

**Edited Proceedings of the Workshop on
Economic Policymaking and the Philippine
Development Experience, 1960-1985**

PRELIMINARY FINDINGS

FEBRUARY 19, 2010
BULWAGANG SALA'AM, ROMULO HALL, ASIAN CENTER
UNIVERSITY OF THE PHILIPPINES-DILIMAN

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YUTAKA KATAYAMA (PROFESSOR, GRADUATE SCHOOL OF INTERNATIONAL COOPERATION STUDIES, KOBE UNIVERSITY): Thank you very much for joining us today. I am the project co-coordinator with Cayetano “Dondon” W. Paderanga Jr. The project is sponsored by Japan Society for the Promotion of Science, the funding agency of the Ministry of Education and Science. It is a three-year project and we are now concluding it. The official members of this project are mostly Filipinologists based in Japan, including Temario “Temy” C. Rivera and Patricio “Jojo” N. Abinales. The other Japanese members are too busy to come today. However, we have [the core] members like Teresa “Tesa” S. Encarnacion Tadem and Cayetano W. Paderanga Jr. with us. Today, we would like to share with you some of our findings. It will include the general background of the project and we are looking forward to hearing your comments and reactions. There are still many points that need to be improved. Let me briefly explain the purpose of this project. It is to interview the key technocrats involved in major decision-making and management of Philippine affairs, from the 1960s to the 1980s, until the downfall of President Ferdinand E. Marcos. The targeted periods are: prelude to martial law (1965-1972), the early stage of martial law (1972-1981), and the latter stage of martial law (1981-1986).

The methodology involved the following: 1) baseline survey, 2) interviews, 3) video recording and voice recording, 4) digitization of personal documents of key technocrats, and 5) records-keeping by the University of the Philippines [UP] Diliman Main Library as well as by the Kobe University Library. Please focus on number four—the digitization of personal documents of key technocrats. This was something we did not expect and anticipate when we started, but later, you will see what we have achieved. It is very exciting.

Why is research on the Marcos regime necessary now? A lot of studies have already been done [just after the downfall of Marcos] and almost all [the events that] happened during the Marcos regime had been accounted for. But there are some missing links—the key players of the Marcos regime are still very silent and [maintain] a low profile.

The key figures are passing away, one by one. So, we need to hurry [and get their side of the story]. We regret that we failed to interview Blas Ople and Adrian Cristobal. They were some of the key figures [of the Marcos regime] and even during our project, we lost Armand Fabella. We were able to interview him only once. Most of the technocrats are already old and in poor health, so we have to hurry.

What are the things that remain unaccounted for? [We sought answers to the following research questions:] 1) What were the backgrounds of the technocrats who joined the Marcos administration? Are there any common features shared by them? 2) How were they motivated to join the Marcos administration? 3) To what extent did they succeed in attaining their goals? 4) What kind of hindrances did they encounter in pursuing their goals? 5) How do they perceive their success and failure now? 6) Who served as architects of the martial law regime and who carried out the key economic policies? 7) Which countries did the “architects” have as references? 8) What roles did the technocrats assume in the administration? 9) What kind of president was Ferdinand E. Marcos? 10) What were the characteristics of the Philippine authoritarian regime? What features did it share with its counterparts in Indonesia, Thailand, Singapore, Taiwan, and South Korea? How about with countries in Latin America?

Why focus on the economic technocrats? Authoritarian regimes are supposed to be composed of three key players: the political leaders, the military, and the technocrats who are mostly economic technocrats. And in many countries, these technocrats are not intact but we observe some significant continuation of the same group of technocrats. The same group of technocrats assumes the key positions before and even

after the downfall of authoritarian regimes. Is this true in the case of the Philippines?

We can treat many legacies as the brainchild of martial law. For instance, strong leadership is still a key word in the Philippine political context. Many people still emphasize that this is very important, as well as the insulation of the technocracy from politics. They assume that too much politics is bad for the development of the Philippines.

For students of comparative politics, there are some hypotheses to be tested. First, that the martial law regime was developmentalist authoritarianism. Was this true of the Philippines, and how did the technocrats involved in the Marcos authoritarian regime perceive this? Next, did Marcos have any serious intention to make drastic reforms? How did those technocrats perceive what they had witnessed within the Marcos administration? And in hindsight, what are their perceptions of the Marcos administration now? Some of these questions, we had asked from the start [of this project]. We would answer some of these questions now. We do not have enough time [or all the answers] for all the questions but we still hope that we can share with you some of our findings.

TERESA S. ENCARNACION TADEM (PROFESSOR, DEPARTMENT OF POLITICAL SCIENCE, UP-DILIMAN): So now we will tell you about the technocrats that we have interviewed. We had twelve interviews with Cesar Virata, the former finance minister and prime minister. Then we had two interviews with Manuel Alba, the [former] minister of budget. Then, we had three interviews with Jose Almonte. We had one interview each with Jose “Jolly” Conrado Benitez, Onofre “OD” D. Corpuz, Armand Fabella, Hilarion Henares, [and] Jaime Laya. We also interviewed Frankie Llaguno, [being] one of the Salas Boys (those identified with Rafael “Paeng” Salas, Marcos’s executive secretary from 1966-69). We had three interviews with Placido Mapa Jr. There are others whom we [scheduled] for follow up interviews but were no longer available, like Jaime Laya and Jose Conrado Benitez. We also interviewed Horacio “Boy” Morales because we wanted to have some insights on the Salas Boys. Vicente “Ting” Paterno was one of those who told us that he will write his autobiography. We had one interview with him. We had two interviews with Sixto Roxas. We had very extensive interviews with him, particularly on the Diosdado Macapagal administration—the start of technocracy. We also interviewed non-economic technocrats to give us their own views on the economic

decision-making [process]. We interviewed Amando Doronila, Francisco “Kit” Tatad, and Washington Sycip.

We would now start with our presentations. The first presenter is Cayetano W. Paderanga Jr., followed by Yutaka Katayama, myself, and Temario C. Rivera. Then, we would share with you the technocracy project outputs. There will also be presentations from Laura L. Samson, who edited the [transcripts of the] interviews, and from Salvacion M. Arlante regarding the digitization of the resource materials of Sixto Roxas and Armand Fabella.

CAYETANO W. PADERANGA JR. (PROFESSOR, SCHOOL OF ECONOMICS, UP-DILIMAN): I will start with the beginnings of technocracy, as I see it. I wanted to bring out this topic today so that those of you who have done these over a longer period or those who would be coming from different perspectives can look at the preliminary hypotheses of mine, and then correct me. I will start with the beginnings of technocracy and then look at technocracy during Marcos’s time. I will also look at the economic dimensions.

The initial hypothesis that I took was that, aside from the *pensionados* who were sent to the United States early in the American period, and who would occupy important positions in the government, some of [the early technocrats] were technically trained. I was, for example, present during the recollections about Antonio de las Alas. I was not surprised that he had been well-prepared. He had a law degree and Master of Arts degree from Yale University and he was only twenty years old when he came back. He and all those *pensionados* essentially occupied leadership positions. I see the technocrats starting to take over in the 1950s after World War II. After the World War II period, we experienced severe currency exchange difficulties. But the Bell Trade Act postponed decisions on [what] would probably be the most important decision at that time—the exchange rate. However, during the negotiations in 1954, we were able to get out of that, and there were discussions on the exchange rate that would occupy the rest of the 1950s. The other important discussions at that time were [on] monetary expansion, and there were two camps [on this issue]. One was the conservative camp, which was for monetary control; and the other one was the Keynesian camp, which was for expansion to get full employment in the economy. Based on the interview with Sixto Roxas, the Central Bank was one of the centers of expertise where you would have the conservative camp, and the other one was the

Philippine National Bank (PNB). This might be surprising until one looks into the main groups contending at that time, which were the exporters who were the main clients of the Philippine National Bank.

The main proponents of [monetary expansion] were Alfredo Montelibano and Manuel Hizon, according to Sixto Roxas. Hizon was the president of PNB, I think. Sixto said that he had written the drafts of the speeches of Hizon, which are included in the Sixto Roxas papers that would be deposited in the UP Main Library. This would be available sometime in the future. And so, this showed the two main camps: on one side, you have the Central Bank led by Miguel Cuaderno, a lawyer who was in the Bureau of Commerce and then was sent to the London School of Economics to be trained in [the] field of central banking—and apparently, he was very well-trained. When he returned to the Philippines, Miguel Cuaderno started to put up the initial organs of monetary control into the Bureau of Commerce and he was the main Philippine proponent, together with [a certain] Dr. Dodge from Chicago, who was the main architect of the Philippine Central Bank up to 1949. In the monetary debates, you had Miguel Cuaderno on the conservative side, and the late Salvador Araneta who was the true blue Keynesian at that time.

In 1950s, we saw the rise of economic nationalism within the government. The National Economic Protection Association (NEPA) was [established] during the American colonial period but I think in [President Carlos P.] Garcia's time, we had the Filipino First Policy as the program of government. During this period, the [debate on the] exchange rate issue became more intense, [the situation was the same for debates on] the multiple exchange rates. Some of the persons that would [be prominent] was Amando Dalisay, who rose to the ranks of Acting Secretary of Agriculture and Natural Resources. He had a PhD from Harvard University and wrote several papers and monographs. [He had] a book published by Phoenix Publishing House on rural development in the late 1950s. Then, we had Horacio Lava in the Department of Economic Research at the Central Bank who wrote about the rural areas rather than the exchange rate. Andres Castillo—I am sorry I was not able to put him here—was probably the first Filipino who had a PhD in economics, and according to Emmanuel “Noel” de Dios, Andres Castillo received his PhD degree in 1936.

TEMARIOC. RIVERA (PROFESSOR, INTERNATIONAL CHRISTIAN UNIVERSITY-TOKYO): Even earlier than Horacio Lava?

CAYETANO W. PADERANGA JR.: Yes. We thought it was Lava [who got his degree first] and Noel, upon closer examination, [noted that] it was Castillo in 1936 and Lava in 1939. Lava got his PhD from Stanford University. Then, we had Gabriel “Gabby” Itchon who was an engineer but according to Sixto Roxas, he (Itchon) became very important because he was the one doing most of the quantitative estimates of the first Philippine national economic model. Around this time, we had Amado Castro who was in UP but was active in the Development Bank of the Philippines and Benito Legarda who was in economic research.

Then, in the Macapagal administration, the technocracy started to come on its own. The salient economic issues [then were] the decontrol of the peso, land reform, [and] the initial formal public economic plans. [The Macapagal administration] started as an activist government. [President Diosdado Macapagal] set up the Program Implementation Agency (PIA). He tried to control the fiscal side and the program side of the government. At that time, all the key programs had to pass through PIA. The Keynesian approach appeared in what was [known as] the Emergency Employment Administration. It was a very broad and important program, essentially for livelihood building, and then the National Economic Council’s five-year plan started to take shape.

During this time, there were strongholds like the Iligan Integrated Steel Mills and other major industrial investments like the one in [Bicol]. The people involved [in planning] were Sixto Roxas, Armand Fabella, and Leonides Virata.

I think, the Golden Era really came during the time of President Ferdinand E. Marcos—[there were] two [main] periods, 1966-1972, and 1973-1985. Under the second period—1973-1978—was the period of explicit martial law rule. Then, 1978-1981 was the Interim Batasan Pambansa (IBP) period. The management style of Marcos, according to what we [found out from the interviews], was that Marcos was quite confident. He knew how to control his advisers, and he utilized experts. He was not afraid of using experts. He got advice from different quarters. He also compartmentalized their [the technocrats’] functions. For example, in the discussions with Cesar Virata, Jaime Laya, and Manuel Alba, it was very clear that there were certain functions where they could say something but they were not essentially allowed to. For example, according to Cesar Virata, when it came to national security, this was essentially out of his league, out of his area of responsibility. Later on, [in] industrial policy, there was a tremendous increase in

government centralization and regulations and the increasing [role] of government-owned corporations. The key person was Rafael Salas, who came in with Marcos for the first period, and who essentially brought in many of the technocrats, especially Cesar Virata, Jaime Laya, Manuel Alba, and Roberto Ongpin. You can correct me, but it was not clear to me how Onofre D. Corpuz was brought in, whether [or not] it was through Rafael Salas.

LAURA L. SAMSON (PROFESSOR, DEPARTMENT OF SOCIOLOGY, UP-DILIMAN): [It was through] Rafael Salas.

TEMARIO C. RIVERA: The other version was that it was Carlos P. Romulo.

CAYETANO W. PADERANGA JR.: That is right. So that is the other one but what Onofre D. Corpuz said was that he always felt that he had a more or less equal relationship with Marcos in the sense of respect. Actually, he was treated a bit different from the other economic technocrats. He was influential in education and government management. And we were surprised to learn that in some of the writings of Marcos on the political side, it looked like the [group in] the Philippine Center for Advanced Studies (PCAS) was the more active one.

FELIPE B. MIRANDA (PROFESSOR, DEPARTMENT OF POLITICAL SCIENCE, UP-DILIMAN): Regarding Onofre D. Corpuz, you can also try to trace [the link] to Carlos P. Romulo and [to] Secretary Juan L. Manuel.

CAYETANO W. PADERANGA JR.: Yes; Secretary Juan L. Manuel—of course. Cesar Virata was trying to push Jaime Laya and Manuel Alba who were with him in the UP College of Business Administration, and then Roberto Ongpin [to join them]. We were not able to interview Roberto Ongpin, and so, for me anyway, it is not clear as to how he got in. Of course, Jose Conrado Benitez came in through the First Lady. As cabinet members, they were allowed independence of operations.

There were periodic cabinet meetings where they talked and made regular reports. Marcos would essentially listen to all sides. There were tremendous investments in economic resources during this time that led to the upgrading of the bureaucracy in terms of technocracy and

there were organizational reforms. During that period, there was an increased emphasis on tax revenue. Cesar Virata kept on saying that when they came into office, their only budget was four billion pesos and somehow, they were able to quadruple that within a very short period by what they call tax reforms. They also had reforms on foreign borrowings, as well as reforms in the budget process, which was the topic of the discussion with Jaime Laya. There were additional agencies with newfound social needs or functions. And so Marcos came up with the Ministry of Agrarian Reform and the Ministry of Human Settlements, and a few other agencies. There were reforms in the Central Bank and the banking system brought about by government foreign borrowings and the introduction of directors, officers, stockholders and related interests (DOSRI) and interest rate liberalization. The economic philosophy increased the government's role in the economy.

[Under the technocrats] a socioeconomic plan was set up. That later formed the National Economic and Development Authority (NEDA), which started to regionalize planning. In addition, there was an increased use of investment programs coming from the banks. Many of the investments were coming in through foreign-assisted projects, among others. Here, you probably would suggest for us to interview Gerardo "Gerry" Sicat since he can clear up some of these things. In industrial policy, there was an outward market and export orientation, although there were effective inconsistencies because of the three layers of import substitution. There was the formation of monopolies like the National Sugar Trading Corporation (Nasutra) and United Coconut Oil Mills (Unicom); and towards the end, there was a commitment to guide industrialization in the form of basic industries. We also noticed that government owned and controlled corporations (GOCCs) were the quasi-organs of the government.

YUTAKA KATAYAMA: I would like to share some of the tentative findings from the political science perspective. Cateyano W. Paderanga Jr. has mentioned it, but the technocrats, in my understanding, emerged as a significant collective group during the Macapagal administration. There were peculiar patterns of recruitment. I think there was a close personal network for recruitment that centered on particular figures such as Rafael Salas. Those recruited were mostly from UP, and this is common knowledge. Many of them earned their [advanced] degrees from the leading universities in the United States. This point is very interesting for us Japanese; that is why I always ask

this question to them. Their academic performances in the United States were generally remarkable and impressive. And this is different compared with Japanese—they [the Filipinos] never suffered from racial discrimination or inferiority complex. Second—this is maybe one important and arguable point—many of them belong to the middle class, and some of them are so-called self-made men, but of course, some do belong to [the] upper class. However, they were excluded from the preparatory stage of the martial law declaration except for Juan Ponce Enrile. We have not yet interviewed him.

Then, there was the “involvement” in the working out of key ideas/ideologies of the martial law regime. I personally find this interesting. Onofre D. Corpuz, who was the president of the Development Academy of the Philippines (DAP), denied his involvement. Cesar Virata, who was the finance secretary/minister and prime minister, also denied his involvement. Jose Almonte, who was the Vice Chancellor of PCAS, admitted [his involvement].

[Another topic that I would like to discuss is] the reference to East Asian authoritarianism. This is also important from a comparative perspective—the differences among Asian authoritarian [governments] particularly in South Korea, Taiwan, Singapore, and Indonesia. We found out that there was no relevance [whatsoever] to the Philippine case.

And another point would be the motivation of Marcos. We also found out that he was politically motivated, according to those we interviewed, and this point is very interesting. Cesar Virata confirmed that Marcos did not necessarily need martial law to pursue his main goals.

CAYETANO W. PADERANGA JR.: And Onofre D. Corpuz, also.

YUTAKA KATAYAMA: Yes, Onofre D. Corpuz, too. And these are the supporting explanations. The demarcation of the pre-martial law and the martial period was not clear for Cesar Virata. We noticed it while interviewing him. When he talked about politics, at times he would barely recall if that event was before or after martial law. It is a very interesting finding. Likewise, there were no significant changes in the perception of functions.

This is also one central question—the characteristics of Marcos’s political leadership, and as Cayetano W. Paderanga Jr. mentioned, the key word was “compartmentalization.” Marcos talked one-on-one with

the key figures, but he did not like them to talk among themselves. Most of the technocrats whom we interviewed acknowledged the intellectual and managerial superiority of Marcos, except for one—Onofre D. Corpuz. I repeatedly asked the technocrats, “Did Marcos understand exactly the very technical problems of your expertise when you gave him briefings?” Everybody, including Cesar Virata answered yes, except for Onofre D. Corpuz. He said, “Marcos pretended to understand.”

Where and how did the technocrats fail? No clear answers were obtained. I took advantage of being an expatriate and challenged them by asking questions like, “How did you feel about the failure of Marcos?” Almost all of them denied it. The technocrats did not admit their responsibilities. However, I think Vicente Paterno was the only exception; the rest denied [their responsibilities]. Almost all of them claimed that they succeeded [in their work]. They said that they had introduced significant reforms. I have a hypothesis that could account for this kind of attitude. The first is that they were not participating in key political decisions of the administration, so they thought that they were excluded from political responsibility. The second is the not so impressive performances of the succeeding administrations that eventually justified their attitude. For example, I always asked [about the issue of] corruption and the magnitude of the Marcoses’ corruption. The technocrats would say, “Oh, the contemporary administration is much worse than Marcos.”

TERESA S. ENCARNACION TADEM: I will discuss the Virata-Marcos-United States *ménage à trois* in economic decisionmaking. Based on the interviews we conducted with Cesar Virata, I will focus on the three-sided politico-economic relationships that determined Virata’s economic clout during the pre-martial law and the martial law periods. These were mainly Virata’s relationship with Marcos, Virata’s relationship with the International Monetary Fund (IMF)/World Bank, and Marcos’s relationship with the United States. These relationships were all intertwined and determined Virata’s economic leverage.

Virata’s relationship with Marcos began in December 1965 when Rafael Salas, who was then UP Vice President under President Carlos P. Romulo, invited him to join the government’s Committee on Finance and the Committee on Agriculture. Cesar Virata was then dean and professor of the UP College of Business Administration. He,

however, told Marcos that he preferred to be a member of the Presidential Economic Staff. For Cesar Virata, it was Rafael Salas who had a major influence on Marcos with regard to the latter inviting technocrats and academics to government.

Marcos, in general, wanted Cesar Virata to help the government formulate and shepherd the passing of the Investment Incentives Act of 1967 (Republic Act [RA] No. 5186; enacted September 16, 1967) to attract more foreign investments into the Philippines. Cesar Virata also became the point person in trade negotiations and representations in the World Bank and the IMF Consultative Group meetings. The attractiveness of Cesar Virata to Marcos, therefore, was not just based on his academic credentials—a UP professor with an MBA major in industrial management from the Wharton School of Economics, University of Pennsylvania (1953) and his practical experience and training in working for the top accounting firm of Sycip, Gorres, and Velayo (SGV). Cesar Virata and Marcos, together with the IMF and the World Bank, also shared the same economic concerns in attracting more foreign investments. Cesar Virata said that this was his bias when he saw that there was a need for such investments while going around the country when he was still with SGV.

Marcos would provide Cesar Virata with the allies he needed in Congress to get through with the Investment Incentives Act, which the United States also wanted. These were mainly members of Marcos's Nacionalista Party, namely, Senator Jose Diokno, the head of the Committee on Economic Affairs; Senator Jose Roy, the head of the Committee on Finance and Chair of the Ways and Means Committee; and Congressman Lorenzo Sarmiento who all helped in crafting the investment bill in 1967. They were also working to replace the Basic Industries Act of 1961. Cesar Virata worked closely in particular with Senator Jose Diokno. They succeeded in having the bill passed despite having to deal with Senate President Gil Puyat, who was the president of NEPA, and the other protectionists in the business community. Cesar Virata relied on the political acumen of Jose Diokno and Lorenzo Sarmiento in talking to their colleagues in congress and in strategizing to have the bill passed. For Cesar Virata, they were also proud to be co-sponsors of the bill. Marcos, therefore, had influential partymates in congress who shared his economic concerns and those of Virata and the United States.

In general, Cesar Virata relied on Marcos to push for the government's economic policies in Congress. The government's policy

of liberalization, which the United States also wanted, were up against the “nationalists” like Senator Lorenzo Tañada who challenged the entry of the Dole Corporation as a major investment in agriculture by declaring the control by transnational corporations of large tracts of agricultural land as unconstitutional; the local capitalists like Senate President Gil Puyat (of Puyat Steel and Manila Bank, among others) who informed Cesar Virata that he would not approve the Philippines’ entry into the General Agreement on Tariffs and Trade (GATT) prior to the Kennedy Round in 1968. In general, Cesar Virata said government policies that allowed the entry of foreign companies were met with hostility by their local competitors, like the entry of Lonestar, a Texas cement company.

For Cesar Virata, there was an explicit division of labor between the technocrats and the political leadership. To seek his guidance, the technocrats would tell Marcos, “Mr. President, you know, we don’t know politics.” He would reply, “Do your best in your own field and you let me know whether we could implement it politically. I will help you in that aspect.” And for Cesar Virata, Marcos could deliver. He attributed this to Marcos’s leverage on the sugar bloc—perceived by Cesar Virata as the most powerful bloc in Congress. He said that Marcos had some room to maneuver as it was not a monolithic bloc and that Marcos was able to forge alliances with a particular faction in the bloc represented by Roberto Benedicto, Marcos’s classmate at the UP College of Law, and the Montelibanos, among others. Thus, for Cesar Virata, Marcos [was] a strong politician, and this was long before Marcos declared martial law.

The declaration of martial law reinforced the relationship of Cesar Virata, Marcos, and the United States. Although Cesar Virata and the United States were kept in the dark about its declaration, the latter was known to have welcomed it. As for Cesar Virata, he said that none of the technocrats were part of the Marcos inner circle that planned the declaration of martial law. Moreover, he pointed out that “nobody among us, (meaning the technocrats), said we wanted martial law.” This was understandable because in terms of economic policymaking, Cesar Virata saw that Marcos could get what he wanted and thus, there was no need for martial law to pursue the government’s economic policies. What this seems to highlight was that Marcos did not see the technocrats as an obstacle to his political plans and moreover, he saw their value within the limits of economic policymaking. This was confirmed by Cesar Virata, who did not oppose martial law at all, and

who had the perspective that it did not matter whether economic policymaking was to be undertaken under an “elite” democracy or an authoritarian regime. What seemed to be important for Cesar Virata was that he continued to have the backing of Marcos. More importantly, martial law did not hamper the Philippine government’s and his own relationship with the IMF/World Bank.

Martial law, therefore, established further Cesar Virata’s economic importance to Marcos as he continued to be the government’s point person with the IMF and the World Bank. For Cesar Virata this was understandable, as he believed that the international institutions had a better two-way communications with the technocrats. He pointed out that the technocrats were better qualified than the politicians to understand development policies. He and Marcos continued to share the same economic perspective with the IMF and the World Bank for further trade liberalization, as signified by the Philippines entry into the GATT.

It also consolidated Cesar Virata’s role in implementing the IMF and World Bank’s development paradigm of trade and investment liberalization under a free market regime, albeit, an authoritarian capitalist state-led economy. With the abolition of Congress, martial law made it easier for Cesar Virata to pass economic policies such as the amendment of the Tariff Code, which allowed the Philippines to enter into the Tokyo Round of Trade Negotiations in 1974. As he pointed out, before martial law, there was a backlog of bills in congress. This was no longer the case under martial law, given the decreeing powers of the president.

Six years after the declaration of martial law, Cesar Virata saw that there was really no need for it any more, especially since the IBP was in session after 1978, and he believed that the country should go through the normal democratic processes. Cesar Virata, however, said that the First Lady, Imelda Marcos, vetoed the idea.

Cesar Virata admitted that during the martial law period there were also major differences between him and Marcos on certain development policies, particularly concerning the First Lady. This included the establishment of the Ministry of Human Settlements by Imelda Marcos. According to Cesar Virata, it was unnecessary as there was already a National Housing Authority (NHA). He also felt that the idea of human settlements was just a “UN-flavor of the month thing just like the current concern for the environment.” He also said “no” to several Imelda Marcos-sponsored projects, earning him the monicker

“Dr. No.” He said she would have to get her funds from other sources, particularly from GSIS under Roman Cruz. However, the government must pay back all her debts.

Another policy involving the First Lady that Cesar Virata and Marcos disagreed on was Virata’s disapproval of government institutions’ involvement in developmental financing such as the Government Service Insurance System (GSIS), the Social Security System (SSS), and the Armed Forces Retirement (and Separation Benefits) System (RSBS) of the Office of Insurance Commissioner. Cesar Virata said he wanted to preserve the integrity of the pension and insurance funds with sound investment guidance. He believed that it could be subject to abuse. Cesar Virata pointed out that Gilbert Teodoro, Sr. of the SSS agreed with him but that Roman Cruz of the GSIS would not have agreed because he was very helpful and extended advance financing to a number of the First Lady’s projects. Cesar Virata said that the president did not approve his recommendations, and reasoned that these institutions had their own charters and their own trustees. Despite all this, Cesar Virata thinks that Marcos sided more with him than the First Lady. However, Cesar Virata also admitted that no one, including himself, could interfere with the interest of Marcos’s chief cronies. Roberto Benedicto had the monopoly of the sugar industry, and Eduardo Cojuangco had the monopoly of the coconut industry. For Cesar Virata, as far as the technocrats were concerned, they were no match [to the cronies]. The other technocrats we interviewed also shared such a view. As Cesar Virata pointed out, they (Benedicto and Cojuangco) had direct access to the president and they had their power base. Therefore, for Cesar Virata, they were just interested in finding out what they were doing and how they were affecting the other sectors. When the technocrats saw that they (the cronies) were taking more than they deserved, that was the time that they had to [say something].

The nomination of Cesar Virata as Prime Minister by the First Lady highlighted a new dimension in Marcos’s perception of Cesar Virata, i.e., Virata’s political value, a value that did not exist when Marcos declared martial law. As Cesar Virata pointed out, Imelda wanted the position to which their colleagues in the Kilusang Bagong Lipunan (KBL) party nominated him. He said he was taken by surprise that Marcos preferred him for the position. When asked in our interview(s) how true the write-ups were, particularly, in the *Far Eastern Economic Review* (Tanzer 1981; Sacerdoti and Tasker 1983), that his selection as Prime Minister was because of pressure from the United States, in

general, and the IMF and the World Bank, in particular, as they did not like the corruption of the First Lady and the Marcos cronies, Cesar Virata dismissed it, although he said that he was aware of the reference to him as an “Amboy” (America’s Boy).

Cesar Virata acknowledged that the downfall of Marcos, as well as his own downfall, was largely due to the withdrawal of American support. Cesar Virata, despite being the prime minister, and the United States were kept in the dark with regard to the failing health of Marcos. It led to the taking of command of government affairs by Imelda Marcos and General Fabian Ver. This view was shared by a number of the technocrats we interviewed. Virata’s situation was aggravated by Benigno “Ninoy” Aquino’s assassination. At that point, Cesar Virata said Marcos seemed nowhere to be found, which reinforced the position of Imelda Marcos in power. A third contributing factor in the diminishing support of the United States for Marcos was that the Americans already got what they wanted with regards to the U.S. Bases Agreement in 1984.

When Benigno Aquino was assassinated, Cesar Virata said that he was in the United States in the middle of negotiating the Philippine loans with the IMF/World Bank. He was seeking a debt moratorium because the Mexican default of 1982 triggered an economic crisis in the Philippines. At that point, Cesar Virata told Marcos he could no longer do his job and he might as well resign, but Marcos told him to stay on. Cesar Virata recognized that his relevance to Marcos was dependent on Marcos’s relationship with the United States in general, which in turn determined Virata’s relationship with the IMF/World Bank.

As Cesar Virata pointed out, in the aftermath of the Aquino assassination, he saw his own relationship with the IMF and the World Bank turned sour. He noted that these two financial institutions were beginning to withhold or tighten assistance. When Cesar Virata would inquire about the economic assistance to the Philippines, the IMF and the World Bank would give their usual reply that the matter was being processed or considered. He generally blamed this turn of event on the United States’ diminishing support for Marcos; he observed how the United States was beginning to talk to opposition members and sizing up possible successors [to Marcos]. Cesar Virata also noted the relentless negative press on the Philippines in the United States.

Cesar Virata seemed to have used the mounting rallies against Marcos to exert more pressure on Marcos not to support the crony

interests. This was seen in 1984, when the opposition called for a bank run on government and crony banks such as the PNB, the United Coconut Planters Bank (UCPB), and other banks. Cesar Virata believed that Eduardo “Danding” Cojuangco’s group, who headed the UCPB, drafted a decree that Marcos passed saying that the Governor of Central Bank shall be obligated to restore funds of affected banks. Central Bank Governor Jose Fernandez and Cesar Virata did not agree with it. Cesar Virata told Marcos “Mr. President this signed decree has no parallel or precedent in international law.” He added that when “the Central Bank helps an institution they have to follow certain procedures, like you must have acceptable security, and Monetary Board approval.” Cesar Virata told Marcos it would not be good if the decree was made public. Marcos instructed Juan “Johnny” Tuvera, not to release that decree.

However, Marcos’s call for snap elections might have spelled the end of his relationship with Cesar Virata. He advised Marcos not to call for snap elections as he had tenure of office. According to Cesar Virata, the United States was portraying Marcos as losing control and so, Marcos wanted a fresh mandate even though his term had not ended. After the snap elections, Cesar Virata offered to resign as minister of finance because Marcos only won by a slight margin, and Marcos needed to implement many changes [because of this]. At that time, Cesar Virata was not yet planning to resign as prime minister because he wanted the Batasan (National Assembly) to be convened so he could present his resignation to the legislative body that elected him. He added that he could also be charged with dereliction of duty if he resigned. Eventually, Cesar Virata learned that Marcos had offered Juan Ponce Enrile the position [of prime minister] to stop the People Power revolution.

This signalled the ultimate end of the *ménage à trois*, with the United States withdrawing its support for Marcos, consequently for Cesar Virata. Marcos had to let him go.

TEMARIO C. RIVERA: These are very preliminary readings of the enormous interview cases that we have accumulated, and I have barely scratched the surface; and there are some overlaps with the presentation of my colleagues. When I was preparing this preliminary draft, I thought of exploring some working concepts that can guide us to understand the workings and the effectiveness of the technocracy or its

failure. Let me share with you quickly some of these possible working concepts.

- The developmentalist state and “embedded autonomy”:
Striking a balance between insulation from particularistic interests and embeddedness in key business groups.
- Institutionalism and veto players: Fragmentation vs. concentration, policy rigidity vs. policy volatility.
- The Philippines as a “negotiating society” (Onofre D. Corpuz)
- Challenges to technocratic rule: Cronies and politicians.
- Internal coherence of the technocracy: Competing power centers and policy differences.

From a comparative perspective, as already pointed out by Yutaka Katayama, we can explore the developmentalist state and the concept of embedded economy. The concept of embedded economy is interesting because it attempts to understand how policymakers are insulated from particular state interests but at the same time, to be effective, they also need a certain degree of embeddedness or strong linkages with key business groups. How do we assess the Filipino technocrats in this regard?

From institutionalism and its concept of veto players, we can also explore the situation particularly during the authoritarian period. Here, you have a range of veto players who can effectively approve or disapprove key policies. On one extreme, you can have the single veto player like Suharto in Indonesia. It is not very clear whether Marcos indeed exercised that. The other extreme would be a situation where you have several veto players leading to the fragmentation of policymaking. What was the situation of the technocracy under Marcos?

Onofre D. Corpuz, in his interview, although he was not asked about this framework, suggested a rather interesting notion, which we can relate to the understanding of policymaking in the country. He said that, “Well, in the Philippines, everything is negotiable.” He called it a “negotiating society.” On the one hand, Onofre D. Corpuz was in effect saying that if everything is negotiable, there is really no need for martial rule. There was no need for the use of outright raw power. On the other hand, one can also argue that if everything is negotiable, then

it would be difficult to pursue significant reforms, especially if negotiations invariably lead to what we might call opportunistic outcomes.

We need to understand that the technocrats had to deal with very powerful cronies. This was already mentioned, the sugar bloc and the coconut bloc, but most of all the politicians, especially after the traditional politicians were divided starting in 1978 with the IBP. Finally, the internal coherence of the technocracy needs to be considered. What were the important differences that existed among the leading technocrats, whether independent or identified with some power blocs? Can you speak of a Virata bloc as against a Marcos bloc? Or an Imelda Marcos bloc? Or perhaps even a Blas Ople bloc? Unfortunately, we were not able to interview anybody identified with the Blas Ople bloc. Now, what were the important policy differences? How powerful were the technocrats under an authoritarian rule? As already pointed out by my colleagues, interestingly enough, all the technocrats were saying that there was really no need to declare martial law to pursue many of the reforms identified with the Marcos authoritarian rule. However, one concrete effect of the declaration of martial rule was in addressing the legislative backlog through presidential decrees. Marcos and the technocrats could easily come up with presidential decrees to address what they thought were the important problems of the day. Some of the initial major decisions were the creation of the new NEDA, which effectively eliminated the direct participation of elected politicians, because under the pre-NEDA set up in the National Economic Council, the legislature was directly represented.

Another significant decision was agrarian reform. What struck me here was the claim by Cesar Virata that the Code of Agrarian Reform of the Philippines (RA No. 6389; enacted September 10, 1971) was largely drafted by Marcos himself. Of course, he consulted with some of the technocrats in agriculture like Conrado Estrella. One enduring contribution of the technocrats, whether you agree or not with the content of these reforms, was the fact that all major reforms and major governing codes that needed to be modified and amended—e.g., the Local Government Code (Batas Pambansa [BP] No.337; enacted February 10, 1983), the National Internal Revenue Code (Presidential Decree [PD] No. 1158; enacted June 3, 1977), the Local Tax Code (PD No. 231; enacted July 1, 1973), the Real Property Tax Code (PD No. 464; enacted June 1, 1974), the Export Processing Zones Act (PD No. 66; enacted November 20, 1972), the Revised Securities Act (BP No.

178; enacted February 23, 1982), the Insurance Code (PD No. 612; enacted December 18, 1974), and the Government Reorganization Act (PD No. 1; enacted September 24, 1972), and others—were done during this period.

Many of these [changes and regulations] continue to be in effect. Speak of budgeting rules which were basically systematized by Jaime Laya; rules related to labor by Blas Ople; housing rules like *Pagtutulungan sa Kinabukasan: Ikaw, Bangko, Industria at Gobyerno* (Pag-IBIG [Home Development Mutual Fund]), and all of these organizations, except for the old NHA, were crafted by the group of Jose Conrado Benitez under Imelda Marcos. I just enumerated some of the important government codes that the technocrats systematized. We already know that the technocrats did believe that many of these reforms could have been done even without martial rule. Cesar Virata, in particular, as Cayetano W. Paderanga Jr. mentioned earlier, was confident that as long as the president supported them, they could negotiate effectively with the legislators.

Now, how powerful was Cesar Virata? I thought of Cesar Virata because among the technocrats, he was seen as the team leader. In 1978, Cesar Virata said—and this was after the convening of the IBP—that he did have supervisory powers over the cabinet but no effective control over them. He could not reverse the decisions of the cabinet after 1978. He was chair of the executive committee and as such, all contracts that needed to be signed by the president had to be reviewed by him personally. And so, this was an important power because, in effect, he was saying that the president did not sign any contract unless it was first reviewed and favorably recommended by Cesar Virata. Of course, the final approving power was Marcos himself. Virata's crucial role lay in the sourcing of funds for development financing from country aid agencies like Japan and the United Nations, and the multilateral financing institutions, the World Bank and the IMF through the consultative group. Remember that between 1972 and 1980, each year, almost USD400 million on the average were sourced from these agencies to serve as development financing. Cesar Virata thought that it was also relatively easy to do that at least up to 1980 because of the enormous petrodollars available in the world capital market until it was overtaken by the said crisis starting in 1980-1981. Cesar Virata also agreed that he had no control over the sugar and coconut industries. He pointed out the enormous influence of the leading cronies, particularly Roberto Benedicto and Eduardo

Cojuangco Jr., who headed the sugar and coconut blocs. Cesar Virata validated what we had already known—the cronies did enjoy really enormous influence because they had a direct line to Marcos himself. They did not have to go through the economic technocrats.

Well, we already know this: the technocrats were not involved in martial law administration. In fact, they were not in the inner circle that planned and implemented martial law—none of them, not even Onofre D. Corpuz. It was the so-called Rolex 12 who were very much involved in it. Cesar Virata said that the immediate economic policy agenda after the declaration of martial law was the removal or the lowering of the high tariff rates (ranging from 70 to 200 percent) and the point man was Gerardo Sicat. He was recruited to initiate the shift from the highly protectionist policy of import substitution towards a more open, export-oriented economy.

Now, let me end with some of the critics of the economic policies identified with Virata's team. This gives us an idea of the alignments among the technocrats themselves as well as the other blocs, for example, the protectionist bloc. Historically, it was made up of manufacturers, mainly in the Philippine Chamber of Industries, who enjoyed protection after the war, and who were into import-substituting manufacturing industries; however, Vicente Paterno claimed that martial law did not weaken the local industries at least up to 1979 or 1980 when he was still the head of the Board of Investments and the Ministry of Industry. The bloc identified with Imelda Marcos and to some extent, her brother Benjamin Romualdez, was an interesting bloc because Virata's group resisted them, but of course, Imelda was Imelda. She had a direct line to Marcos, and she also had a team of very entrepreneurial and very energetic young technocrats headed by the likes of Jose Conrado Benitez, Eduardo Morato, and later on, Ronaldo Zamora. You also have a Romualdez-Imelda bloc within the foreign affairs office, people like Rodolfo Severino, who later became the head of the Association of Southeast Asian Nations (ASEAN) Secretariat. Then, you have differences between the technocrats who had engineering and business backgrounds as against the so-called "pure economists" like Gerardo Sicat, who was immediately drafted into government right after his graduate studies. The best example of that was the tension between guided industrial development (Vicente Paterno) vs. market liberalization (Gerardo Sicat). Vicente Paterno was very open about this and said that he was not in favor of the major policies associated with Gerardo Sicat. In particular, Vicente Paterno was in

favor of a guided industrial development. He was in favor of small and medium industries, as against the idea that we should have big industries heavily subsidized by the government.

LAURA L. SAMSON: I am not officially or formally part of the project research team. I am here in my capacity as head of the editorial team that was contracted by the research team. Allow me to acknowledge the presence of Rosa Concepcion Ladrado, one of my co-editors. I would like to note that the project commenced more than two decades after the fall of Marcos and the subsequent demonization of Marcos and his men. Whether they like it or not, the best and the brightest that were mobilized by Marcos suffered in silence. Manuel Alba for instance recalled the most humiliating moment in his life when they were herded like cows in the Cojuangco building, and there were people shouting and throwing papers at them. Manuel Alba also said in the interview that he tried to move on with Onofre D. Corpuz. They put up a consultancy firm but there were no takers, neither here nor abroad. Even Placido Mapa Jr., probably one of the richest among these men, found it difficult to go back to the private sector. So I think, breaking their silence is the reason for being of this project, and that in many ways, the project has succeeded.

My task is relatively simple, I am supposed to present continuing project concerns, but I would like to share some excerpts from the interview transcripts and present some issues, so you will have an idea of the nature and the quality of the project outputs. But first allow me to give an overview of the interviews. Sixteen key people were interviewed, not all of them held positions in government, like Amando Doronila and Washington Sycip. The three-year project yielded thirty-six interview transcripts. Twelve of which, or about a third, were transcripts of interviews with Cesar Virata. Some prominent observations can be made about those interviews. Many feel it is time to talk; according to Manuel Alba, it was easy for him to speak now. "I feel free to talk. It is like [all these things] bottled up inside me [are] simply wanting to get out. In [a volume(s) of the] Pamana [publications series], these things will also come out but it is not a transcript kind of record. I will be writing a lot about the educational experience and the budget process." Manuel Alba mentioned the Pamana project, which was initiated by Armand Fabella. Fabella noted: "It is time to write a volume no matter how thin, it is time to praise the man, it is time to pay tribute because Ferdinand Marcos has done good."

Francisco Tatad explained why he agreed to be interviewed. “I am very pleased to have this interview with you and I am very happy to [be of] some assistance. I think this is the time to record our history accurately for purposes of scholarship. Very little scholarship had been done on the Marcos government. Discussions on Marcos are still very much dominated by partisanship. So this is a breath of fresh air.”

However, not all of sixteen people interviewed were willing to talk. The most reluctant was Jaime Laya. He explained his reservations about [the oral history project]. Let me quote:

Some people already died but even people like me who are more or less alive have really forgotten so many things, so the memory has died. It is perfectly possible that my present recollection is different from whatever other scholars in the future might find if they were to look at my documents. Would there be some kind of disclaimer, in that sense? I do not want to be criticized like, “In his interview, he said this but the fact is, it is this. He was telling lies.” I just want to make clear that memory [in this interview] is not necessarily 100 percent accurate.

My recollection of my impression at that time may not be the same as my impression now. So I would like to make it clear, and I assume that it would be part of the record that this is something that everybody should recognize. The other point is the fact that during those years, in anticipation of something like this happening in the far future, I have decided to compile my major speeches. For every year, I wrote a book on the speeches that I had made. I think, I have done four or five of such books. They have been published and might be in the libraries. I would really assume that whoever studies these transcripts and videos would be thorough enough to look at the things that actually happened [based on] the written sources at that time.

Many acknowledged the problems, and even the abuses of the Marcos administration, especially of the Imelda Marcos technocrats, but they have no regrets. In fact, they are proud of their achievements as part of the Marcos government, precisely in light of the failures of subsequent administration to do anything or to do better. And if they have remorse, they did not show such emotion in the interviews.

They were not aware—they were surprised that martial law would be declared. According to an observer, Amando Doronila, only Juan Ponce Enrile knew about it.

These are the three main project concerns: continuing the oral history project, building a special library resource collection, and publication of the interview transcripts. As noted many times, the

research team is racing against time. A few technocrats already died, many are dying or are in the pre-departure line, on account of poor health. It is urgent, and I would like to pose this as a challenge, as with or without funding support from the Japan Society for the Promotion of Science, I think the project should continue.

I see the need for follow-up interviews with Onofre D. Corpuz, Jose Conrado Benitez, Horacio Morales and others. I think that project team members should not give up on Onofre D. Corpuz. Horacio Morales has expressed intention to be interviewed again. There should be more interviews with other key people, like Gerardo Sicat, Roberto Ongpin, Imelda Marcos, and Juan Ponce Enrile, which is a major challenge. Interviews can be scheduled with associates of those who have already passed on, e.g., the associates of Blas Ople, Adrian Cristobal, and Geronimo Velasco. Instead of doing individual interviews, the team should consider group interviews, focus group discussions, and private forums. This was actually suggested by Placido Mapa Jr. He said that he would be in the best position to talk more if he is interviewed in the company of others. The team can consider convening the finance group of Cesar Virata, who are still meeting regularly, the Philippine National Oil Company group of Geronimo Velasco, the writers' group of Blas Ople, the PCAS group of Adrian Cristobal, the group of Onofre D. Corpuz, and the Salas Boys. As noted earlier, in continuing the project, building a resource collection on Philippine technocracy is equally important. In this regard, here are the more specific tasks:

- Locating the Marcos diaries
- Locating and convincing those with private collections/archives to share their resource materials with the UP Main Library
- Continuing procurement and reproduction [in print and digital formats] of reference materials [published and unpublished], films, and documentaries
- Helping the UP Main Library develop a dedicated room to house the special resource collection

Even the technocrats interviewed were asking, "where are the Marcos diaries?" Building a special library resource collection is a major challenge. It is also important to convince those with private collections or archives to share their resource materials with the UP Main Library.

Manuel Alba is keeping a lot of documents in his house, and they are already being eaten by termites. He mentioned that the best collector of them all is actually Feliciano Belmonte. Then there is a need to buy and reproduce important reference materials, published and unpublished, including the documentaries. I already told Temario C. Rivera, and probably he can share that challenge with Patricio N. Abinales to help Salvacion M Arlante and the UP main library develop a designated room to house the special resource collection on Philippine technocracy.

SALVACION M. ARLANTE (UNIVERSITY LIBRARIAN, THE UNIVERSITY LIBRARY, UP-DILIMAN): The Sixto Roxas papers and the Armand Fabella papers are in the University Archives and Records Depository. Access to the digital resource, for each of these papers, is through the University Library website. The Sixto Roxas papers is at www.mainlib.upd.edu.ph/skroxas. The Sixto Roxas home page has search and browse functions. To have full access to the records, log in is required. Records uploaded in the digital resource are in pdf format. If one will key in the word "Roxas" in the search tab, it will yield 526 records on Sixto Roxas. An example is his resignation letter. It is in typescript dated February 28, 1964 addressed to President Macapagal. The letter bears his signature. It can be downloaded. One can also use the browse tab of the webpage. It has a list of the papers' topics. An example is an entry on capital improvement program. The entry refers to a memorandum, an outgoing letter in typescript, on the subject. The webpage also has Sixto Roxas biographical feature. Included in the records are his personal papers, for example his baptismal certificate issued at Los Baños, Laguna.

The Armand Fabella Papers is at www.mainlib.upd.edu.ph/avfabella. The last of the batch of which was sent to us only last December 11, 2009. We now have thirty-one digitized records on Armand Fabella. An example is this letter from Eva Estrada-Kalaw regarding the higher education profession in the country. It has the seal of the Senate, Republic of the Philippines, dated March 16, 1971, including her signature and a form. Access to the full record in the digital resource is still restricted to the project team and to my staff at the University Archives. As we are digitizing and uploading, we are also cleaning and sorting some of the records that are deteriorating. And so, not all of these papers have been uploaded to the database. In describing and organizing, then digitizing the records, indexers, and

professional librarians help with the resource titles down to the author, the keywords, or the subjects within the record, including the location. We accommodate and indicate all types of records, from articles down to biographical features to speeches, writings, memoranda, and reports. We also indicate the physical format, [whether it] is a hologram, i.e., in archival terms, handwritten in the author's penmanship; a manuscript, or a typescript.

OPEN FORUM

FELIPE B. MIRANDA: First, I would like to express a great deal of satisfaction that this kind of research has finally been attempted. This is the kind of research that, if I may say so, I recommended to be done. If I may make some observations regarding how or the way the project has been [conceptualized], I think it is very important that when we speak of technocracy, we do qualify from the very beginning precisely what it is that we mean. From one point of view, what you are referring to is a group of people who on account of some expertise or technical skills were able to wield power. If this is the definition in the Philippines as well as in many other countries, the dominant technocratic group has been primarily either of two types. One is the priestly group, the hierarchic class, or else you would be referring to a more common breed, the breed that currently afflicts the Philippines, that is the rule of lawyers. Lawyers also have a technical skill, please do not forget that. They have a technical skill that in the case of the Philippines and particularly in the past one hundred years enabled them to capture political power and to wield it with so much wealth. It is possible to liberalize the conception of technocracy so that you may now refer to specific technical people who in one way or another were involved in political administration. All political administrations are administrations of power, but when you now use technocrats in this sense—a much more liberal sense—you are not going to be under the necessary constraints, [i.e., under] the illusion that our economic, technically skilled people have been also wielders of power. Within our national administration, and it is not only in the case of martial law Philippines, but all the way up to now, technical expertise, particularly in economics, has not been all that determinative [in terms] of outcomes in society, and particularly of outcomes that are primarily political, like when we speak of a martial law rule. It is revealing that

no economists have been consulted at all, but there were businessmen who would comprise the Rolex 12, and beyond the Rolex 12 were hidden personalities. They were also wielders of power.

So, my suggestion is to go for the second, more liberal conception. The involvement of technical people in political administration, such that they are able to work within those administrations and many times even to orient them, but under no circumstance must you be romantically inclined when you speak [that] they have ultimately [defined] public policies. Gerardo Sicat, who is one of our best technocrats in the second sense of this attempt to define whatever technocracy is, I think, would say that he had not been definitive, even on the simple issue of defining the interest rate for a particular time. You might remember that at one time, double-digit inflation was particularly critical. Gerardo Sicat, who was at that time in NEDA as director general, publicly declared that it was 10 percent. The First Lady went on radio and television and said this could not be possible. She went marketing in San Andres market and a few other markets, and declared that, "See, the prices are really low." Gerardo Sicat, the following day, said "the First Lady is right, the inflation rate is not 10 percent. It is 9.9 percent."

[I suggest] that the available tasks articulated by this beautiful project be made more available as soon as possible. It would be criminal to limit access to this kind of database. And as Wikipedia has so brilliantly demonstrated, the more you democratize access to databases, not only in its formulation but also in critique, you get to have the best possible work.

LAURA L. SAMSON: The transcripts are now being reviewed by the people interviewed, so whatever may be available would be subject to the approval of those interviewed. And then there is this question, again, of which transcripts to make public.

FELIPE B. MIRANDA: Whenever we have doubts about the legitimacy of publicizing materials like this, I suggest that we make it public and accessible. Second, I think, since you are going back to those who were interviewed, and you will ask them whether these interviews might be the final one. You can tell them [they are] free to edit it. As soon as they agree and they deliver an edited version, or if they are willing to go for the interview as is, then also have it published. People can be wrong. Herodotus made a lot of errors—historical dates and historical

personalities. Let this be an account that in a manner of speaking would show the person and his recall.

CAYETANO W. PADERANGA JR.: To address what Felipe B. Miranda just said—one of the things that would stop us is that some of the interviewees, at least two, said that they were willing to be recorded and quoted. But they would like their lawyers to look at the transcripts. They said that they are still a bit worried about being sued for libel. One way around that, I suggest, would be to start thinking about which ones can be published for the general public, and what can be available for serious scholars who may have to sign some kind of an agreement. But this is a formula that we are still trying to work on. And then, of course, the team members have actually—although we never signed it formally—we have some kind of agreement that although we will write about it, that we will be conscious about the impact on the interviewees.

FELIPE B. MIRANDA: Is that the legal way of doing it? I am not technically involved, but when you go through all of these processes, not many people get to share this knowledge. I would suggest that you put a timeframe to when you can put all of these under any kind of embargo, however limited the embargo might be. The timeframe, let us say, is twenty years from now. So twenty years from now, all of these would have to be public domain data regardless of whatever legal constraints might be placed on it within that period.

CAYETANO W. PADERANGA JR.: I think [that is] one reason that Cesar Virata agreed to be interviewed. I had been trying to get him to be interviewed; and I was so surprised when I asked him and he finally agreed. I was telling the group it was because he had been lectured by Jose Encarnacion about leaving something behind for the children so they will learn something from this episode. I think the last time we were actually [talking about it], he knew that at some point it will be published. We were thinking about twenty-five years [for the embargo].

TERESA S. ENCARNACION TADEM: Actually, when we gave the edited transcripts to the technocrats, we gave a cover letter as suggested by Cayetano W. Paderanga Jr. to make it very general, saying “thank you again for agreeing to be interviewed and thank you for allowing us to

make it public.” So far, the only one who came back to us was actually Cesar Virata.

CAYETANO W. PADERANGA JR.: He said that the reason he has not returned the transcripts to us yet was because he is worried about being sued for libel.

FELIPE B. MIRANDA: It is very encouraging. This is the guy with whom you conducted the most number of interviews. It might be that his willingness to go public was not subject to some of the legal concerns but maybe the fact also that [it was] you [Cayetano W. Paderanga Jr.] were the one asking him. That is quite important, those kinds of personal relationships.

TERESA S. ENCARNACION TADEM: Actually, we tried to interview him two years before the project, and he did not say “no,” but his secretary said that we should keep on calling. When Cayetano W. Paderanga Jr. and Yutaka Katayama came in the project, he was really open [to an interview].

FELIPE B. MIRANDA: Whether you agree or disagree, whether they did good service or they did disservice during martial law, one of the reasons why Ferdinand Marcos was able to recruit the technocrats, in the case of quite a few of them, was the call for a New Society. They took him at his word, unfortunately. I do not think you could have gotten Cesar Virata, Gerardo Sicat and Onofre D. Corpuz to become members of the cabinet if you have only promised them material wealth or some other things. It had to be patriotism.

CAYETANO W. PADERANGA JR.: In our interviews, it was very clear, at least with Onofre D. Corpuz and Cesar Virata, that they were intrigued by the idea of improving how our government operates. In the case of Onofre D. Corpuz, it is very explicit when he said, “I went there because I thought I could improve things.” When we asked him what was your agenda before coming in, he said, “I had no agenda. I just wanted it to work better.”]

FELIPE B. MIRANDA: It was an agenda too.

CAYETANO W. PADERANGA JR.: Exactly.

FELIPE B. MIRANDA: That was why there was something on the bureaucracy, the DAP; that is why you have the civil service. I think we have to take them at their word when they say “I have no agenda.” But then there is such a thing as analysis.

CAYETANO W. PADERANGA JR.: That is true, yes.

FELIPE B. MIRANDA: Actually, that is when the academic value added comes in, when we are able to say that there was an agenda; and it is an honorable agenda.

CAYETANO W. PADERANGA JR.: And in the case of Cesar Virata, after two or three interviews, I was telling Teresa S. Encarnacion Tadem already, I said this guy is really an engineer. He looks at things and then you just watch him do it. He has no ideological content in that sense. And this is where my view might not agree with Teresa S. Encarnacion Tadem. I asked him, “Where did your bent of opening up the market come from? Did it come from your studies? Was it suggested by IMF?” He had a very interesting answer. He said, “Since you know I have been [with] SGV, I was going around the region, in the Southeast Asian region, including Taiwan. I could see that things worked much better there.” He said, “I thought it was because [Marcos] did not feel we were lacking in terms of competition.” It was very pragmatic approach to a problem that he saw, very engineering-like.

ARMANDO MALAY JR. (PROFESSORIAL LECTURER, ASIAN CENTER, UP-DILIMAN): I was wondering, for the sake of balance, that somebody who apparently was not included in the interviewees was Alejandro Lichauco, who I think has a profile that corresponds, quite roughly, to the profile of those who were interviewed. He is from Ateneo and Harvard, and I understand he is very close to Sixto Roxas. But he has a particular obsession with the role—which he thinks is negative—of the UP School of Economics, which breeds allegedly this kind of technocrats who have been running the country to ruin. Whether [that is] true or not, I think he served in [the] government also, [during the time of] Diosdado Macapagal.

CAYETANO W. PADERANGA JR.: Sometimes I am little bit dismissive. In fact, that was the reason that [when they] interviewed Hilarion Henares, I did not show up. I told him that if he would finally

meet me, he would be poetic about how the UP School of Economics ruined this country, which in fact he did. But clearly, there was something that I have not thought about, but there are things coming out. One of course is that [the research team] wants to interview Imelda Marcos. They were the ones who insisted that we interview Jose Conrado Benitez. The interview with Jose Conrado Benitez, I think, was very truthful, because it showed a certain part of the government at that time that we in the economics side did not quite see. We thank Armando Malay Jr. for that suggestion.

RAUL V. FABELLA (PROFESSOR, SCHOOL OF ECONOMICS, UP-DILMAN): I have the feeling that the UP School of Economics is being overrated in this discourse. Though the rhetoric started to change in the 1970s, effective protectionist policies on the ground were not won by the UP School of Economics. And within the UP School of Economics, there was I think a divide because Amado Castro was extremely [like] Lichauco in a sense. Jose Encarnacion was very neutral about these things. My own impression is we never went out of the regime that was adopted in the 1950s; the regime adopted in the 1950s was the baby of the many of the people [from the UP School of Economics].

CAYETANO W. PADERANGA JR.: I may add two things to what Raul V. Fabella was saying. He is right actually. At the UP School of Economics, there was Amado Castro who actually sided with Vicente Paterno and Lichauco, and that [bias] was very explicit. He was a student of history, and Jose Encarnacion in a way did not fit because he was interested in monetary [policy]. Of course his main (interest) was collective decisionmaking and bargaining. He was also interested in money, but not in trade. The intellectual origins really of the market orientation [may be traced to] Gerardo Sicat and John Power. Most of us who were what you call traditionalist in the neoclassical sense were not experts on tax, except from learning or reading the papers of Gerardo Sicat and John Power. We were not really students of Gerardo Sicat. And the one who came after Gerardo Sicat was Romeo M. Bautista, who came from Yale. I think it bears explaining why we think that way. When you look at the guided industrialism of the Philippines, there were actually three layers. The first one was the import control framework, the Import Control Commission, which later became the Import Control Board within the Central Bank. [It] had a classification framework of goods: The essential consumer, nonessential consumer,

product support, essential producer, and nonessential producer. That had the effect of protecting the import substituting industries that grew after 1946. That also supported the framework of the Import Control Commission or Import Control Board. Later on, we also had some centralism in our administrative process. In 1967 or 1969, we passed the Export Incentives Act. What we actually did was put up a government body that was already in the investment center of the Board of Investment. That also repeated the preferences—I was going to say biases—that had been in that import control framework going to the tariffs. So when we took out the import control, the control of the peso, we were still left with the tariff. That persisted up to the 1970s until the tariff reform movement of 1981, [which was] suspended in 1983, and put back in 1987 when Solita Monsod came.

ARMANDO MALAY JR.: Actually, I am quite perplexed by Alejandro Lichauco's attitude because it implies that the UP School of Economics has this overwhelming and singular and hegemonic power over the national economy, as if the other schools that have an economics department like Ateneo or the University of Asia and the Pacific have [different discourses]. I think there is no point in exaggerating the role of the UP School of Economics. So when I said just for balance let us include Lichauco, it is not that I am endorsing his view, it is simply that I feel that he is putting too much importance on the role of the UP School of Economics.

CAYETANO W. PADERANGA JR.: I agree with your suggestion.

RAUL V. FABELLA: I feel that in twenty years, [those who were interviewed] would have a book or would have an autobiography of some sort, and then they will rehash and reinterpret the golden history. I would like history to be [primarily concerned with] facts, but I know that interpretations are also important. These people would certainly convey their interpretations of facts and their roles. How do you separate [their interpretations from facts]? What value added will the project contribute on top of that sixteen autobiographies that will be made in time? Is there any mechanism for that?

YUTAKA KATAYAMA: Your question is related to the first question or comment given by Felipe B. Miranda. As my colleagues agreed, the Japanese side has no intention to monopolize what we already

collected, including the transcripts. My initial intention was to publicize the interviews and the digitized records as soon as possible, but as Cayetano W. Paderanga Jr. suggested, there are several problems we have to consider, such as legal issues. Still, my intention is the same and has not changed. We have our own interests or analytical perspectives; we also thought of writing about these. In my case, [my plan involves a] comparative perspective with other countries. By the way, in Japan, the reason I thought of this project was because of a very interesting discussion with Cayetano W. Paderanga. This is [also] a very popular trend in Japan, in the academe, [to interview] the retiring officials, to let them talk for some factual data so. That is still the most important purpose of this project.

TERESA S. ENCARNACION TADEM: I would like to add [that] in 1985, there was a project in UP Third World Studies Center, a project by the United Nations on transnationalization. I was tasked to do the chapters on the technocracy. [My sources were] secondary materials. I thought this [project] was an opportunity to invalidate or validate the perceptions at that time. But now, there is a lot of literature coming out on the technocracy, on the authoritarian regime. So my interest is, what has been the literature on the technocracy? How has technocracy been defined in the Philippines? Maybe a comparison of periods—the martial law and post-martial law periods—[and country experiences would be a productive pursuit].

FILOMENO S. STA. ANA III (COORDINATOR, ACTION FOR ECONOMIC REFORMS): The value added would be interpretations, and that is going to be a challenge in two levels. I recall a certain fake German conductor. No one would question his greatness as a conductor, but he was a Nazi. It is so difficult to separate [his identity] as a great conductor on the one hand, and his being a Nazi on another hand. And the team, if you go beyond facts, will have to consider that. And even on the technocratic question, I am sure the team might have different [interpretations]. You mentioned that term “export orientation.” On paper, Marcos would be considered as favoring export orientation. [But] the exchange rate, just as an illustration, did not favor export orientation. Export orientation is a loaded term. It is not actually about exports per se, it is about tradeables; that would be the challenge that the team would face when you go beyond facts.

CAYETANO W. PADERANGA JR.: Just to respond to what Raul said about the added value. Actually, there is some kind of dynamic relationship. I think some of [those interviewed] would emphasize different processes, but some of them would be more guided now by our questions. For example, Vicente Paterno has said that he was very glad to get this very long, multi-paged questionnaire to guide his views since what we did was to give them the questions beforehand. This in fact, I think, contributed to the defensiveness of Jaime Laya for example. He (Jaime Laya) really wanted to talk about the budget years and not about the Central Bank years, for obvious reasons, I think. But I actually thought that we would be giving him a chance to justify things that happened in the Central Bank. I think that is not the way he looked at it.

JULKIPLIM. WADI (DEAN, INSTITUTE OF ISLAMIC STUDIES, UP-DILIMAN): This is a great project. I understand [that] the period [is from] 1960 to 1985, and [the value of] understanding the Philippine [technocracy] through autobiographical [accounts]. I am also thinking what the next project would be, because one of the major players also of that period would be the Philippine Left. And you have said that no one among the technocrats would [admit] their failure or contribution to the state of martial law. I think that some of the people in the Left movement would also agree that they have failures, but I am sure that martial law was a failure, the Left was also a failure. I think it would help in understanding Philippine society effectively if two failures could equal some kind of success story for the Filipino people.

TERESA S. ENCARNACION TADEM: Actually, with the added value, we were also debating [the publication of the Virata interview transcripts]. I do not want to come up with a vanity publication and even Karina Bolasco (Publishing Manager, Anvil Publishing, Inc.) is asking about the value added. These should be contextualized, as Filomeno Sta. Ana III said, there are other perceptions. That is one thing we are thinking of. In terms of interpretations, Temario C. Rivera says one [option] is to write our own [stories], but it might be difficult. We still have to discuss how we will come out with this. I do not know the timeframe but I am also looking forward to the uploading of these interviews for everyone.

LAURA L. SAMSON: The project has ended, but as I have noted earlier, I hope it will be a continuing concern for the individual members of the team, and also of people outside the team. I actually have been editing the *Philippine Review of Economics* for several issues now. I think it would be nice for the team to have a volume on NEDA, with the proceedings of a public forum on NEDA. That would be a very valuable input to the oral history project.

The UP Asian Center is in the best position to facilitate a reunion of the PCAS group, [which includes] F. Landa Jocano, Josefa Saniel, and Serafin Talisayon [among others]. [The project would focus on] even just to record their insights, what they know about PCAS during that time, because at this point in time, we only have Jose Almonte speaking about PCAS.

This is definitely an unfinished project. [It] need not be [continued] by the team; it may be a project of the UP School of Economics, a project of the Asian Center. I see this as a continuing concern. The comment of Armando Malay Jr. is very valid precisely because an oral history project entails capturing the Filipino interpretation, so we might as well try to capture the diversity of perspectives. The UP Third World Studies Center, I think, should consider doing the follow up interviews even if the project has ended.

TEMARIO C. RIVERA: But we should democratize the research process and UP can do a lot. For instance encouraging our own graduate students, our MA and PhD students, to pursue topics relevant to this project. Because this is just one format for doing research, which is very difficult to achieve. The Japan Society for the Promotion of Science grant project as you know is extremely competitive, and very few individuals and groups are awarded that. But in UP, I understand, we now have research grants. There are many mechanisms that can be used. By the way, regarding what you said [about] the failures of both the Right and the Left movements—Onofre D. Corpuz again has a very interesting insight. We have Filipinos who do not have a concept of defeat. Defeat is taken in a temporary, conjunctive sense. Remember the famous words of Salud Algabe, a Filipino woman peasant leader—there is no defeat; every move is a step in the right direction. I agree with you. We should encourage all kinds of research from different perspectives because that is the way we gain closer understanding of the truth. ❀

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