

deregulation principle, which began with Aquino and accelerated under Ramos, took its toll on the Filipino consumer once again. Socially sensitive petroleum products were fully deregulated on July 17, which will lead to increases in prices for kerosene, liquefied petroleum gas, and regular gasoline, despite declining world oil prices. Deregulation of the major metropolitan water services were completed under the Ramos administration; the two private water services companies have since petitioned for a 100% rate increase, attributing the need to the currency crisis. Only intense opposition from the public has forestalled the increases.

Two weeks into the Estrada administration, the National Census and Statistics office reported that the top 10% of the nation's families increased their share of the economic pie by 4.5%, further widening the already wide gap between the rich and the poor. These are random samplings of the problems facing the Estrada government over the next six years. They seem to be a mosaic of the same old problems that faced all previous Philippine Presidents. The "new" administration is turning out to look very much like the old administrations.

### The Estrada cabinet

The establishment and conservative elements are undoubtedly powerful. Former Congressman Ronaldo Zamora, representing banking, mining, and traditional political interests, holds the position of the Little President, that of Execu-

tive Secretary. However, even Zamora has expressed opposition to further liberalization of the agricultural sector seeing how the policy has punished Filipino farmers. Banker Edgardo Espiritu is Secretary of the Department of Finance, controlling finance, tax, and customs, and has publicly vowed to stay within IMF-WB prescriptions. Dr. Benjamin Diokno, a neo-liberal economist from the University of the Philippines, who already proposed in 1996 to devalue the peso, was named Budget Secretary. Another neo-liberal and monetarist economist from the same school, Dr. Felipe Medalla, who championed the IMF tariff liberalization and tax reforms, was appointed to head the National Economic Development Authority, in charge of economic policy. For Bangko Sentral ng Pilipinas, the old Governor, Gabriel Singson, was retained, apparently at the behest of the Bankers' Association of the Philippines and the IMF.

At the Secretary of Trade and Industry, Jose Pardo, 7-Eleven convenience store Philippine franchisee, was appointed. For the Secretary of Environment and Natural Resources, a lawyer, who has represented loggers, former Congressman Antonio Cerilles was named. For the all-important Secretary of Agriculture, where most of the government resources will be directed in the coming years, a nominee from the Angara faction, former Sen. William Dar, was appointed. Angara was Estrada's losing Vice Presidential candidate, and, since Marcos's time, legal counsel for most transnational cor-

## Philippine journal features EIR, LaRouche

A new monthly theoretical journal, *The Independent Review*, was launched in the Philippines in February 1998; the editor and publisher is Herman Tiu Laurel, author of the accompanying article.

The inaugural issue's cover sports a photo of the British b'wanas' slaughter of Asian tigers, with the headline: "The Slaughter of Tiger Economies." The editor's commentary, "Casting Away Our Blinders," notes that while most people were "taken aback" when the Asia crisis hit last year, "a few were not." Among these were the members of "Katapat, a Filipino nationalist business group that has been warning of the impending crisis as a result of the flurry of hurried liberalization of the entire economy, particularly the currency." In its July 23, 1997 "Declaration of Economic Sovereignty," Katapat warned of the coming disintegration of the world financial system, as a result of "the explosion of speculative cancer," notably the derivatives market.

"Halfway around the globe," the editor continues, "an economist-philosopher by the name of Lyndon LaRouche continued to work on a campaign begun in 1975, to drastically reform the financial system that rose from the ashes of the old Bretton Woods Agreement for a fixed exchange rate regime."

The magazine introduces its readers to LaRouche's "triple curve" schematic of a typical collapse function, showing the hyperbolic growth of financial and monetary aggregates, counterposed to the plunging of physical-economic production. The article concludes with a discussion of "the battle for the world's mind," identifying the sides of the war: the "philosophies of Aristotelian 'accident,' Darwinian 'survival of the fittest,' and Adam Smith's 'invisible hand' against the philosophies of Plato, Confucius, Leibniz, Gauss, and Hamilton. . . ."

The magazine's April issue includes an interview with LaRouche, titled "A Leader Should Face His People's Greatest Fear."

The contributions are by *EIR* journalists William Engdahl, Marjorie Mazel Hecht, John Hoefle, and Colin Lowry, as well as by members of the Filipino intellectual elite.