then came companies that said, "Okay, we'll do the manufacturing in the Philippines." They were looking at the market, potentially. We probably did offer a good potential, but somehow it did not develop. And because of that, I trained at Tappan, because they were going to put up a plant in Manila, to service Asia. And this is where I got exposed to machine tools.

Definitely, I think your strength, in the United States then, was your manufacturing capability: automobiles, appliances, etc. In fact, I considered, after I quit the Tappan plant, that I would specialize in tool-and-die design, because that offered a potential. You want to industrialize? You want to manufacture? There's nothing you can do without tool-and-die design.

**EIR:** As you know, on the direction of Felix Rohatyn of Lazard Frères, the U.S. auto industry is being shut down, which means not just the production of automobiles, but the intensive machine-tool capacity that's imbedded within the auto industry. And rather than retooling that, and using that tremendous capacity for other purposes, they're literally being shut down, sold off for scrap or to be shipped overseas.

**Velasco:** Yes. My basic impression of why the U.S. is losing its manufacturing capability, is because the Japanese are able to undersell you—and not only undersell you, but make better quality. And as a result of that, your machine-tool industry is suffering. Automobiles are a very good example. Appliances are another very good example. They go hand in hand. Let's talk about appliances—General Electric, Westinghouse. General Electric is now a financing company; Westinghouse is now a media company!

**EIR:** General Motors was making most of its money on finances.

**Velasco:** It's a pity to me that you're leaving that industry behind. Because to me, the strength of America, as I was exposed to it during that time, was its capability to manufacture. Nobody else could manufacture with the strength of market you have, with the strength of the quality that you could do, and in the capability that your people had. But this seems to be disappearing now.

**EIR:** Yes, absolutely. And while it's true, what you say, about the incompetence of our automobile management and so forth, it's also the case, as LaRouche emphasizes and as our Emergency Legislation emphasizes, that that machine-tool capacity could be retooled, as it was during World War II, to produce the war machine. And this country has a *vast* deficit in basic infrastructure: in roads and bridges, in nuclear and other energy facilities, in locks and dams, a lot of which can be produced by those auto plants. But we're shutting them down. My point is that it's a political decision, not just an economic reality which we have to accept. It's a political decision, to in fact, do away with America's machine-tool capacity.

**Velasco:** That's sad. Because how was America built, to be the greatest power on Earth? It's true, for your industry, of course, probably World War II was the culminating definition of what power the United States had, and that power was because of your manufacturing capability, in my own mind. Now, it's a pity if you are losing that capability—and it's obvious you *are* losing it. I'm an observer from outside; I could be wrong. But I can speak from an authoritative point of view, because look at my country! We're obviously a failure, you know! [laughs]

**EIR:** LaRouche has long looked at the Philippines' machine-tool capacity that had existed around the two U.S. bases, at Subic Bay and at Clark, as a potential that, had it been developed, could have not only begun a machine-tool industry in the Philippines, but for all of Southeast Asia. And yet when the bases were removed, what happened to the machinery and the technology that were associated with those? Were they transferred to the Philippines?

**Velasco:** Not at all. The extreme example—I know, because after the Americans left Subic, I spent a lot of weekends there, because I have a boat; I'm retired, so on weekends I'm in my boat. And I'm told that even the last bowling alley was ripped off, and shipped to the United States! There's really nothing left there. It's really too bad. There is evidence of the foundations of the big lathes, the big presses. Being a major ship-repair facility, it's a safe assumption that you had a very major machine-tool industry right in Subic. And quite a number of Filipinos were working there, on machine-tools. Some of my classmates in school wound up there; but they had a different interest too. If you worked in Subic, you could get access to the United States. So they've mostly left and are retired in the U.S. now. And



*Industrial and other facilities at the U.S. Naval Base at Subic Bay in the Philippines, 1983. When the United States pulled out, it took everything—from the machine tools to the bowling alleys.*

U.S. Navy

they did it by working for the U.S. military in the Philippines.

**EIR:** So both the machine tools and the trained personnel—  
**Velasco:** —were shipped off to the United States. Those are the realities.

**EIR:** Globalization!

**Velasco:** Yes, globalization. I am a victim of globalization! When Castle & Cook decided to invest its interests in my glass factory, I offered to buy them out. In fact, to my knowledge, it's the first management buyout in the country. And Castle & Cook—because we were able to make Dole a successful company, in the sense that we didn't have community problems, those problems that were evident when I came in, were resolved. So I guess as a reward, they gave me a very good opportunity to buy the glass factory. So, I had a controlling interest in the glass factory. But I sold the factory in 2000, because I was not the only one—there are glass factories similar to ours in Indonesia, in Malaysia, in Thailand, and it just so happens that we had the same Japanese partner. But globalization came in, and trade preferences, etc., and we could not compete with Chinese glass. It's impossible! The cost of fuel—the glass industry is very heavily dependent on fuel. Remember, you have to melt that sand. You have to literally cook that sand! And so, Malaysia, Thailand, and ourselves were forced to sell. In fact, we negotiated as a group, to sell to our glass partners. Our glass partners expressed a lot of interest; the negotiations didn't take long. Because we

knew that globalization was going to step in.

**EIR:** So, there are no more glass factories?

**Velasco:** There are glass factories, but they're 100% owned by the Japanese. And do you know what the Japanese did? They closed their own factories in Japan! And they're now dependent on ASEAN [Association of Southeast Asian Nations] production, because it's cheaper to produce in these countries, than to produce in Japan.

I don't know if that's globalization in its purest form—I don't think so. In my opinion—and of course I'm a victim of it—it's not quite working the way it was conceived!

**EIR:** Except, the way it was conceived, which is not the way it's broadcast, was in fact as a new form of imperialism, by supranational bodies. And that is succeeding much too well.

**Velasco:** Another good example is, we have 11 cement companies in the Philippines. You want to industrialize, you want to build the country? The first thing you need is a cement plant. All the 11 plants were owned by Filipinos. Today, only one plant is Filipino-owned; 10 are foreign-owned. And the reason the Filipino is able to own it, is because he can't sell, because it is garnished by the government. He was hoping to be able to sell it, but he can't, because it's garnished by the government!

**EIR:** This is true of the banking system.

**Velasco:** Yes. Although at least in the banking system, the

local parts continue to exist, but are totally dependent on a tie-up with a foreign bank.

**EIR:** What other industries have gone down the tubes, with globalization?

**Velasco:** Small industries, basically. Some of it we lost because of our higher labor costs. We were quite good at clothing, textiles. In fact, we had quite a number of textile plants—I don't recall how many—but I think only one or two are operating now; the others have closed down. So, there are benefits to it, but after globalization was adopted as a policy, industry was lost, not only in the Philippines, but in most of Asia. With the exception, to a certain extent, of Indonesia. Because Indonesia, being heavily populated, had a built-in market. They were not dependent. And Indonesia adopted a policy of restrictive imports; they did not adopt totally the policy of "open your market."

Your problem is your machine-tool industry. Our problem is, we lost our market. Our market is now, basically, foreign-sourced.

So, the world is changing. But the policies that have been developed lately, in my opinion, have not been well thought out. I don't know if the General Motors people realize—or Ford, etc.—that by not competing in the market, the way they used to, you are losing your basic industry.

**EIR:** Let me ask you about George Shultz, who is the architect of the Bush-Cheney Administration, the architect of the preemptive war doctrine, and who was Secretary of State at the time that Marcos and yourself were deposed. What could you say about the U.S. role in what happened in 1986, and especially as regards Shultz and his deputy, Paul Wolfowitz, and others?

**Velasco:** I really don't know about your internal politics, although I have had the opportunity to read Shultz's memoirs, or autobiography, *Turmoil and Triumph*. And it was very obvious that he was the one that orchestrated the Marcos debacle. Obviously, based on this book, Reagan didn't want to do it, because Reagan was a friend, and he always treated friendship with a lot of value.

I think this dates back, as far as Reagan is concerned, to the time when the Cultural Center of the Philippines was inaugurated, in 1969. Reagan was governor of California then, and he was sent by whoever the President was at that time, as the official representative of the United States. I have a very good recollection of this, because I remember seeing what a lovely couple they made—Reagan dancing with Imelda [Marcos], who was the sponsor of the center. The friendship probably dates back to those days. I don't want to get involved in your own politics. But [the ouster of Marcos] was obviously done to coincide with American interests.

Regrettably, since then, the Philippines has been in a tailspin. Successive people have taken over the Presidency. Perhaps one possible exception, in Mr. Estrada, who became

President in 1998, and stayed President for only three years. He dug his own grave: He was accused of taking money, etc. But with the exception of Estrada, each one had *American* interests. I'm not even sure that America did not have an interest in Estrada, but I think Estrada was elected with the highest majority ever. He was a very popular movie actor, etc.

The reason I point out these things is, the Philippines, in spite of having been prepared for democracy since the American occupation in 1898, thereabouts, has never been ready for democracy. It's not ready for democracy now. Under the American principle, I don't see how you can convert Iraq into a democracy! I don't see how you can convert the Middle East into a democracy. But even we, with a lot of training in American-style democracy, we are not ready for it. I think if we want to fix our problems, we've got to back into autocracy for a period. Everything in the whole governmental system is shot, be it the judiciary, be it social services, be it health services—it's all a problem, and that's why it's all got to be put back together again. Unless we find something which could put us all together—all the Filipinos—some unifying factor, like during the war. During the war, symbolized by MacArthur—you know, the "I shall return" statement—and of course the assurances given by then-President Franklin Roosevelt, that we would eventually be independent, and he acknowledged the fact that we had given up Filipino lives in the war against Japan.

**EIR:** In the current global financial breakdown crisis, which has been increasing over the last decade, you've had two figures who have succeeded in defending their countries against the conditionalities of the international financial institutions. You had Dr. Mahathir in Malaysia, who slapped controls on their currency, and refused to allow globalization to rape the population.

**Velasco:** Thanks to Mr. Soros!

**EIR:** Yes, under Soros's speculative pressure. And you have now, President Kirchner of Argentina, who has had a different, but similar stand, to defend the general welfare, the services that you've indicated. In fact, he's throwing out the companies like the Suez water company, which also has undermined the Philippines, by privatizing and destroying their water system.

**Velasco:** The French company, in Manila.

**EIR:** Yes. And they were thrown out of Argentina, because they were providing dirty water. These are the kinds of steps against the IMF that have taken place. There have been steps in the Philippines, recently, by the institutions, by the Senate, even by the Supreme Court, and by some layers of the military, to attempt to defend the country against a potential dictatorship. What do you think of the chances, as this crisis unfolds, that there are those with leadership qualities in the Philippines that could step forward and do something similar

to defend the general welfare?

**Velasco:** I am sure that there are many Filipinos who are highly qualified to run the country. Quite a number. But they cannot get into the political system, or they refuse to get into the political system, because it's a "free-wheeling democracy," in the sense that you've got to buy your way through—in very plain lingo.

But there is a general consensus today, even among the leftist elements, that unless authoritarian government is reestablished in the Philippines, we don't have much hope to fix the problems. And I don't think we have that much time either.

Now, the real question is, can we trust someone, after what happened in the free-wheeling days of Marcos as an authoritarian government? That's too near our experience; time has not healed it yet. But we have to have an authoritarian government, and solve the problems the way Mr. Kirchner did. "Look, this is all I've got; this is all I pay." And it may even be more radical than that. We could do it à la Hugo Chávez! [laughs] It may even be more radical than that. If we don't do it soon enough, it may be quite radical. But the problem is, as the joke goes around, that we have to find a Filipino who will be trusted by everyone, in the light of past experience. But this Filipino—you know how clannish we are—has got to have no wife, and no relatives!

You would almost have to invent that Filipino! Now, they say there *is* no Filipino that has no wife and has no relatives, so maybe the solution is to look for someone who has a wife and has relatives—but let's castrate him! Pardon the analogies and everything.

**EIR:** Leadership, Philippine-style!

**Velasco:** Yes, Philippine-style. But that's what democracy has brought to us. I'm not saying democracy's wrong. I think there is really no form of government that is more solid than democracy itself; but, you have to have the educational level; you have to have the independence, in order to have a solid democracy. How long did it take the United States? Years. Europeans? Longer than the United States. It's a real problem.

The other evening I was watching TV, about the history of Japan. Japan, as you know, isolated itself under Tokugawa, for 200 years. They closed the door to all foreigners. And I think that's one of the strengths of Japan today.

**EIR:** Until now—Japan is now opening up to the hedge funds and the equity funds.



Dravo Corp.

*Pipe assemblies produced in Ohio in 1980, for the Philippines nuclear power project then under construction. The pipes were shipped to New Orleans, to be loaded onto a ship bound for Manila. Twenty-six years later: New Orleans is destroyed, and the Philippines nuclear program is defunct.*

The problem of the discussion of so-called democracy, and so-called authoritarianism, is that there are many preconceived notions of what they mean. But when you say, "democracy," and all you mean is the electoral process and so forth, but at the same time you are allowing a powerful international financial cartel to take over the banking system, take over economic policy, take over raw materials, that is *not* democracy.

**Velasco:** That is no doubt a dangerous precedent, a formula for failure, evidenced not only by what happened in the Philippines, but also in the rest of the countries where we're having problems. Look at Africa: what a problem! Under globalization, how the hell—! You can't just push a country in a situation like that in Africa, and say, "You're now a democracy." That's what happened in the Philippines. We like democracy; I like democracy! Do you think I could talk this way if we were not democratic? Could I talk like this in the United States if you were not democratic?

**EIR:** After President Estrada was deposed in 2001, in a U.S.-backed military coup covered up as "People's Power," just

like in 1986, the National Power Company was privatized by Gloria Arroyo. What do you think of that?

**Velasco:** The privatization of Napocor was only the implementation of a policy; it was not the Arroyo Administration that conceived of the policy. The policy was established since Cory Aquino. And the policy was in accord with globalization. I remember this. Arthur B. Little Company was commissioned by the ADB [Asian Development Bank], to make a study of the Thailand Oil Company. This was about the time we were bowing out, or were about to be thrown out, in the mid-'80s, '86. We at the Philippines National Oil Company were being criticized as too powerful for a country like ours. In fact, we had our own funds; whenever the Central Bank needed dollars, they went via PNOC, because we could borrow money without government guarantees. It was only in instances when we got a loan from the Group of Seven, that we were required to put up a government guarantee. But I moved away from the U.S. and the Europeans; I went directly to the Japanese.

There was an instance where we even established our own shipyard, and I was heavily criticized for that. Arthur B. Little insisted that we privatize our shipyard. I argued with the Arthur B. Little people, that yes, that it should be a private sector responsibility, to build tankers, because our tanker fleet was getting too old. We are an island country; we have to transport oil by barges, by ships, and our fleet was really old. The only way to revive the fleet, was to have our own shipyard. So I argued with ADB, and Arthur B. Little, that eventually the shipyard has to be sold, has to be spun off to the private sector, but only after we have improved our fleet. Because if we have to depend on somebody to do it, there's going to be more graft accusations—"Why are you favoring that company?" Because there's probably only one company that can do it!

And that shipyard was the first thing to fly, under Aquino. Privatized.

**EIR:** Did the ships ever get built?

**Velasco:** Yes, we built several under our government. Not enough, but several. We completed one 20,000 dead-weight tanker, under PNOC.

**EIR:** And after Aquino privatized it, did the building process continue?

**Velasco:** Yes, it continued, but the argument I had, was that alongside our shipyard company, the Singapore government put up Keppel, a major company in Singapore. I said, "Look, Keppel is owned by the government of Singapore! 100%. Why can't we own ours?" I knew very well that I would be criticized for it, but I had to move in that direction, because nobody else would do it. And we didn't want to depend on a foreign company to do what we needed, when we can do it ourselves. It's *learning to do it yourself*. And that's what happened.

The guy who headed our geothermal work at that time—

he didn't know the word "geothermal." He was told, "You be in charge of that." He was hesitant: "I don't even know the word geothermal; this is the first time I've heard it!" But we've got to learn! And there was another fellow; I said, "We've got to go into coal; we have coal resources—not to the extent that we would like to have, and neither the high quality, but there's a coal plant that we're building. If we can mix 20-30% of it, good enough!"

And there's another thing: When you use your resources, *you create employment*, compared to importing the coal. It's an expensive way to do it, but PNOC could afford it.

**EIR:** Instead of importing your coal and sending your workers overseas, like now.

**Velasco:** That's right. That's sad. But of course, the Arthur B. Little people were looking at it from the totality of the Western world. They criticized us for going into geothermal. I said, "Eventually that has to be spun off, with private sector investment; but in the meantime, PNOC will have to lead it." It's like I say in my book, the presence of foreign oil companies is not good. PNOC was sold to Aramco; I can say it's not good, but some say, "We can sit back and relax with Aramco, nothing to worry about, concerning oil. There's no bigger oil company in the world than Aramco itself."

Well and good, but that's not in your immediate interest. You develop it yourself! And you can pull resources from elsewhere. I've always adopted that policy, if you talk to my people. That's why I was fortunate that I had a real staff to work with, not the government type of staff—bureaucratic-oriented. These guys were private-sector-oriented, and we never lost that. They could not accuse me of having a political motivation. I never got involved in politics, and will never get involved in politics, electoral politics. You want a dirty game? I don't know how to play that game.

**EIR:** Finishing up, on this question of Felix Rohatyn. He is at the center of the effort to wipe out, not only national-sector industries, but, as you are indicating, even *private* industries which are too closely associated with national governments. And this includes the role that the hedge funds and the equity funds play, in creating literally a global, centralized financial structure, in which all businesses, and all raw materials, are controlled. Their idea is to extract profits from existing production, but never produce anything new.

**Velasco:** That's right. That's the whole idea about the 11 cement plants. Or the example I gave about the glass factory. It's built for that. Now, probably if I were not a Filipino, but an American involved in hedge funds, I might think that way too!

**EIR:** No, you can't do that, because you play the 'cello! [laughter] Because you appreciate truth and beauty. You know the reason that Keats wrote about truth and beauty being one: They are.