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<The team talks about the Development Bank of the Philippines (DBP) and the Philippine National Bank (PNB).>

ALBA: The government itself had reservations because the ownership of Allied Bank was also an issue. I had objected from the start when I was still member of the Cabinet to the privatization of PNB. Can you imagine that, PNB__ the country's symbolic bank, which has been associated historically with the country itself __ is the bank that they chose to privatize? Why don't they privatize DBP (Development Bank of the Philippines)? Let PNB stay as the symbolic financial institution of the country and manage it competently. The general public would continue to trust our government banks. Instead, they chose to privatize PNB and I think, the consequences have not been positive. You are not supposed to use the words "Philippines" or "national" for a private institution.

KATAYAMA: What kind of argument or proof does Mrs. Imelda [Romualdez] Marcos have?

ALBA: I am sure they have documents all over the place like shares of stocks, certificates, etc. I have seen them when I went to their place in Makati.

<Dr. Teresa Encarnacion Tadem arrives.>

TADEM: Good morning!

ALBA: You have not been playing [tennis] at all.

TADEM: Sir, we are playing in the Quezon City Sports Club because there is roof.

ALBA: Where, the Quezon City Sports Club? I used to play there, too.

KATAYAMA: We were talking about a very interesting topic__ Imelda Marcos' objection to the [changes in] PNB (Philippine National Bank) and Allied Bank. What do you think of San Miguel Corporation? Some were also claiming that [Ferdinand] Marcos owned part of it.

ALBA: I suppose, they have investments in many important corporations. When San Miguel was under the Sorianos, and not under the Cojuangcos, it was just possible. I am speculating on how Danding [Eduardo Cojuangco Jr.] acquired San Miguel; it is possible that he could have been assisted by the Marcoses but that will be a long shot for them to claim... maybe [they have] shares of stocks because San Miguel Corporation is an A1 investment. Like (Philippine National Bank) PNB, San Miguel has symbolic significance in the country.

KATAYAMA: I have read an interesting book about Danding [Eduardo Cojuangco Jr.]. It is a very good book... on how he accumulated impressive assets.

ALBA: He is a good manager.

KATAYAMA: Danding [Eduardo Cojuangco Jr.] started to control the San Miguel Corporation during the Marcos years. One of the comments made by Juan Ponce Enrile is very interesting. Juan Ponce Enrile confided that Marcos gave some [shares] to Danding. Juan Ponce Enrile was also, I think, part of...

ALBA: That is one scenario because the coconut levy and then UCPB (United Coconut Planters Bank) was eventually turned over to Cojuangco and if the UCPB assets were switched to acquire San Miguel... the controversy is still there__ that Danding [Eduardo Cojuangco Jr.] illegally used the coconut levy because that is public money. Danding said that it was a private fund.

KATAYAMA: But the Supreme Court made a final decision. The decision was that the Coco Levy Fund is a public fund. But there were no details.

ALBA: [Ferdinand] Marcos issued presidential decrees and many issues were raised about those PDs [Presidential Decrees].

KATAYAMA: Quite interestingly, Danding [Eduardo Cojuangco Jr.] is winning the cases. There are eight cases.

ALBA: Involvingt Imelda [Marcos]?

KATAYAMA: Yes. The second was already dropped.

ALBA: All her Sandigan Bayan cases had been acted upon favorably for her.

KATAYAMA: I read the decision. It was quite funny, very technical, something like, delay of the court__twenty years have already passed and nothing was done so far. It was too technical...

ALBA: It is a good perspective, in one sense. There is what you might call the non-judicial technical aspects of many of these cases. How do these lawyers operate? This is what is wrong with the judicial system of the Philippines. When they speak about corruption of the prosecutors, I can write a long paper about how these things are true because I had four Sandigan cases as a government official. I was sued left and right. Unfortunately, I had to be cooperative; I had to pay off some of these...

<Dr. Paderanga arrives.>

PADERANGA: Hi Minister! Long time no see!

ALBA: Hi Dondon [Cayetano Paderanga Jr.]!

PADERANGA: We have two ministers here.

ALBA: A lot of those who knew me and still know me in terms of where I was involved in the beginning, they still call me Minister Alba. The others, the annoying ones, would say, "Are you a minister of what church?"

<Everybody laughs.>

PADERANGA: That is the disadvantage.

TADEM: ...and then Secretary of who?

ALBA: But some call me secretary.

PADERANGA: You were also secretary? You came in after ...

ALBA: Briefly, I was secretary, after I took over from Jimmy [Jaime] Laya.

PADERANGA: That was Minister already.

ALBA: From 1981 to 1986... that was the period where the parliamentary system [was still operational].... Maybe, I am biased [but] I essentially favor the parliamentary system. I support cha-cha [charter change] for that reason.

PADERANGA: You may not expect this, but I agree with you.

ALBA: [However] ... one crucial component of a parliamentary system, namely, a solid party system... is something that culturally, I think, will never work in the Philippines... You know how the Filipinos would cross lines and drop... [their party affiliations.]

PADERANGA: We can push it by adapting the German system, by giving bonds that win...

ALBA: I would always say yes, just pass all the necessary laws and prescriptions, just to make this thing work but...

PADERANGA: But we have another [anti-butterfly provision], if you change parties, you lose your...

ALBA: We have the anti-dynasty law and look what happened, it has simply embedded the [family] dynasty. I am so afraid of what will happen in the parliamentary system. You will just have family dynasties controlling local governments and politics.

PADERANGA: It may not be bad as it looks... for example, if you vote for the party [and] not for the person that means that if he changes his party, he loses the parliamentary position...

ALBA: That is true. That is how the party system should work.

PADERANGA: That is how it would work... The party can expel you, they can also recruit you.

ALBA: A coalition system can always work it out.

TADEM: They like to vote for presidents. In a presidential parliamentary, you vote for the president and then the parliament.

ALBA: That was what we had, [Ferdinand] Marcos' French model.

PADERANGA: Of course there are a lot of things to be considered. The devil is in the details... [in defining] the power [sharing] between the president and the prime minister.

ALBA: Yes. The president should be the head of state and the prime minister, the head of government.

KATAYAMA: May I continue my question?

PADERANGA: Sorry, sorry, now, we will start.

ALBA: Is this being recorded?

TADEM: Yes sir, but you can edit it later.

KATAYAMA: Why is Danding [Eduardo Cojuangco Jr.] winning all those cases [involving] the Coco Levy Fund? There are two hypotheses: the first one is that there is some deal done between Danding and GMA [Gloria Macapagal Arroyo]; the second one is that Danding is exerting direct influence at the top of the judicial branch to get a favorable decision. Which hypothesis is [valid]?

ALBA: You're asking issue questions. First, I really do not know of any kind of leverage or influence that Cojuangco [Eduardo Cojuangco Jr.] has on GMA [Gloria Macapagal Arroyo]. It is possible that during her [GMA's] earlier involvement as vice-president or as secretary of

Department of Trade, they could have had some [dealings]. [Imelda Marcos] and GMA are not antagonists, in a sense. Imelda Marcos is a friend of GMA, that kind of relationship.

KATAYAMA: Since early days?

PADERANGA: Even before?

ALBA: Yes, I think.

KATAYAMA: But GMA [Gloria Macapagal Arroyo], I speculate... might have felt that her father was marginalized by President [Ferdinand] Marcos.

ALBA: Marginalized in the sense ... but you know the Macapagals were well-established [as a] political family and I think, [Ferdinand] Marcos was a pragmatic politician who knew the advantages. I could not really detect any serious [gap] between the two. As of now, Imelda is ... for GMA. I mean, [in] this idea of impeaching or removing GMA, [Imelda] campaigned [against it]...

KATAYAMA: She [Imelda Marcos] is also winning the cases.

ALBA: That's another matter... In the legal procedural system that we have here, it is so tough to prove... so if you cannot present those essential documents, then you should have a good lawyer... Lucio Tan... was supposed to be a crony of Marcos. Now, they [Imelda Marcos and Lucio Tan] are on the opposite sides with no less than Titong [Estelito] Mendoza, as the legal counsel of Lucio Tan. Titong Mendoza is one of those closest to the Marcoses. I do not know who the lawyers of the Marcoses are now... The Marcoses have been winning their cases too [given charges of] illegal wealth... With regards to the Supreme Court itself, three of the key chief justices were Marcos appointees: [Enrique] Fernando, [Felix] Makasiar, and [Ramon] Aquino. And some of the key legal advisers of Marcos had some leverage with the Supreme Court people because they had a lot to do on how they got appointed, in the first place. But I must say that this present chief justice, I know him very well, is incorruptible.

KATAYAMA: Incorruptible?

ALBA: Yes.

PADERANGA: So he [Reynato Puno] has been there for a long time? He came up to the ladder from below?

ALBA: Not with the court, but he has been an undersecretary under Titong [Estelito] Mendoza. He has been with the judicial legal system for a long time. I know him very well.

KATAYAMA: He is said to be close to some key businessmen.

ALBA: I do not think so. But anyway that is how I [came to] know Rey [Reynato Puno].

PADERANGA: He was deputy minister to Titong [Estelito] Mendoza?

ALBA: Yes. He was the solicitor-general and second to Titong.

TADEM: Sir, does he play tennis also?

ALBA: [He is] a good tennis player.

PADERANGA: That is the other connection you had with him.

ALBA: Yes. We were officially together during the Marcos administration. [Before that], we played tennis. We played in UP (University of the Philippines) and he was the editor-in-chief of the *Philippine Collegian*...I got to know him during that time too. He is cousin to the other Punos. The father was the secretary of justice, Ricardo Puno... The guy is a survivor... He is very clever.

KATAYAMA: ... I am very interested in Roberto Ongpin; he is now very active. He has this financial investment firm. In terms financial resources, who do you think is he representing, the Marcoses, GMA [Gloria Macapagal Arroyo] or Mike [Jose Miguel] Arroyo??

ALBA: I am not familiar with the financial advisers of the first family.

PADERANGA: But are you close to Minister [Roberto] Ongpin?

ALBA: I know him well. Maybe more officially, I worked with SGV (Sycip, Gorres, and Velayo) for almost two years when he was still a junior [officer] in SGV. We were contemporaries. We graduated in 1957 and we took the board at the same time.

KATAYAMA: I am trying to contact him but it is very difficult.

ALBA: One thing I can tell you, he is the person [to talk to]... In some respects, more than the Prime Minister, he had a lot of leverage in how the economic operations were run.

TADEM: Sir, why was that?

PADERANGA: Because of the eleven big projects?

ALBA: No. He was the Binondo Central Banker and you know what that means ... who was the governor of the Central Bank?

PADERANGA: Jimmy [Jaime] Laya?

ALBA: No.

PADERANGA: Before that it was [Gregorio] Licaros.

ALBA: No, the banker, Jobo [Jose] Fernandez.

KATAYAMA: I interviewed one of the resource persons of the Chinese community the other day and I asked them, he said, "Maybe the money that he [Roberto Ongpin] is handling is from the Marcoses."

ALBA: It's possible. Mr. [Roberto] Ongpin is a highly competent person and you could see how the leverage and the prestige arising from that competence evolved. Essentially, he was a straightforward person in the Cabinet; he was one of the best expositors you could ever think of. He could just explain things convincingly and clearly.

KATAYAMA: ... I am talking about this particularly because I know you are very close to Imelda Marcos and [having talked to her and other key persons] I think she is serious about getting back...

ALBA: I agree.

KATAYAMA: By all means, like organizing legal issues just to get back.

ALBA: Because she has all the proofs. Once, when we were in her third apartment, she laid out all the photocopies of all kinds of certificates like investment certificates, etc. Where are all the originals? She has to produce and marshal all those documents. She is probably in the political position [to do that]. Whether she could be credible or not [is a different matter]...

KATAYAMA: What do you think of her strategy? ...

ALBA: I do not think she could achieve anything through the legal process. She probably would need to deal and negotiate, which she did__ if she has [so] much wealth and potential assets, what is 50 percent to give away in order to get the other 50 percent?

KATAYAMA: But can that deal be done secretly, without being known to the public?

ALBA: I might not know something about that.

<Everybody laughs>

PADERANGA: The public might know but they cannot do anything.

ALBA: [It was just a speculation] it could have been done.

KATAYAMA: By Danding [Eduardo Cojuangco Jr.]? Apparently, she is not comfortable with Danding Cojuangco.

ALBA: It is the same now with Lucio Tan ... The problem is... the best legal advisers are on the other side, Titong [Estelito] Mendoza. She has good international lawyers who have faced Mayor Rudolph W. Giuliani in the New York judiciary, and [she] won the case over there. She hired prestigious law firms in the US.

KATAYAMA: So that means that Danding [Eduardo Cojuangco Jr.] is very vulnerable... to the president in Malacañang... [and] to Imelda Marcos. That is why Danding is very insecure in that sense. Is that related to the aggressive stance of San Miguel Corp in expanding and diversifying?

ALBA: Wasn't that resolved already? There is no more issue on San Miguel, and Danding really has the controlling interest. I think, there has been a Supreme Court discussion. If he has that, I think, he probably would not go on a vigorous expansion mode.

KATAYAMA: As far as I know the six cases regarding the Coco Levy Fund are still pending.

ALBA: Maybe not just six ... many more.

KATAYAMA: As far as I know, eight.

ALBA: They are buying out some power companies. They have expanded into many other areas in some foreign countries.

KATAYAMA: It was already announced in public... his strategy is very simple, sell all the stocks up to 49 percent of all the companies that they control but stay and retain ownership of these companies...

ALBA: And sell out the losing ones.

KATAYAMA: So I wanted to find out why he is in hurry to do all these things.

ALBA: You can look at it from a pure business angle. He is the iconic entrepreneur. There is a strong motivation there to expand and grow. San Miguel has been identified as a truly

Filipino enterprise. If only for that, everybody is backing San Miguel Corp. He won some legal battles in getting San Miguel ... and I think, he is expanding into areas where the prospects are much better... I also think the family wealth has been spread out in so many places. They own several haciendas in Negros Occidental, and in Australia. He is secure. From that standpoint, I could not see why he is insecure. He had presidential ambitions. In fact, he ran for president. I was in the campaign rally. I look at him as the Shinawatra of the Philippines, without the unethical aggressiveness.

PADERANGA: That is also complicated.

ALBA: Yes. I think he is a good manager.

PADERANGA: Some businessmen, I think, have the same kind of ambitions.

KATAYAMA: How about Manny [Manuel] Pangilinan?

ALBA: I really do not know these people. But he has a big baggage with him. He is a good manager. He writes a lot of insightful perspectives.

KATAYAMA: I think he is better now than Ramon Ang.

ALBA: Of San Miguel? I do not know Ramon Ang, other than being an excellent (Chief Executive Officer) CEO of San Miguel. I think Manny [Manuel Pangilinan] is more diversified. He has international financial operations in Hong Kong. I think, he has more vision and strategic views on things. So Ang could just be operating as CEO. I do not see him saying useful things other than how to run San Miguel Corporation. But you have these kinds of people like Danding [Eduardo Cojuangco Jr.]. They are more than being mere businessmen. They are strategic leaders. There are not just focused on business alone but they are looking at the standpoint of where they can best serve, either through business or politics. Pangilinan is very active in sports...

KATAYAMA: One more additional question, what about Francisco Elizalde?

ALBA: I do not know him at all.

PADERANGA: I think it is Frederico. He was a swimmer, 1921.

ALBA: The husband of [Lisa] Macuja?

KATAYAMA: Frederico is the brother. I am referring to Francisco. I am very much interested... because the Elizaldes are now shrinking.

ALBA: Unlike the Ayalas, it is unfortunate that the Elizaldes have not really laid out their own strategic interest and growth related to enterprises.

PADERANGA: Their main enterprise is **ECO (spell out)**?

ALBA: Yes, they are into sugar and communications.

PADERANGA: I have two questions. You started to talk about the other business interests during the time of [President Ferdinand] Marcos, in relation to what the First Lady [Imelda Marcos] might be going after, which she thinks belong to them, would the Benedicto group be one of these? What about J.Y. [Jose Yao] Campos? These were the “cronies” of Marcos.

ALBA: I shy away from using the term “cronies” because like Danding [Eduardo Cojuangco Jr.] who said, “If I were a crony, then I wish there were 100 of me.” It’s that kind of thinking. They have contributed to the economy. They got close enough to Marcos, so that they could let a presidential decree be signed just like that. That was what happened to the coco levy that Danding was able to mobilize. Those were the kind of people. So is Lucio Tan.

PADERANGA: Henry Sy was not?

ALBA: No.

PADERANGA: These were Danding Cojuangco, JY [Jose Yao] Campos.

ALBA: [Dante] Silverio.

PADERANGA: Yes.

ALBA: The Bataan Nuclear Plant.

PADERANGA: And [Herminio] Disini.

ALBA: I think, there was a list of these people. As you know, there was the Imelda Marcos] group and the [Ferdinand] Marcos group.

TADEM: Sir, didn't you say, you were in both groups?

ALBA: <laughs> During our time, there was what was known as the Imelda [Marcos] boys and the [Ferdinand] Marcos boys. So, people like Gerry [Gerardo] Sicat or Cesar Virata, they were clearly just the Marcos boys. They have no love for Imelda. Then, there were the clearly pro-Imelda people like Jolly [Jose Conrado] Benitez, or even this undersecretary of public works, [Ruben] Canlas. There were some of us who were good on both sides like Jimmy [Jaime] Laya and me. Bobby [Roberto] Ongpin was clearly a Marcos boy.

TADEM: Sir, Totoy [Jose Dans]

ALBA: Totoy [Dans] is brilliant. There is a strictly rational and pragmatic way of looking at it. "Your real boss is the president, and, on the other hand, we should be pragmatic and realize that Imelda has advantage and power too. So, how can you ignore her?" And she had good ideas too. In fairness to her, I mean, the whole idea of a Metro Manila and the Human Settlements concept as well as its environment aspects, the notion of cultural development, who could have pushed those? So, you needed someone like Imelda as a partner to the president to leverage the projects that clearly could not be thought of by [others]... but because she was daring enough, she would go through it.

TADEM: Sir how about Ronnie [Geronimo] Velasco?

ALBA: Marcos [liked] him. Have you read his book? It is good and well done...

PADERANGA: [Arturo] Tanco and [Salvador] Escudero, were they Marcos [boys]?

ALBA: [Salvador] Escudero was one of those pragmatic people. He was good on both sides. I would count Escudero in our group; he knew how to work with Imelda and [Ferdinand] Marcos. I do not know how to classify [Arturo] Tanco, whether he was a good cabinet secretary or not.

PADERANGA: Essentially when he lost in the election, he did not have anything to hold on. So maybe he was not that close?

ALBA: He was like [Serafin] Quiason. He was being tolerated there. Or Baltazar Aquino, they were like clowns in the Cabinet. They were just there, harmless. Bong [Arturo] Tanco did not even know what his staff was doing to him. He had what you call stock knowledge so he could tell you about the agricultural programs but whether he knew what was going on or not, that's another matter.

TADEM: Sir, Ting [Vicente] Paterno?

ALBA: About Ting— I sense that even earlier, he realized what President [Ferdinand] Marcos was doing.

PADERANGA: What about OD [Onofre D. Corpuz]?

ALBA: My idol. I am one of the OD [Corpuz] boys, Blas Ople, this tandem, the intellectual paragon and pillars of the Marcos administration. By the way, he is Marcos's official biographer... I think, they were the first group of people that Marcos would turn to, like "What do you think about this?"

PADERANGA: So they were confidants?

ALBA: Confidants, advisers, trustees with very solid notions and visions of what to do in any sector. OD [Onofre D. Corpuz] was in education and politics. OD did not get along well with Imelda [Marcos] at first, but eventually he became like us.

PADERANGA: That's right because he became the Secretary of Education

ALBA: I think, Imelda [Marcos] began to like him very much [and] to love him, in fact... because of his intellectual capacity. Imelda wanted to be associated with people like him.

PADERANGA: When we were interviewing him, he actually said...

ALBA: Who? OD [Corpuz]?

PADERANGA: Yes. He said that the human settlement concept started with DAP [Development Academy of the Philippines] and then, the First Lady heard about it and liked it, and it became her own.

ALBA: I cannot really say anything about that because the concept was older than DAP itself. I was in the establishment of DAP with OD [Corpuz] and Boy [Horacio] Morales... Jolly [Jose Conrado] Benitez was not even around yet. He was still a junior staff ... Helen [Helena] Benitez was one of those who had espoused it earlier. I think, this lady should be credited a lot more. Not Jolly Benitez <laughs>. Helen had many ideas about education ... I think, it was possible that maybe, because DAP adopted this program, she [Imelda Marcos] saw the possibility that she could use it for housing, for education, culture, and environment. In fact, it made her look closely into Metro Manila, to her credit. Then, many of the world urban centers had become metropolis and here was Metro Manila, with no system at all. Tokyo was the model; the governor of Tokyo was even more powerful than the minister.

TADEM: Sir, when you mentioned about Bobby [Roberto] Ongpin having that much power over [Cesar] Virata...

ALBA: Not over [Cesar] Virata.

TADEM: How was his relationship with Cesar Virata?

ALBA: Very good. They [Roberto Ongpin and Cesar Virata] were both SGV [Sycip, Gorres, and Velayo] guys. They respect each other. In many ways, Bobby [Roberto Ongpin] was junior to Cesar.

PADERANGA: Can I have a follow up on that one? When you talked about the senior people, OD [Corpuz] and Blas [Ople], could you put Cesar Virata there?

ALBA: From what standpoint?

PADERANGA: From Marcos's point of view.

ALBA: I think so. They were the key senior people. Juan Ponce Enrile was one of them. Ting [Vicente] Paterno should be part of that, but as I said, I sensed that he had....

PADERANGA: He said it also...

ALBA: He was transferred from here and there... I think, he did not like being transferred from DTI (Department of Trade and Industry) to Public Works. He was put there since Marcos also wanted to rein in all the corruption over there...

TADEM: When we interviewed him...

ALBA: You have interviewed Ting [Vicente Paterno]?

TADEM: Yes. According to him, he did not like the big industrial projects. He wanted more small and medium kind of enterprises.

ALBA: I did not get that sense. I think he supported both. In fact, he was more for big projects. I appreciated it.

TADEM: And he was quite wary about the IMF [International Monetary Fund] projects and from his view that was the reason he was moved. Bobby [Roberto] Ongpin was more open to this.

ALBA: I am not sure. I have my own doubts about that...

TADEM: He told us that he would use our [interview transcripts in writing] his biography.

PADERANGA: Actually I was not in the interview with Ting [Vicente Paterno] because I would have the same impression as you. I would have to ask him to state it explicitly if in fact that was his perspective.

TADEM: It was in the transcript.

PADERANGA: Because I have the same impression.

ALBA: You might have to look at the BOI (Board of Investments) component because it was the leverage arm of DTI (Department of Trade and Industry). It was headed by **Eddie Tordesillas (full name)**. In fact, BOI was criticized for being so pro-business and for attracting investments.

KATAYAMA: Back to Bobby [Roberto] Ongpin, the current president of Petron is Eddie Recto. I was surprised to know that his middle name was Ongpin. Ongpin Recto. How is he related to Bobby Ongpin?

ALBA: They could be related. I do not know.

KATAYAMA: I will meet him next week.

PADERANGA: Good luck on that.

KATAYAMA: Because I could not approach Bobby [Roberto] Ongpin.

ALBA: Is Bobby [Roberto Ongpin] on the line for your interview?

PADERANGA: We would like to talk to him.

KATAYAMA: He is a very interesting businessman. He knows the ins and outs.

ALBA: He is an interesting person. He knows a lot. I do not think he has patience for this kind of...

PADERANGA: We would send him the questions ahead.

ALBA: You can just try to convince him that it will contribute to [scholarly work.]

PADERANGA: But I suspect that these are the things that he would really be very reactive ...

ALBA: He is probably playing it as a pragmatic person and [as someone] involved not only in national but also global things... I do admire Bobby [Roberto Ongpin] for standing up and sticking it out during the most difficult time ... He stood up for President [Ferdinand] Marcos, not so much maybe for the person, but for the Marcos programs. When you look at it, the programs that would eventually be implemented by succeeding administrations, you could trace their genesis to the Marcos program of development. We implemented the water power environmental programs, and the nuclear plant. There are planning to activate the nuclear plant and set up some more. France is the most insightful country here. They have at most 80 nuclear plants and they are 75 percent sufficient in power.

PADERANGA: Canada I think.

ALBA: And Japan but more of France. They do not have any worries about power at all. Canada has small resources and Japan is building nuclear plants ...

TADEM: Sir, just one follow up, you mentioned the close friends of Marcos like Danding [Eduardo] Cojuangco Jr.; in the interview with [Cesar] Virata, he just indicated the he had [problems] in NEDA (National Economic and Development Authority) [because of] Danding. Did this come out in the Cabinet? Did you feel some tension?

ALBA: Danding [Cojuangco] was never in the cabinet.

TADEM: But for Virata to bring it up...?

ALBA: Cesar [Virata] was not the talkative type. He just kept things to himself, maybe in private conversations. Outside of the cabinet, there were many closed talks in caucuses with the President.

PADERANGA: Did anyone in those informal caucuses, aside from the business group leaders, stood put, in your recollection?

ALBA: Politicians? Businessmen?

PADERANGA: Yes. I mean people who impinged on the policies during that time.

ALBA: If you mention someone, I can say yes or no but right now, I could not mention anybody.

PADERANGA: One impression is that, for example, Washington SyCip was essentially an outsider during that time.

ALBA: He was respected.

PADERANGA: His influence was essentially through you, I mean the kinds of things you found in SGV (Sycip, Gorres, and Velayo) and brought in the government, those kinds of things.

ALBA: I do not think he had any kind of role there.

PADERANGA: What about the business associations? What were the keys during that period?

ALBA: PCCI [Philippine Chamber of Commerce and Industry], for example.

PADERANGA: PCI [Philippine Chamber of Industries] and then PCC (Philippine Chamber of Commerce because they were merged. It was merged during that time in NEDA (National Economic and Development Authority).

ALBA: The Philippine Economic Society (PES) was very active and I was its president then.

PADERANGA: The influences essentially were activated through the officers who were involved...

ALBA: Yes. We were active in many forums, conferences, and workshops where the government was either a presenter or a participant. [The Ministry of] Human Settlements conducted a number of conferences on human settlement concerns, including education. I became deeply involved in those. NEDA was then a powerful agency. The president respected NEDA.

PADERANGA: They had more goodies to give at that time. They had more projects...

ALBA: In a sense, even the allocation of scholarships was a big thing in NEDA. NEDA was a sub-Cabinet group. [In] the original concept, it was supposed to be an economic authority, but people like Blas Ople or OD Corpuz said no, that it could not only be for economics, so they put the word [and development]...

TADEM: Sir, going back to the business communities, during the latter part of the Marcos years, a lot of them joined the anti-Marcos movement.

ALBA: Like?

TADEM: The Makati Business Club, for example... people like Jaime Ongpin, the Ayalas, they were joining the demonstrations.... Were you reaching out to them?

ALBA: No. We were the third in line in dealing with those things, but they were invited to Malacañang. The president [Ferdinand Marcos] was open to listening to them.

PADERANGA: I have two questions, one, I wanted to know the operations of the Binondo Central Bank.

ALBA: I do not know much about it.

PADERANGA: It was essentially a settling operation? They bought and sold...

ALBA: They stabilized the exchange rate.

PADERANGA: These were the informal ones. In the Central bank, essentially there was no trade, but here you have a functioning exchange trade but the dollars would be fiscally shifted out to Hong Kong.

ALBA: It was not only in Hong Kong...

PADERANGA: But this was with the full knowledge of the president [Ferdinand Marcos], you, and [Cesar] Virata?

ALBA: It was not a formal or official sanction. That was why the Central Bank was effective here, because it had to be an official monetary board action. I think, Bobby [Roberto] Ongpin was really the guy. Cesar [Virata] should know. You should talk to him.

PADERANGA: He can be quite laconic about certain things.

ALBA: I guess you should look at it on how it affected the situation. I think it helped. It was more like an emergency measure because you could not sustain the operation of such. Otherwise the international community would not tolerate it.

PADERANGA: My other question is on education, when I asked OD [Onofre D. Corpuz] about PCSPE (Presidential Commission to Survey Philippine Education), he said he did not know much about what happened there because partly he gave everything to you.

ALBA: Well, he was the visionary behind it. It is time that we looked into the education sector, but the human development aspect should be also considered. It was not an object of what you might call a national strategic planning. We said, "Let's formulate a national educational plan". The presidential commission was born.

PADERANGA: But the initiative came from him?

ALBA: Yes. We talked about it even in the DAP (Development Academy of the Philippines) side of things. So he [Onofre D. Corpuz] chaired that and we had a powerful group, [with members] like Ting [Sixto] Roxas.

TADEM: Sir, we already interviewed him twice.

ALBA: You should interview Armand Fabella.

TADEM: We did.

PADERANGA: We only had one [interview] before he passed away.

ALBA: Oh you did? I would like to know what he said.

Fr. Horacio de la Costa was one of the intellectuals during that time. Bel Samonte and Miguel Gapud were the presidents of the Private Schools Association of the Philippines (PSAP). I was the president of MCU [Manila Central University] and Miguel Gapud was the president of PSAP so that was why he became a member there. That was an intellectually driven kind of group. They were all oozing with ideas. Essentially, it was true, because after the commission laid all the strategic guidelines and policy revisions, it was left to the executive-director — myself, to implement the whole thing so I worked out every sector. Each sector had a group of advisers. That was where Jolly [Jose Conrado] began. I was the one who cultivated Jolly fresh from Stanford... Included in this group was Mona Valisno, who is still in the government. I do not know what new ideas she could give now, but she was in the presidential advisory board. She was the head of the National Testing Center for Education. So, Mona [Valisno] was among those that I got. We spent almost a year in formulating the first five- to ten-year development plans for education that led to the Educational Act of 1982...

PADERANGA: Then you formed EDPITAF (Education Development Project Implementing Task Force)?

ALBA: The Commission was a study-research group, so, who would implement its proposals? While OD [Corpuz] conceived the whole thing, we knew that the World Bank was

ready to fund social development projects and 50 million dollars was set aside for education. Eventually, 35 million [dollars] went to all the PCSPE (Presidential Commission to Survey Philippine Education) projects. Ten major projects were implemented, including the ten regional manpower training centers. It was implemented under the Department of Labor, which resulted in five agricultural colleges, three national institutes of technology, and in Iligan, the upgrading of high schools. But who would implement this? OD [Corpuz] said that there was no way that the Department [of Education] could implement this; it was too bureaucratic to do anything. So he said, "Let's create a new implementing taskforce". The President issued an executive order creating EDPITAF, the Education Development Project Implementing Task Force, an inter-agency body. It was not just education, so labor was represented in EDPITAF because there were labor projects. State universities were also represented; I just do not know if UP (University of the Philippines) was there. The PCED (Philippine Center for Economic Development) was part of the proposal but Gerry [Gerardo Sicat] negotiated an earlier package for that. The establishment of the UP in Visayas was also part of it, PD800. This was issued to implement the plan. The University of the Philippines in Visayas (UPV) got its funding from the World Bank afterwards. Dean [Dan] Rola was the Chancellor at that time.

TADEM: Sir, was that part of the World Bank projects?

ALBA: UPV? I cannot recall now. Anyway, there were ten key projects plus some smaller ones.

TADEM: Sir, what were the private higher education institutions that came from EDPITAF (Educational Development Project Implementing Task Force)?

ALBA: Not directly because in the setup, you could not give money to the private sector but only through FAPE, the Fund for Assistance to Private Education. Although FAPE had its own separate funding, we proposed the strengthening of FAPE in the EDPITAF study.

PADERANGA: FAPE was before?

ALBA: FAPE was [already] established but it was weak in many respects ...

PADERANGA: Were you there during the founding of FAPE?

ALBA: No. I came in later as a member of the board.

KATAYAMA: My question is a very political one. This is regarding the snap election. Recently, we got some interesting information about the background of that snap election. There were many stories but nobody had explained why Marcos called that election. Of course, there were speculations that the US government pressured him but there were no detailed information so far. Just recently, we got the information that CIA [Central Intelligence Agency] Bill (William) Casey talked to Marcos and persuaded him to call a snap election, have you heard about this?

ALBA: ...I know that the president privately talked about it. He was deeply bothered by it. "Okay, if that is what they are complaining about, that I am dictatorial, then, let's have an election." It is also possible that the CIA in the US did that because the ambassador here, Stephen [Solarz], was an activist ambassador.

PADERANGA: Talking to people...

ALBA: He was talking to people leading the anti-Marcos movement.

KATAYAMA: Our source said that it was Bill [William] Casey.

ALBA: The ambassador is the one who decides. If there is a CIA, the ambassador would say "Hey, go there!"

KATAYAMA: It was announced while Marcos was being interviewed by ABC [American Broadcasting Company], a US TV Network. It was interesting that he suddenly declared the snap election. Many people were surprised.

ALBA: We were not surprised. We had a sense of what he would do.

KATAYAMA: But he had enough confidence to win... That was a miscalculation.

ALBA: Our sense of it was Metro Manila... There were two components, Metro Manila and the rest of the country. It is like Thailand — Bangkok and the rest of Thailand. Most of the regional and provincial leaders were still with [Ferdinand] Marcos. From that standpoint alone, you could manage the election. He was confident about the election but maybe this was a personal thing. I could sense it because I was a [Blas] Ople and OD [Corpuz] boy. I was very close to both. I was also close to Johnny [Juan Ponce] Enrile. They had to be friends with the budget secretary...

<Everybody laughs.>

ALBA: I am not kidding. <laughs> I am kidding! Even in the Batasan, the opposition respected me.

PADERANGA: The power of the purse.

ALBA: Yes. I did not do it aggressively but in a subtle way. I guess, I am not being humble about it, the President trusted me.

TADEM: So he never intervened?

ALBA: “Manny, take care of Batasan.” The 58 opposition members headed by Ramon Mitra, Salvador Laurel, Nani [Hernando] Perez... [Hilarion] Davide Jr. were there. Could you imagine any one of them standing up and questioning the budget? I was the one facing them.

PADERANGA: Who were there?

ALBA: [Cesar] Virata, Juan Ponce Enrile... The three appointed members, myself, Bobby [Roberto] Ongpin, I think Totoy [Jose Dans]... who did not run for the elections.

TADEM: Continue driving...

<Everybody laughs.>

ALBA: I enjoyed that phase. In the last meeting, I told them that Jimmy [Jaime] Laya should be credited with many things ... and I ended up implementing all the Laya ideas and proposals. PD [Presidential Decree] 1177 is the Budget Charter.

PADERANGA: I have that book in the office.

ALBA: Is that so? When the Batasan was first convened, the first thing that the opposition would like to do was to [repeal] PD 1177. According to them, it was an instrument of [the Marcos] dictatorship. But, where would they be now without PD 1177? It is there. I ended up defending PD 1177 in the parliament. Under that system, they had one question hour per cabinet minister.

PADERANGA: ... Which should be restored.

ALBA: ... Which should be restored. People should be accountable for what they were doing.

PADERANGA: When I was at NEDA [National Economic and Development Authority], I would go to Congress every quarter. I would bring all my original documents. That was why nobody attacked me.

ALBA: I think they liked that. Politicians like that.

PADERANGA: Because I found out that congressmen were not really pushing for their projects but they wanted to know everything. [Even now] the only thing that they do not want is for them to look like fools.

ALBA: That you are fair and square with them.

PADERANGA: And also when you are asked about projects, you can answer.

ALBA: And NEDA (National Economic and Development Authority) was one of those who could answer questions.

PADERANGA: I was surprised with that. That most of the congressmen would cooperate with you. They would ask you this information so they could throw it back to their constituencies.

ALBA: They needed your support too for their PDA (Program Development Assistance).

PADERANGA: [In the] parliamentary system, I can see the point. Would you put a rule that it [the PDA] could not be for big projects? ...

ALBA: I had no firm posture on this thing because it would depend really on who was handling it. Also, the system evolved as projects in the regions. The projects were simply choices of the big politicians there.

PADERANGA: The RDC (Regional Development Council) system that you put there is a nice give-and-take relationship.

ALBA: That's it! It may be "give and just take it". They expanded the membership to...

Well, towards the last part [it was]... "scratch-my-back and I'll scratch yours. When I propose a project, don't you object to it; otherwise, I would also object to your project." If it was the leading person's project, nobody would question it, and that was what happened.

PADERANGA: I have not known such at least in the regions that I knew because I had to go to Cebu and so on. People valued the chairmanship.

ALBA: Contrary to perception, [Ferdinand] Marcos encouraged a consultative style. So, there were many meetings and conferences. The idea was to let them participate, present their projects, and formulate them. It was good timing when I was transferred to budget because the RDC [Regional Development Council] program and the formulation of projects with the RDC started then. When I transferred to budget, I started the regional investment development projects. "Look guys, don't just propose. You must submit a solid investment program and use that as a justification for the budgetary proposal through your ministry." For example, school projects should be included in the proposal of the Department of Education.

PADERANGA: The way the RDC works now, you can see them saying, “*Okay ako muna maauna ha.*” [Ok, I will be first]. I mean that give and take is very democratic...

ALBA: I kind of like that one, but there was this “Scratch your back...” [mentality]. Or being regionalistic: that one’s from Visayas, I am from Western Visayas.

PADERANGA: And also the power relations... So you were the one who put in the RDC (Regional Development Council) system. It’s in the original...

ALBA: Who was the DILG (Department of Interior and Local Government) secretary at that time?

PADERANGA: Who suggested it?

ALBA: You had to partner with the DILG there, Ronnie [Ronaldo] Puno ... but Jimmy [Jaime] Laya started the system. Gerry [Gerardo Sicat] conceived it with Jimmy [Jaime Laya]... I was the one who operationally installed it.

PADERANGA: You can see these distinct changes in the character of governance. Probably before martial law, there were maybe less multi-sectoral meetings. I had a wrong impression before, the number of meetings exploded for the administration because they had brought in the NGOs. You are actually saying no, that this part of governance came in through NEDA [National Economic and Development Authority]...

ALBA: NEDA’s national planning exercise mobilized the entire country. There were meetings, forums in every province...

PADERANGA: So you would say that this was where the break was... the more participatory...

ALBA: The impression that comes to my mind__that it was dictatorial [and] maybe, this was only for show...

PADERANGA: What about the NGOs (non-government organization) during your time?

ALBA: Not much. The world funding entities were not that interested ... but when World Bank started to look at the NGOs, they became members of RDC (Regional Development Council).

PADERANGA: This would be a nice dissertation for political scientists or public administration people, these changes in the NGOs.

ALBA: Yes, that would be good. Somebody should write about it.

PADERANGA: And how the Philippine government, the style of governance, affected it. That would be very interesting because if you look at the documents on pre-martial law, you do not see much of it. The plans came from the President's Office. The counter-balancing [force] was Congress and the President's Office (CPO).

ALBA: It was from Romy [Romulo] Neri.

PADERANGA: But Joe [Jose] Romero was the head during that time. Speaker [Salvador] Laurel I think. This was in 1960s or early 1970s. Then you have the Tariff Commission. Those are the documents that you see but you do not see businessmen being put in government positions. Then all at once, when I was in the government, I thought that it was only during that time but it turned out that it was the NEDA [National Economic and Development Authority] setup that changed the rules of the game.

ALBA: Yes. The proof on that was when we formulated the five-year, the ten-year development plans. I was not sure about the NGOs [non-government organizations]. Maybe they were participating but not really as a formal identifiable group. Now, they are participating because the local government provided for membership of NGOs in the local development planning council.

PADERANGA: President Cory [Corazon Aquino] had an executive council early in her term recognizing the [participation of NGOs].

ALBA: We did not have that. Its funding aspect was one critical incentive. Suddenly, multilateral agencies were willing to fund private sector projects through the NGOs, and NGOs mushroomed all over. In Quezon City, there are thousands of NGOs [non-government organizations] and politics comes in. Who should be members of the local government development council? If there's an election who should be a member? ... So the NGOs were politicized. Many of these NGOs are only shell organizations. They do nothing and they are just names. Maybe, the local government should be directed to clean them into legitimate bodies.

PADERANGA: But the Chambers were already recognized? This is really going to the specific details and dimensions

ALBA: Yes. You might call them as parallel groups who did not want to be active in the formal chambers and clearly were the opposition.

PADERANGA: How could the labor unions get into the planning details, were they there?

ALBA: They have their own association, haven't they?

PADERANGA: I see more on the planning...

ALBA: I can't really clearly pinpoint but the invitation was open to all sectors. Blas Ople was one of those activists-cabinet secretaries who wanted the social sectors to be [involved]...

PADERANGA: And the ILOP (Integrated Labor Organization of the Philippines) became more active.

ALBA: UNESCO (United Nations Educational, Scientific and Cultural Organization) was also active during that time.

TADEM: When we interviewed Washington SyCip, he mentioned about the Philippine business-social problems...

ALBA: Yes, he was active during that time.

TADEM: A lot of NGOs (non-government organizations) were church-based. They were basically coming out. One important thing also was that some NGOs were identified with the Left... Maybe that was why the government was quite hesitant at that time; I do not whether they were front [organizations]...

ALBA: I would say that was true. They were Church-based because they needed some visible spiritual support in dealing with a dictator. The only one bold enough to go against it [the dictatorship] was the Church.

PADERANGA: In our interview with Cesar Virata, this also came out. Were you worried about the funding of the projects?

ALBA: Fortunately, that is now well prescribed by the multilateral agencies themselves. They would not touch the local government units before. Now, they are funding projects of the local government directly without the national government. Quezon City has several projects funded by the ADB (Asian Development Bank) and the World Bank.

PADERANGA: They were carrying no guarantees?

ALBA: Not in the sense of financial guarantees. For example, the World Bank funded the Waste Recovery Program that earned Quezon City a Galingpook award for transforming the old Payatas garbage dumpsite into a methane-generating area and mobilizing the communities to help themselves.

PADERANGA: Was this ADB?

ALBA: Partly ADB and partly World Bank.

PADERANGA: I am more interested in the programming aspect...

ALBA: ... I think under the Local Government Code now, we have a Local Development Planning Council. This is where the local government units have been given much more leverage to determine their own local development [programs]. The problem here is that, that

would be okay for wealthy LGUs (local government units) like Quezon City. But what about the 90 percent of LGUs who still depend on the IRA [Internal Revenue Allotment] for 60 to 80 percent of their funding? You are at the mercy of whoever runs the IRA. Many of the LGUs are still impoverished to be able to do anything. I think, one problem is how to direct resources in that regard. So, DTI (Department of Trade and Industry) came up with the one-province, one-product campaign. What about the other products? The SME (small medium enterprise) concept is also being promoted. If we cannot do it through the formal governmental machinery, then let's do it through the entrepreneurial track. Support the small enterprise development. I think multilaterals are now funding SMEs like nothing. Quezon City, for example, put up a six-million small enterprise loan program and it is sold out. Initially, there were no takers but now the payment record is doing well. The tricycle drivers, the TODA [Tricycle Operators and Drivers Association] are borrowing money from it. Every year, Quezon City has awards for its own outstanding citizens. For two years, we have awarded outstanding small entrepreneurs.

PADERANGA: That should be the thesis or dissertation of the Third World Studies Center (TWSC). So at least you can do productive work.

TADEM: Herbert (Bistek) Bautista is our student.

ALBA: He is doing a PhD, isn't he? The daughter of Mayor [Sonny] Belmonte is also studying here.

PADERANGA: Probably in NCPAG (National College of Public Administration and Governance).

ALBA: In the [University of the Philippines] Open University.

TADEM: Herbert Bautista enrolled in the Department of Political Science; he is determined to finish.

ALBA: He wants to be a mayor of Quezon City.

TADEM: In our interview, we asked him, “Why did you apply?” He said he wants to be a political scientist and now ambassador because of all those World Bank projects.

ALBA: He has 15 years to be mayor but that’s just experience... An academic background is useful but it does not really guarantee that you will be a good lawyer or administrator. I think, it is more on how you relate to other people and play the game.

PADERANGA: You should let him give a seminar on his experiences.

ALBA: He can talk about all these things like a true politician.

TADEM: But not in class, “Yes Ma’am!”

ALBA: Is he your student?

TADEM: I think he went on a trip with Sonny [Feliciano] Belmonte Jr. to Latin America.

ALBA: To the credit of Mayor [Feliciano “Sonny”] Belmonte Jr., he has brought some people abroad, including the police, for example, to see how things are done in European countries. We have the one of the best police districts. In fact, we have been awarded. Quezon City has a lot of money. We will have some strategic planning sessions. People suggested that we should go to Macau.

PADERANGA: Now you have the time to go to Macau... because they have empty hotels right now. I am not sure of Las Vegas.

ALBA: It’s all over. Scrimping is the new culture in the US right now.

PADERANGA: They have to because of the balance of payments deficits.

ALBA: I have an American friend who has 23 credit cards. He rolled it out...

TADEM: Eleven [credit cards] is the average for one American.

ALBA: I understand they will be down to just two. I don't know about the Japanese.

KATAYAMA: Five or six.

PADERANGA: One reason for that is that some of them get house points when they use the house card. I bought my wedding ring...that is why it is memorable, it was bought on installment. <laughs> That's really interesting, the evolution of this...

ALBA: It is a good thing to write about. I started to do something about it.

PADERANGA: Who were the people to interview aside from you __ somebody maybe from the DILG [Department of Interior and Local Government] side, maybe somebody from the NEDA [National Economic and Development Authority] side?

ALBA: Philippine Rural Reconstruction Movement (PRRM)

PADERANGA: Program, planning and budgeting...

ALBA: That started during our time.

PADERANGA: The idea was that you have this multi year that would incorporate the two. This would essentially be the budget of NEDA (National Economic and Development Authority).

ALBA: I started a three-year budget program and I presented it to the parliament.

PADERANGA: This was the type of technological changes that needs to be documented.

ALBA: You have to see projects surpass one year of implementation. That is the concept of the Public Works Act. You present a budget this year and for a multi-year project, why don't you plan for a budget allocation during the life of the project?

... I think the Public Works Act is an example —that the foreign loan payment is not subject to GAA (General Appropriations Act) presentation. Who would lend you?

PADERANGA: But the PPBS (Program Planning Budgeting System) went beyond that because it really incorporated the multi-year spending into the current budget.

ALBA: It is a good concept.

PADERANGA: When did you start the three-year budgeting?

ALBA: During my time, during the parliamentary [system]...

PADERANGA: So this would be around 1981?

ALBA: Yes.

KATAYAMA: If I am not mistaken, I think Jimmy [Jaime] Laya introduced that system.

PADERANGA: He introduced [it]...

ALBA: During martial law, he [Jaime Laya] was the Budget Commissioner. That declaration opened up all sorts of things that needed to be done. The visionaries among us took advantage of whatever we could do because we could do it. "Don't hold anything back, just think of it, formulate it, and we'll do it." That was the incentive. Many things were formulated. The more favorable aspect of martial law was that it executed a certain kind of discipline, particularly in the budget process. Of course, I would say in Budget. I do not know about the off Budget. We instituted a lot of things. So, Jimmy [Jaime Laya] personally wrote PD [Presidential Decree] 1177.

PADERANGA: In the book that was published.

ALBA: I ended up implementing it.

PADERANGA: Let me ask you this question explicitly. We asked this to [Cesar] Virata and OD [Onofre D.] [Corpuz]... we asked them whether the motivation behind martial law at least on the formal level was that it was used for development processes and the impression

that we got from them was that the reforms that they were doing would still be attainable without the declaration of martial law. Now you are saying something that... the declaration was useful because it allowed you to find all of the keys in the budget process...

ALBA: Well, it opened the gate for implementing ideas to be expedited by the stronger central leverage. The budget happened to be the key instrument for doing that. I would say that indeed martial law had expedited a lot of implementing strategies for many projects to be done. It expedited the budget itself. Remember, during that time the multilateral agencies started to flood the Philippines with all sorts of funds and they themselves prescribed strategic measures and procedures on how these things should be done. We exempted, for example, multilateral assistance from the GAA (General Appropriations Act) prescriptions... because it was multi-year. World Bank would like a guarantee that the GAA should cover the debt amortization over the project. There was a debate but it was approved. Under the martial law parliamentary system, there was no party system but there was a Batasang Bayan. I do not know whether you have heard about it. There was a Batasang Bayan before the Batasang Pambansa; they sounded the same thing but the Batasang Bayan was simply the Marcos political machinery... all the local government units or its members held regular caucuses. I think this was an aspect that was unknown to many. The meetings were held in the Heroes Hall [in Malacañang] and all key proposals were made there. Politicians submitted these proposals, which eventually became quite useful to me or to others who would formulate the budget. Marcos used this [Batasang Bayan] to consult with local people about project proposals and the possibility of funding. The president would say if he were in approval of these things. The guy would simply sit and write down a decree. The GAA [General Appropriations Act] was one of those. I would present the GAA to this group, which had a membership ten times bigger than the Batasang Pambansa. They would approve it; now under the parliamentary system... you would present what you would call the party program. These measures were the party proposal right? When it got there [Batasang Pambansa], there was no more voting, everything was approved because it [already went through] the Batasang Bayan. President Marcos tolerated the debates [involving] the 58 most outstanding opposition [members] who were there. The debates were lively and useful. It took quite awhile for the GAA to pass. In the end, "Stop the debate! Let's vote!" There would be no more debates from the members of the party, only from the 58 opposition members. The advantage was you could stop it anytime, if the debate would become irrelevant and useless. I

thought that was the beauty of the system. There were no more debates from the party members because they had all the chance to debate it in the Batasang Bayan.

PADERANGA: So that co-existed with the Batasang Pambansa?

ALBA: Yes. That gave me many insights because I was a junior cabinet secretary then and the politicians spoke out.

PADERANGA: This is the dynamics that is not very much well-known. Where did you pick that up?

KATAYAMA: I know about the Batasang Bayan before the Batasang Pambansa.

ALBA: It was just all the caucuses. [President Ferdinand] Marcos used it as a publicity agenda...

PADERANGA: It was consensus building.

ALBA: That's right. All of these had been debated by a bigger body, maybe a more representative body than the Batasang Pambansa.

KATAYAMA: ... 1978 was the Interim Batasang Pambansa.

ALBA: As I can recall, it was like six years during the parliamentary system when this system was tried.

KATAYAMA: That's a revelation I never heard before.

ALBA: Cesar [Virata] did not elaborate on this? [Even] OD [Corpuz] or Blas [Ople]?

PADERANGA: OD [Corpuz] was very laconic about it.

ALBA: He was already sick, right? Just let OD [Corpuz] write and he would write.

PADERANGA: There are some things...

ALBA: So, I have been very talkative.

PADERANGA: You know the PCSPE (Presidential Commission to Survey Philippine Education)? He [OD Corpuz] said that he did not know much about it.

ALBA: I suppose, that is what I like about OD [Corpuz]. My style too is that if I can trust my deputies, I am not going to intrude...

PADERANGA: Even to the point of disclaiming any knowledge of it. I told him, "I have a copy of PCSPE."

ALBA: We had regular weekly meetings in the commission.

PADERANGA: Maybe he did not want to talk about it.

ALBA: They talked about everything other than the reports. Can you imagine those intellectuals in the commission__ OD [Corpuz]... Father [Horacio] dela Costa... Ting [Sixto] Roxas and the kind of stuff that they talked about? ...It was fantastic. I am trying to get the proceedings of those meetings. I have not been a good archivist. I have a warehouse of documents in my house but I have not gone through them and the termites have attacked them.

PADERANGA: We are the advanced part of the library. We are authorized to tell you that they would volunteer to catalogue it for you.

ALBA: You need an archivist. I just put them there.

PADERANGA: The proceedings of PCSPE (Presidential Commission to Survey Philippine Education) are there?

ALBA: I hope it is there.

PADERANGA: We have the works of Ting [Sixto] Roxas and Armand Fabella. If you would allow them, [the UP Main Library] will digitize these materials so they would have their own record.

ALBA: Armand [Fabella] was not really active in the PCSPE. Ting [Sixto] Roxas was.

PADERANGA: They have all these papers, the Roxas and Fabella papers and documents.

ALBA: I usually put them together and set them aside.

PADERANGA: They will give them back to you as long as you allow them to digitize it...

ALBA: I thought about that. I'm an academician. I had all these bright ideas. Once I get out of this awful government, I am just going to spend my time writing and writing. So, I am doing that partly. I did some writing when I was in the East-West Center. I spent three years there, so I wrote some and put them together.

PADERANGA: When your assistants were at Stanford, you were at East-West at that time? **Dave Tuazon (full name)** was my roommate.

ALBA: Your roommate? Dave was one of those in PCSPE (Presidential Commission to Survey Philippine Education.)

PADERANGA: And then later on, **Amy Martin**.

ALBA: They were my people in PCSPE.

PADERANGA: Kari Miranda

ALBA: Kari is still around. Jolly Gonzales is still there.

PADERANGA: Lito was the agricultural guy.

ALBA: Yes. I know who you are referring to.

PADERANGA: Because I was there for several years...

ALBA: I was in the East-West Center from 1972 to 1975. They thought I escaped from martial law.

PADERANGA: You had that in the last interview.

ALBA: I agree with you. Let me go through my files. I think, I got rid of many of them.

TADEM: Sir, Ting [Sixto] Roxas before was so reluctant, "I will look at each one of them." And then he said later, "*Kunin niyo na lang.*" [Just get them.]

ALBA: Ting [Sixto Roxas] had done a lot.

PADERANGA: We are finding documents about the policy debates in the late 1950s, the exchange rate, even letters. These would be looked at by scholars.

ALBA: Ting [Sixto Roxas] should be one of them.

TADEM: Sir about OD [Corpuz], "I do not have any materials."

<Everybody laughs.>

PADERANGA: He said that he did not bring any materials with him just like what [Cesar] Virata said. He left his documents in his offices.

ALBA: Sometimes, I photocopied everything and brought them home. As I said, I am not an archivist so I do not have the will to organize. My house in Fairview was attacked by termites.

PADERANGA: All the more, Sally [Salvacion Arlante] would talk to you.

ALBA: Maybe, Jimmy [Jaime Laya] is more of an archivist, Gerry [Gerardo Sicat] too.

PADERANGA: He is keeping it because he is still writing about [Cesar] Virata.

ALBA: He is finishing a book on [Cesar] Virata. Did I mention that Imee [Maria Imelda Josefa Romuladez] Marcos has a Pamana project? That group is also collecting things. The objective of Pamana is to document the Marcos' achievements. OD [Onofre D. Corpuz] committed to write a framework there and so did Cesar [Virata] and Armand [Fabella]. Gerry [Gerardo Sicat] refused. I promised to write on budget and education.

TADEM: But [Cesar] Virata agreed?

ALBA: Yes. I do not know how much time he has.

PADERANGA: Just like you.

ALBA: I have more time now but I am spending it planning on what to do in my old age, so, I'm catching up with tennis.

PADERANGA: Maybe when Mayor [Feliciano Sonny] Belmonte Jr. would have to leave office.

ALBA: He is a collector of all sorts of things. I think he has documentaries. Name it, he collects it. He told me, "I got here a letter of President [Fidel] Ramos to you, begging for his budget. Would you like to buy it?" I don't even have that anymore.

PADERANGA: I was wondering how he got it.

ALBA: The guy ransacks auctions. He is a dedicated collector. I do not know how he developed that. We are now writing the history of Quezon City. It should be a good idea

PADERANGA: So this is now a race between UP Library and the *anay* [termites].

ALBA: I will try. I am only 69 years old. I have a lot left but I am really concerned about the fact that the documents are getting destroyed.

PADERANGA: That will be in Budget and Education.

ALBA: Yes.

PADERANGA: And maybe you will have a little of NEDA [National Economic and Development Authority]?

ALBA: A lot of NEDA because at one time, I was a secretary ... concurrent.

PADERANGA: Yes. You and Jimmy [Jaime Laya].

ALBA: Jimmy [Jaime Laya] was never concurrent. But I was concurrent Secretary in both offices.

TADEM: Deputy-director of NEDA and then Minister of Budget.

ALBA: The reason behind this is very funny.

PADERANGA: What was the reason?

ALBA: I think I had recounted it earlier. Jimmy [Jaime Laya] was going to the World Bank to accept the directorship of the Latin group and amazingly, the Philippines was grouped with the Latin bloc. I do not know why. It was being rotated and Jimmy accepted the directorship. That time, Jimmy [Laya] was already active in some cultural thing. Imelda [Marcos] heard about it and asked him "Why are you leaving? When you stay around, you still have a lot of things to do." He was the head of the Intramuros Administration. Jimmy was interested in that. I was asked to take over in his place. So, I became an undersecretary while he was preparing to leave. I asked Gerry [Gerardo Sicat] to release me from Budget. "Gerry, Jimmy and I were like brothers." Okay, it was in the family. But Imelda succeeded in convincing Jimmy [Jaime Laya] to stay with the promise of the Central Bank governorship afterwards. So he stayed. In the meantime, I was stuck in Budget as the Deputy. The most boring job I could ever have was being the undersecretary of Budget... I found it boring compared to what you do in NEDA (National Economic and Development Authority). NEDA was more

creative, strategic, more free-wheeling.... When Jimmy stayed on, I wrote to him, "Jimmy, bring me back to NEDA." But Jimmy did not want to release me because he did not trust anybody. "Gerry, you better take me back." So we finally ended up asking Cesar [Virata] to talk to the president. Jimmy said, "Oh Gerry and I talked, you could be the undersecretary in both." They talked to Cesar and to the President. "OK, I'll approve this as long as you use only one car." And only one allowance. He's such a tightwad! ... "Sir, there is a discretionary fund." "You talk to Gerry but it should be only one." A real Ilocano! So, for two years I was concurrent.

PADERANGA: Until you became the Minister?

ALBA: Until he became the governor of Central Bank. That time, Gerry [Gerardo Sicat] was also starting to...so I was also debating if I should stay in NEDA or...

<The team shows the indexed materials of Sixto Roxas.>

PADERANGA: This is the first one to be indexed.

ALBA: Wow! I have a 25-page bibliography that I prepared ...

PADERANGA: The thing with this is if you allow it the digitized files can be made accessible to researchers.

TADEM: Sir, Ting [Sixto] Roxas told the library people that he wanted to write.

ALBA: I do not have problem with that. I think I have a good job in City Hall. It allows me a lot of time to do some things. I got a nice cubicle there plus good coffee, and I continue to help others. "Do you want your senior citizen's card? Your building permits?" The good will is still there. I do not have a staff. I also found some new ideas that I think should be implemented for Quezon City and for the Philippines. The mayor of Quezon City, for example, assigned me to a museum project. I enjoyed that. I was also assigned to the Quezon City Polytechnic University. I put that up and beside that university is the National Center for Information Technology training funded by the Koreans. It is a 400-million project in Quirino Avenue.

PADERANGA: competing with...

ALBA: Quezon City was judged the most competitive city in Philippines. Cebu questioned Quezon City for being the IT [Information Technology] capital. It is a very strict criterion, the number of seats but you do not leverage IT just because of the number of seats but how you influence the educational component of IT...

PADERANGA: But you know Quezon City Science is a very good high school.

ALBA: You're not referring to Manila Science High School?

PADERANGA: No, the Quezon City Science. I usually ask students in my class, "Who is from Quisci [Quezon City Science High School], who is from Masci [Manila Science High School]? *Sinong mas magaling?* [Who is better?]" Because Masci is a very underrated high school. They have been sending students to UP [University of the Philippines] for a long time and now Quisci is starting to [catch up]...

ALBA: I think the concept of a science high school should be expanded. In Iloilo, there's a good one too.

PADERANGA: And I think now, Jojo [Jejomar Binay] has the pretention, he wants to challenge the two. He has been putting money to Makati Science [High School].

ALBA: In fairness to Jojo [Binay], he has done a lot for Makati's education.

PADERANGA: You have very good graduates; Quisci is a very good science high school.

ALBA: Philippine Science High School is also good. Their first batch of graduates did not end up in science, which was a tragic thing. They ended up in politics or economics.

TADEM: Zosimo Lee in Philosophy, our dean.

ALBA: Jolly [Jose Conrado] Benitez.

PADERANGA: [Cielito] Habito...

ALBA: A lot of graduates. It is a good high school.

PADERANGA: But Quisci [Quezon City Science High School] is also good. They are also democratizing [access]...

ALBA: I think, they spend a lot for education. I just saw an item that leveled up to 30 billion the allocation for education. We proposed to put up more than 15 science high schools in the PCSPE. In the case of Quezon City, the university is called the Polytechnic University, not your ordinary state university because the object is to make it an honest-to-goodness polytechnic modeled after the European polytechnic, like the German and Italian types. It can offer academic baccalaureate degrees. Now the Polytechnic University has about 4,000 students. It has a good campus.

PADERANGA: I ask my students where they come from to find out who are the ones competing for the top spots.

ALBA: I am doing the same.

PADERANGA: You know that Saint Pedro Poveda College is really good... but not to be left behind are Phisci, Quisci and Masci.

TADEM: Not to be left behind is Miriam (High School).

ALBA: Is the UP (University of the Philippines) system democratized already?

PADERANGA: ...Four or five years ago, they changed the criteria, they reduced I think, the criteria of the geographic dispersion which is why you see now a lot more of graduates from Ateneo [de Manila University], De La Salle University. Before because of geographic dispersion...

ALBA: You cannot accept people from La Salle and Ateneo here in ?

TADEM: There was an additional point for those coming from the province.

PADERANGA: So now they changed that a little bit so the other high schools where the grades are more difficult, they have multiple, but essentially the geographic quota and now... to know the good high schools [you can] look at the... high schools who get into UP. I think at least I have five Quisci students. They are complaining when I say, "Which is better, Quisci or Phisci?" Now you can see the good graduates.

TADEM: But now you can see that so much of the provincial schools now could not enter UP because of the...

PADERANGA: ... UP has to produce the leaders of the country which means that it should give special treatment for excellence and now for me, for example, I see that the science high schools give a very good competition to the elite high schools. I see [that] the Chinese high schools are giving venue for good students

ALBA: They have been very good.

PADERANGA: I never heard of St. Stephen's High School until the top student last year was from this school.

ALBA: What was the school beside Malacañang?

PADERANGA: St. Jude Catholic School. It is also a very good school... Then the Masci and Phisci and Quisci. The Masci and Phisci are giving a good fight for their money and it is really nice to know this.

ALBA: Quisci is not Quezon City High School anymore. All science high schools have been lifted out from the local governments. In other words, you have maybe two or more now because there are several science high schools in Iloilo, as I have mentioned.

PADERANGA: I think this is a good thing because the mayors are competing for bragging rights.

ALBA: The local government just helps out. I suppose the rich cities should do that.

PADERANGA: The other thing that we can do is to look for the good ones who qualify for Quisci and give the money so that there are books, clothing etc.

ALBA: [The students of Philippine Science High School], they are housed. Yes, the Philippine Science High School Residential.

PADERANGA: They study in a good environment so they are very good.

ALBA: That means, you know the son of a poor family will not have a hard time because of the residential [factor]. They have nice dormitories...

TADEM: Can we go back to the questions. <laughs> Sir, these are all follow-up questions. You mentioned that Mrs. [Imelda] Marcos never intervened with the budget but what about in NEDA [National Economic and Development Authority], did she ever talk to you about the budget, I mean, in the Human Settlement?

ALBA: Human Settlements? She did not do that kind of thing, the follow-up would be, "Manny, give us some money..." So the Jolly [Jose Conrado] Benitez type would be the one to talk to me. She left it pretty much to her trusted people but once in awhile, President [Ferdinand] Marcos would say something and he would call me "Manny" when it was only the two of us, "Manny, if the First Lady has some requests, do let me know." He never should worry about it because I would always consult him... I would check with him. I guess, I developed that much rapport, or trust, that I was one of those who could barge into the study room ... Nothing official, but you see, she was the First Lady.

PADERANGA: According to [Cesar] Virata, she [Imelda Marcos used to call him "Dr. No."

ALBA: Gerry [Gerardo Sicat] got the ire of the First Lady [Imelda Marcos] because he would attend some meetings...where she would be the principal speaker... Gerry would take out one of these books and start reading ... and that really got the ire of the First Lady. I told him about that.

TADEM: Would [Cesar] Virata be there?

ALBA: In a sense, she could not really invite [Cesar] Virata [formally] but she was good in informal things. We would have an Easter year-end workshop cum prayer, that kind of thing__ a retreat in the *Ang Pangulo*. It would be full of discussions. She would be around, making sure that there was food for everyone. She was like a mother...

TADEM: Sir, in an interview with [Cesar] Virata about the US, he shared his impression, that he felt that the US kind of betrayed Marcos in the latter years...

ALBA: I am not sure about that but knowing the action of Stephen Bosworth, I did not like that guy really because he was so overbearing. He would pay us a visit but he would talk like ... and [Jeane] Kirkpatrick, this ambassador ... he said that if you have to support dictatorship, we should support dictators like [Ferdinand] Marcos. For a while, that was the basis of the US approach to the Philippines. I am not sure of what happened after that...

PADERANGA: This was already during the Reagan period?

ALBA: Yes, and the new conservative activists started to do this kind of thing but I am not sure. I think to the disadvantage of Marcos, the economic problem also started to get worse at that time. It exploded and...

TADEM: The Dewey-Dee [scandal], in 1981.

ALBA: I guess, the assassination of Ninoy [Benigno Aquino Jr.] just did it. It was the turning point.

PADERANGA: It also pointed to the rise of interest rates? When [Paul] Volcker became the Treasurer? When the interest went up, poor countries started to have a hard time. With the Dewey-Dee [problem], I think it was the increase in the interest rates was the one that caused it.

ALBA: I am not sure if Dewey-Dee was a big factor. I guess the US saw that they could not do anything more in order to perpetuate the Marcos administration.

TADEM: Sir in the Cabinet meetings, would you talk about the Ninoy Aquino assassination?

ALBA: Not really, [but we talked about it in] what you might call the “off cabinet” kind of sessions.

KATAYAMA: ... Mr. [Ferdinand] Marcos was not functioning very well... just because he was from operation? What was the atmosphere at that time?

ALBA: I can say that he was very sick. I have first hand account of that...

I would say that it was huge factor in the last few years. I think, he had the surgery after that but he was still active in leading the country. You could not detect that it mentally or emotionally distracted him. I think that was courageous on his part. Just to show that he was an active president, during those calamities, and storms, he would call me, Sylvia Montes or even Jess [Jesus] Hipolito and the Public Works people. He would summon us to Malacañang and we would go to the other side of the river ...

Later, they discovered that there was a fully equipped operating room in Malacañang. We did not know about that. The surgery took place there. But I knew that he was very sick. I think it should be after Ninoy Aquino’s death. I suppose it really affected him, the mental pressure.

KATAYAMA: Can you give us your impression, if he himself gave the final decision for Ninoy’s assassination, or Imelda [Marcos] or [Fabian] Ver.

ALBA: I do not know. To be honest, I suppose I am hanging on to my idol relationship with the person. I really admire his very sharp intellect. My heart is a democrat. My view is that he did not know about it. Personally, I do not think he would count it as an assassination. Many of us in the cabinet would think that way.

TADEM: When that happened to Ninoy [Benigno Aquino Jr.], what came into mind?

ALBA: I would say that it was the most stupid thing that could be done by anyone. The first person I thought of was General [Fabian] Ver.

TADEM: Sir during that time, you were also thinking of the succession...

ALBA: That he would give up the office...

TADEM: If anything would happen to him...

ALBA: I could not recall if we talked about it. [Arturo] Tolentino was the vice-president and he was older than [Ferdinand] Marcos.

TADEM: I interviewed him [Arturo Tolentino] in 1985. He looked like 60 but he was 80 during that time.

ALBA: Well, [there were] speculations. The rumor then was Juan Ponce Enrile. I mean, he had a big role in this thing and I think, Imelda [Marcos] was [being] considered to take over.

KATAYAMA: Danding [Eduardo Cojuangco Jr.]?

ALBA: To take over you mean? If there was a peaceful orderly succession and then Danding would probably have an opportunity to... but after the assassination? It should be a crisis government. An Enrile [Juan Ponce] or a [Fabian] Ver or Imelda [Marcos] might be ... but it must be Imelda and Ver.

KATAYAMA: Why did Marcos trust Danding that much?

ALBA: I do not know, maybe, because he was a friend. Danding helped him a lot...and Danding could be trusted. I do not think he undermined Marcos at anytime at all.

TADEM: Was his relationship with Marcos comparable to Benedicto?

ALBA: It looks different. Remember, [Roberto] Benedicto was his classmate... Benedicto was eventually assigned to Tokyo as ambassador, and Japan was emerging as a big economic partner for the Philippines. The sugar trade then was one of the biggest. Those charging the president of corruption, he could not have done that by raiding the treasury. There were so many other ways of getting money other than budget. It was either energy or sugar.

PADERANGA: But not jueteng?

ALBA: No. I do not think it was a big thing at all. At that time, the oil situation was very volatile. He had to trust [Geronimo] Velasco. He had to quote this price and then the differential was the source of it. It was the same with sugar...

PADERANGA: Then the coconut.

ALBA: Yes, the coconut with Danding [Eduardo Cojuangco Jr.]. It was like that...

TADEM: Compartmentalized.

PADERANGA: And then [Jose] Campos Yao essentially in [legitimate] drugs.

ALBA: Yes.

TADEM: Sir when you mentioned about your relationship with Juan Ponce Enrile, did you talk about the rank...

ALBA: We were innocent when it came to rank. I know Johnny [Juan] Ponce Enrile but I do not have an idea that he was really trusted by the President [Ferdinand Marcos]. We could not imagine that he would be the mastermind of the exit, the coup.

PADERANGA: After martial law, they discovered the Gringo [Gregorio] Honasan was sitting as director in 36 companies...It came out in the newspapers right after...

ALBA: I did not even know that. I think it was because of Juan Ponce Enrile who was an advantage; he was so loved by [Ferdinand] Marcos.

TADEM: So sir, what happened? Was it because of Imelda [Marcos] and [Fabian] Ver?

ALBA: Well, [Enrile was angry]... It was not enough reason but Johnny was a member of this military advisory group and he was funded, without questions or anything.

TADEM: Sir when did you come to know about it? Was it during the People Power [Revolution] when you saw there was division between [Juan Ponce] Enrile and...

ALBA: That was well-known inside.

TADEM: Did you talk about what happened?

ALBA: In whispers. We talked among ourselves. But what could we do? We were only bystanders.

PADERANGA: Did you sense the tension between Juan Ponce Enrile and [Fabian] Ver?

ALBA: Of course.

PADERANGA: What about the tension between [Fabian] Ver and [Fidel] Ramos?

ALBA: Yes, but I do not think that [Fidel] Ramos and Juan Ponce Enrile were [together] at first... but I suppose against a common enemy you have to get together. Ramos was not an initiator. He was a follower. He never started anything or risked making decisions. He followed and kind of got involved when things...

KATAYAMA: Six hours after he was informed and contacted by [Juan Ponce] Enrile... he did not show up at Camp Crame or Camp Aguinaldo so Juan Ponce Enrile and Gringo [Gregorio] Honasan wondered why, what happened to [Fidel] Ramos but eventually he joined them so Ramos needed that time. It was something.

ALBA: He is the ultimate pragmatist.

PADERANGA: You have to buy that Belmonte document. The press conference was around 6:00 in the evening here.

KATAYAMA: Much earlier. I think Juan Ponce Enrile already called the mass media but [Fidel] Ramos was delayed. It took him that long just to join Enrile and Gringo Honasan.

ALBA: I guess. What were we doing? We were also affected. Amidst the tensions, we were thinking about our survival. There was this subgroup, the finance group which was meeting at that time, headed by Cesar [Virata]. We had our own subgroup meetings during lunchtime in the Central Bank. It was a big group because Bobby [Roberto] Ongpin was part of that. That was another supra group that in many ways laid out some of their ideas ... That was an active group swayed neither by the President [Ferdinand Marcos] or Imelda [Marcos]. I think, the President knew about the [informal] meetings because they usually took place after the Monetary Board meetings. I was a member of the Board and an active one. That was a big group with around 30 people. Now, it is still surviving, and we meet every so often now. [Members of] thee group have been disappearing, Ronnie [Geronimo] Velasco, Aber Canlas.

PADERANGA: Those were the people, Aber Canlas?

ALBA: Aber Canlas, he was only invited.

PADERANGA: Vic Macalincag.

ALBA: Everybody... Gerry [Gerardo] Sicat, Jimmy [Jaime] Laya, Mon [Ramon] Farolan. Ronnie [Geronimo] Velasco, Tony Toledo, BIR [Bureau of Internal Revenue] Commissioner. Beniting [Benito] Legarda still attends. I also attend.

PADERANGA: Up to now?

ALBA: Up to now.

PADERANGA: Romi [Romulo Neri] should have been a junior executive at that time...

ALBA: He was an assistant secretary or undersecretary of Finance.

PADERANGA: Vic [Macalincag] and Earnest [Leung], I think were undersecretaries.

ALBA: Ernest, eventually became the head of PDIC (Philippine Deposit Insurance Corporation) and then the two of secretaries of Cesar Virata, there are 16 of us right now...

We talk about ourselves — the elderly citizens taking care of themselves. Everyone is talking about his or her health problems. Cesar Virata still plays tennis despite his walking cane. So, the game that we play now is looking at the obituaries, no, I am just kidding. Armand [Fabella] is the latest, and so sudden.

TADEM: I think the family kept it as a secret.

ALBA: I really do not know because he still attended two weeks before [his death] our finance committee meeting. We were surprised.

TADEM: When we went to the wake, Vincent [Fabella] told us that the doctor gave him a year and eight months to live but in eight months, he died.

ALBA: He died of pneumonia.

TADEM: I think the family prepared for that span of time

ALBA: I was surprised. Did you interview him?

PADERANGA: Two months before and we were planning to have other interviews.

TADEM: He is different.

ALBA: He makes you laugh.

PADERANGA: All the time, he has something to say to everyone.

ALBA: He was one of my favorite characters. We were together in a Presidential Commission on Reorganization headed by Cesar Virata. He was the titular chair but we were members.

PADERANGA: But I am guessing that you might have first met in FAPE [Fund for Assistance to Private Education].

ALBA: Who?

PADERANGA: Armand [Fabella].

ALBA: No..., but I remember that he succeeded Ting [Sixto] Roxas at PIA (Program Implementation Agency). I could have met him at that time too. OD [Corpuz] and Blas [Ople] started to invite me in some of these things. Armand [Fabella] was one of the active contributors to PCSPE (Presidential Commission to Survey Philippine Education) because of his role in private education. He had a lot of ideas, too.

PADERANGA: Your views in government, your approach to economic policies, where was it formed?

ALBA: Where was it formed?

PADERANGA: Just to give you example. We asked Prime Minister [Cesar] Virata, "Why did you want to have government position?" Was it because you were talking to someone from Central Bank? ... He thought it was earlier because he had been a consultant for SGV [Sycip, Gorres and Velayo] and in certain companies and he was travelling through the regions and he saw the inefficiencies of government policies, so he had this kind of...

ALBA: I am not even sure of what my philosophy is... I am a pragmatist in that sense.

TADEM: When you came in the government, what were the things you came in with?

ALBA: My views were shaped when I was in the Presidential Commission on Education because of the idea that strategic planning is essential. I am a believer of a greater role of the

government. While I am supportive of free market philosophy, I carried that notion of education as a key, a strategic sector in the overall development. In a sense, I was influenced by OD [Corpuz] and Blas [Ople]. I may be a finance accounting graduate, but I was never shaped by that background but more by my notion of social development. —that the government should play an important role. You talk to OD about it; you have to have an ethical government, if government is to play a major role. During our time, we saw all of these corrupt practices to the point that it had really diminished the option of getting things done. Investors were wary about putting money in the Philippines. During that period, the multinational agencies had opened up and helped a lot. It really broadened my perspectives.

PADERANGA: DAP (Development Academy of the Philippines) was created before...

ALBA: Yes.

PADERANGA: You were “pirated” from DAP...

ALBA: No. I was pirated from the PCSPE (Presidential Commission to Survey Philippine Education), from EDPITAF (Educational Development Project Implementing Task Force).

PADERANGA: Were you concurrent DAP and PCSPE?

ALBA: Actually, there were two parallel works on DAP [Development Academy of the Philippines]... Carlos Ramos, the head of the PEA (Philippine Economic Association), called Jimmy [Jaime Laya] and myself and another group, “Hey we are going to form [a group]. We are attaining an idea of an academy.” In Tagaytay, there was an unused facility and the backer of that proposal was Alex [Alejandro] Melchor. Then, OD [Corpuz] started the initiative on the CSB (Civil Service Board), the current Executive Service Board that should be implemented through the DAP. DAP was the implementer of CSB. I formulated the idea for DAP, Development Academy of the Philippines, and I was invited to be a member of that group with Boy [Horacio] Morales, Father [Jaime] Bulatao, and Teddy Rey who has just died

PADERANGA: About two years ago?

ALBA: A year ago and that guy was one of the action people. Initially, he was with Imelda [Marcos] and eventually the President [Ferdinand Marcos] recognized his work... OD [Corpuz] instructed me to formulate the kind of social development strategy... During one meeting, [Alejandro] Melchor, announced that he was putting up an academy in Tagaytay. I knew very well at that time that we finished the work in the [Carlos] Ramos group with a proposal and we were finishing with the DAP [Development Academy of the Philippines] group, with the same facility. So I told OD [Corpuz], "There are two proposals for the use of the same facility so, you better get together and work it out." So, [Alejandro] Melchor took the credit for the founding of DAP and he was partly right because he incorporated some of the ideas but OD's work got the presidential support. OD prevailed in terms of who should be responsible for DAP. In DAP, we have a Melchor Hall to give him credit. The Career Executive Service Board is one key development... I am sorry that it is not being implemented...

PADERANGA: Because they brought this in...

ALBA: [The] Civil Service. It was not an effective way to get competent people ...

PADERANGA: Essentially, you have Carlos Ramos, aside from you, of course, thinking about executive development academy.

ALBA: A type of institution for the continuing education of managers and the government.

PADERANGA: And then OD [Corpuz] with the PCSPE [Presidential Commission to Survey Philippine Education] idea...

ALBA: The DAP [Development Academy in the Philippines] in general...

PADERANGA: And then [Alejandro] Melchor essentially with the resources saying I have this created.

ALBA: So, he claimed credit for the DAP.

PADERANGA: That was owned by DAP wasn't it?

ALBA: It was Leo [Leonides] Virata's and they could not use it at all.

PADERANGA: PM [Cesar] Virata would have known about that...

ALBA: Yes. But Cesar [Virata] did not ...that is not his area of interest ... [Alejandro] Melchor really was the right person to initiate it.

PADERANGA: I wonder if the DAP [people] knew about that.

ALBA: No. I am the only person who knew about that because I had something in common with both sides. Jimmy [Jaime Laya] could not have known about it. Carlos Ramos did not know about it. Alex Melchor did not know about it. OD [Corpuz] did not even know about it.

KATAYAMA: How would you evaluate the performance of the Career Executive Service Board?

ALBA: It was a good idea and it was being implemented rather well.

KATAYAMA: Some people say that it did not meet expectations...one of the reasons why [Ferdinand] Marcos lost interest within a couple of years after it was established.

ALBA: I did not know about that since I was close to its implementing operations ... I could attest to the fact that the so-called, "[Ceso] people, hey you are a Ceso [Career Executive Service Officers], you cannot."... There were some [--] indicators that the Ceso people were doing great.

KATAYAMA: But the percentage of unqualified CESO [Career Executive Service Officers]... indicates that political appointees were still rampant.

ALBA: I would agree to that.

KATAYAMA: The idea is good but...

PADERANGA: You know who got the most benefit from it? Cory [Corazon] Aquino, because that was the government that was left behind. That was the government I saw.

ALBA: But it unbalanced the CSB [Civil Service Board], the so-called CESO [Career Executive Service Officers] manpower state and government.

PADERANGA: The assistant secretaries and the under secretaries were almost all CESO. I mean the key...

ALBA: There were no exceptions.

PADERANGA: ... that essentially made the government intact. The heads were chopped off by the incoming Aquino administration. They would call each other because they knew each other...

ALBA: Yes. There was a Ceso (Career Executive Service Officers) organization, almost like a fraternity.

PADERANGA: That should have been the PMA (Philippine Military Academy) of the civilian side.

ALBA: That component could be back again. The period of corruption... Is DAP still around?

PADERANGA: It is. What is it doing right now? You know **Tony [surname]** he is really more on the administration side.

TADEM: Sir, when you entered the cabinet or the government, what was the dominant view, for education for example, was there any major program?

ALBA: Martial law? What I know is the leverage position of NEDA (National Economic and Development Authority).

PADERANGA: That was already martial law?

ALBA: NEDA, to the credit of Gerry [Gerardo Sicat] and with the backing of the president, [Ferdinand Marcos] launched a lot of initiatives and the multilateral agencies encouraged the total reorganization. They were waiting so that was the pressure for us to formulate strategic plans and programs— in the economic field, the social field, the technological field, including environment and education. All these were being formulated almost simultaneously because the funding programs were waiting...

KATAYAMA: But compared with other institutions... the function given to NEDA was not so big and the young promising staff grew disappointed within the couple of years.

ALBA: I know what you mean...

KATAYAMA: Those beautiful programs were not fully implemented.

ALBA: The idea was sold so that everybodyand we could implement then.

KATAYAMA: Why that kind of system?

ALBA: Many did not have experience to get things done; the planning was not something experienced in terms of strategic planning, etc. The World Bank issued guidelines for planning. The system of processing decisions was not yet in place.

KATAYAMA: It is not because of political intervention...?

ALBA: The political leadership itself was the one pushing it. During the first two years of martial law, the political restrictions, the delays were not really a key. It was there because you had established the system until the CSB (Civil Service Board) board, for example, was set up to do some definition of terms —how people get promoted and the payment system was established. It was difficult to reform it right away because we were still setting it up. We were subject to the audit system of the World Bank. Despite PD 1177, how do you recognize the inward remittance of foreign exchange into the budgetary system? And the strict requisite of counter party with volunteer foreign exchange rate... The World Bank was strict when it

comes to the budgetary counterpart. Unlike now, you can just put personnel services as counterpart for international.... Even at that time, foreign assistance was already exempted from the budgetary... So I agree with you, that there were some groups who really want [power and control]... I remember that group from DAP was asked to study the judicial system and the Supreme Court. These young fellows who were so gung ho ... They started to interview and [tell] the justices what to do. The Chief Justice was [Fred Ruiz] Castro. He got so mad and asked OD [Corpuz], "Stop your people. Who are these people to tell us what to do?" I was already in East-West Center. OD was so [--] that he went to East-West Center. I housed him there for a week.

PADERANGA: Those were the political science people.

TADEM: The Dondon Paderanga types...

ALBA: These business, political scientists, I usually have a debate with Bel Samonte at that time, he was in public administration... We were bragging... in terms of the role of people in management... "Who are the cabinet members from public administration? None." The business people were [Jaime] Laya, [Manuel] Alba, [Cesar] Virata, [Tomas] Fonacier... I guess there must be something wrong in the education of those in Public Administration.

TADEM: Oh that is public administration, not political science....

ALBA: Remember at that time, Business was also part of the School of Economics.

PADERANGA: Up to 1965.

ALBA: Credit Gerry [Gerardo Sicat] for creating the [UP] School of Economics.

TADEM: Sir, was it right to say that decision-making policy in the cabinet was quite compartmentalized?

ALBA: It was sectoral but I think, there was a more interactive machinery.

PADERANGA: How often did you have cabinet meetings? Was it weekly?

ALBA: The cabinet met often, almost weekly when [Cesar] Virata was the prime minister and the NEDA (National Economic and Development Authority) board met every other week. Once in awhile, the president would chair it. One of my favorite guys was [Carlos P.] Romulo, my idol. He would attend the cabinet meetings... and the guy was punctual. The only three guys who would be on time and present, were Cesar Virata, Romulo, and myself. Our cabinet meetings would start at 9:00 in the morning. The rest would come 15 to 30 minutes late. Once, Romulo was around and the cabinet members came in one by one, ... I'll tell you, the old man just stood up and said, "How could you cabinet members, you are supposed to be the models..." Cesar Virata was so red [from embarrassment].

PADERANGA: and Blas Ople was probably...

ALBA: ... one of the latest.

TADEM: But [Ferdinand] Marcos was always on time?

ALBA: Nothing would start until Marcos said so.... You can interview Joey [Jose] Leviste also. That guy also talks a lot.

PADERANGA: We do it by age.

ALBA: We are around the same age. He had an official title as Prime Minister Virata's... Joey Leviste recently resigned...

PADERANGA: At one time he was [--]

ALBA: They sold that coal corporation. He joined DTI [Department of Trade and Industry]. He could contribute some useful gossips <laughs> because he was with the prime minister. He was the number two of Cesar Virata.

TADEM: Sir not [Jose] Roño?

ALBA: Roño was the head of DILG (Department of Interior and Local Government). What I mean was the chief of staff of Cesar Virata. [He] knows a lot. So, he would be good to interview.

PADERANGA: Institutionally, the big changes really in the Marcos administration happened when Marcos declared martial law...

ALBA: Those changes, including policies, would not be subjected to debates in Congress. Could the nuclear plant be put up? How about the rural electrification projects? Martial law opened up a lot of windows for strategically putting in changes.

TADEM: Sir what do you think of the drawbacks of the martial law? Because when we interviewed Ronnie [Geronimo] Velasco, he liked the fact that you could go on [with the plans] but he agreed that there was a [problem] with the check-and-balance [mechanisms] ...

ALBA: I suppose I would be biased on this because I would say that... [there was] the check-and -balance mechanism [because there was] the opportunity [for] debate. Of course, that was an internal thing. It was only us but we invited a lot of opposing ideas. Even in the parliament, the opposition was allowed to say what they wanted to say. They murdered Marcos inside the parliament...There were political prisoners and demonstrations in UP. I was imprisoned in UP. I had to go home every so often. I moved out of UP because the activists were already intruding into the houses ...asking, "Who are members of the Marcos cabinet here?" I feared for my life...

TADEM: Sir, how were the education policies tied up with the general economic policies?

ALBA: ...The focus was on the improvement of the quality [of education] and manpower. Our formal literacy was high but our functional literacy was very low. From 100 percent that started in elementary, about 78 percent finished elementary and high school. But 56 percent of that 100 would not finish elementary; ...percent would finish high school and 11 percent would finish college. The disturbing fact was that 56 out of 100... did not finish grade four. Under our situation, functional literacy is attained only at grade four. That means that you have a group of graduating young people who are not able to read and write. Related to that, there was a high degree of second- and third-degree of malnutrition affecting more that 30 to

38 percent of our population. If you have bad nutrition, you have bad mental development and that was partly the reason for the huge dropout from schools. So, both health and the bad conditions of schooling resulted to a very high functional illiteracy. Let us not look at the formal literacy, the read-and-write, but functional literacy is the critical part of it all. The PCSPE (Presidential Commission to Survey Philippine Education) addressed that kind of problem.

TADEM: Sir, during martial law, how was the education policy run as a national priority?

ALBA: It was very high [in terms of priority] because among the first presidential decrees that came out was the education decree. I forgot the number, but it was one of the first. In fact, two days after martial law was declared, the education act was signed. PCSPE (Presidential Commission to Survey Philippine Education) started to work from 1968 to 1970. We went to Congress, by the way, when the PCSPE study was completed but it did not get far until martial law was declared. This was a critical issue. We had pervasive malnutrition affecting educational achievements. We also had low critical manpower supply, and how could we industrialize under such conditions?

TADEM: Sir, when you were the head of the East-West Center Technology and Development from 1973 to 1975, how was this integrated to the policies that you were saying...?

ALBA: In fact, the program and the agenda of the board in East-West Center essentially confirmed what we were doing. The work I was doing in PSCPE (Presidential Commission to Survey Philippine Education) and EDPITAF (Educational Development Project Implementing Task Force) essentially addressed what TDI, Technology Development Institute East-West Center, was doing—the role of manpower and technology [in] industrial development during that time, as early as 1973.

TADEM: Sir, when you became the deputy-director of NEDA (National Economic and Development Authority), did you have to pursue that aside from education policies?

ALBA: Yes. NEDA was implementing the policies, including the goals of the educational program. When martial law was declared, the education decree was the second decree to be signed.

PADERANGA: Number one was NEDA?

ALBA: I think so...

KATAYAMA: The reorganization plan.

PADERANGA: Number one was that and then education was the second.

TADEM: Sir, aside from education, what were the other policies that you pursued?

ALBA: I was deputy for policy and planning. That was the key. Economic policies, social policies, energy policies... We were the secretariat of the NEDA (National Economic and Development Authority) board.

PADERANGA: NEDA was essentially shaped by time?

ALBA: Yes. It was a fully functioning institution. I could say that it was a leverage institution.

PADERANGA: But the goodies were less by the time you arrived.

TADEM: Why?

PADERANGA: Slowly the things were getting...

ALBA: A lot of the things depended on the role of the president. In the case of the NEDA... the president was really [supportive].

PADERANGA: What was essentially the reaction of the public to the PCSPE (Presidential Commission to Survey Philippine Education) project?

ALBA: When the report was released, there was a huge demonstration because we had eight Australian consultants and several others. There were huge placards that read, "What are those eight American running dogs [doing] in our education?" They thought the Australians were Americans.

PADERANGA: Organized by the teachers, or by the UP?

ALBA: By the activists, in fact, while we were conducting our sessions, there was a demonstration and I had my own caricature. That was the only way that the World Bank would fund it. There was an opposition to the World Bank funding it... that it was a martial law instrument. In general, you do not oppose proposals like improving functional efficiency.

PADERANGA: Technical education was essentially organized.

ALBA: Yes. Ten regional manpower services, three technical institutes and manpower development programs, and agricultural colleges. One was put up in Leyte, the Visayan State College. UP Visayas was put up, and the manpower services, which provide short-term [training] under the Department of Labor. I think, we assisted the science high schools but we focused on the upgrading of elementary/secondary education. If there was a weak link, it was secondary education.

PADERANGA: So basic education was essentially strong?

ALBA: In general, I think.

PADERANGA: In NEDA, can I just ask [about] the personalities...

ALBA: You came first before Winnie [Solita Monsod]?

PADERANGA: No Winnie [Monsod] came and then me. It was useful for me because she had to do a lot of block busting ...there were two personalities (**first name**) Cadenas and Tony [Antonio Locsin]...

So I am going to ask you if these people were there when you were in NEDA (National and Economic Development Authority) or did they come later?

ALBA: Not Tony [Antonio] Locsin?

PADERANGA: Tony Locsin.

ALBA: I think he was no longer there.

PADERANGA: But I still met his people.

ALBA: Tony [Locsin] was the head of the infrastructure sector in NEDA. He was powerful. He installed many people there. He stayed for a while until he got sick. Then Eki Cardenas became acting director-general.

PADERANGA: When Winnie [Solita Monsod] left, Pilo became active and he had a running mate, Ting [Vicente] Paterno. Pilo resigned, Florian [Alburo] came in before Jess [Jesus Estanislao] came in.

ALBA: Florian was a deputy?

PADERANGA: Deputy but Florian [Alburo] was just a hold over waiting for someone. Pilo was the one acting. He had this idea that maybe he could take over Winnie [Solita Monsod]. He was ranting with Ting [Vicente] Paterno... Pilo said that he had been working there for about 30 years. What I was kind of hearing then, he was essentially working closely with the Romualdez group...

ALBA: And the Cojuangco group ...

PADERANGA: And Tony [Locsin] was close essentially to the...

ALBA: The Benedicto group.

PADERANGA: Essentially, I would hear stories about the clashes between them over projects and so on.

ALBA: I did not know about that, maybe the one who had the control.

PADERANGA: And Jess [Jesus Estanislao] now is the director of NEDA (National and Economic Authority)...

ALBA: Under Tony [Locsin].

TADEM: Sir, what about your relationship with the ASEAN (Association of Southeast Asian Nations) Economic ministry...?

ALBA: I was the deputy director-general in charge of the first ASEAN Economic Ministerial Conference that was held here. I attended so many ASEAN meetings but that was an achievement, that we had the economic meetings here.

TADEM: Sir, what were the major programs at that time?

ALBA: The preferential tariff agreement, the PTA (Preferential Trade Agreement).

TADEM: Sir, in terms of industrial policies encouraging exports during the Marcos administration, had you been very active in formulating those policies?

ALBA: Through NEDA, but I was not active. There was a general support for freer trade in customs. There were trade restrictions and diversifications because the trade volume within the ASEAN was magnified. In the next five years, it could increase by fifteen percent.

PADERANGA: That was the target.

ALBA: Yes.

TADEM: Sir, when you were the concurrent chairman of Tariff Commission, do you remember the policies that you had?

ALBA: I was already in NEDA (National Economic and Development Authority). I was carried over from the Tariff Commission and became the deputy director. I was concurrent ... I saw that problem too, the role of preferential trade, I could just imagine that by just lowering the tariff with so much percent could generate trade volume and impact on price levels. The Tariff Commission was a very leveraged office. They could have become very rich, if you know how. There is this guy, working on cement and asking for the lowering of tariff. The Commission had pretty much a say on this. What's five percent of a 150-million dollar volume, for example, that kind of thing. <laughs>

PADERANGA: I think part of the work is to ensure that your staff is not doing everything.

ALBA: Others said, "Alba is stupid, he doesn't know how..."

PADERANGA: Chulia was already there?

ALBA: Chulia came in a little later... Aresco was the chair but he was always out of the country. That was why Cora wanted to take over but instead they re-appointed me but I did not like it. That was an office where there were so much rambling inside. That was part of my task. Gerry [Gerardo Sicat] said, "Organize that Tariff Commission." I did not realize it then, but I knew that he was not referring to new policy formulations but... the messy thing. "My gosh, how can an office like this work?" There was a horrible garbage dump in there. The first thing I did was to move it to the [Philippine] Heart Center. "Why is the Tariff Commission in the Heart Center?" They blamed me for it.

PADERANGA: Where was it before?

ALBA: In front of the Santo Domingo Church, that dilapidated building. It was terrible. Then, we had a nice office, and near a hospital.

TADEM: Sir, can you just clarify your functions when you were the deputy minister of budget of the Development Budget of Coordinating Council (DBCC)?

ALBA: DBCC (Development Budget of Coordinating Council)? Well, it was a powerful office and it had the final say...

PADERANGA: So you chaired the budget?

ALBA: Yes. It was a committee of the NEDA, not a committee of DBM (Department of Budget and Management).

KATAYAMA: Secretary [Arturo] Yap was in Budget.

ALBA: Yes. Just to go through in policies, but not in terms of budget allocation.

PADERANGA: But the budget program was from the DBCC (Development Budget of Coordinating Council)?

ALBA: But that was one of the more leveraged committees of NEDA (National Economic and Development Authority).

PADERANGA: Even up to now.

ALBA: But of course, the budget minister had the position of leverage there.

PADERANGA: The one who holds the secretary position. If you make a study, it was really hard to counter it.

TADEM: Sir, how about this Alternate Governor of the Philippines to the World Bank?

ALBA: That was just a temporary appointment. Annually, there was this World Bank–IMF (International Monetary Fund) conference, so they would designate the participants from the Philippines and the primary delegates to that conference would be governors—Cesar Virata, Gerry [Gerardo] Sicat, and Jobo [Jose] Fernandez. I was there. You get the designation as Alternate Governor and it helped in getting your discretionary fund in travelling. I remember Gerry Sicat. The reason why the appointment of Secretary of Economics of Gerry Sicat was instituted was because the title of Director-General of NEDA (National Economic and

Development Authority) was his title but in the parliamentary system, it was just a director. So, when Gerry Sicat attended international conferences as Director-General of NEDA, he was being seated behind, and not in front, to his embarrassment. The first thing that he did was to tell the President [Ferdinand Marcos] that he should be appointed as Secretary of Economic Planning and Director-General of NEDA. As Director-General, he was the head of the NEDA secretariat. As Secretary of Economic Planning, he seated in the cabinet. That was a big difference.

PADERANGA: A very big difference in international conference.

KATAYAMA: But in your case, you were already secretary?

PADERANGA: We have noted that the succeeding ones no longer had the problem. Gerry [Sicat] had fixed it.

KATAYAMA: But still, there was no more director-general?

PADERANGA: We have both.

ALBA: But when you go abroad, you do not use Director-General but Secretary of Economic Planning.

PADERANGA: Especially in trade negotiations, in GATT (General Agreement on Tarrifs and Trade) and WTO (World Trade Organization). You can get into the meeting if you are a minister but if you are not, you can just observe at the back if they let you inside the room.

TADEM: Sir, can you remember when you were in the Budget Secretary, you chaired the committee on state colleges and universities?

ALBA: Committee on State Colleges and Universities? I was a member of the board of all SUCs. I delegated them and instructed that state universities should have a budget allocation. There was an association of state colleges and universities and maybe, I was its chair.

TADEM: Can you recall the major issues that you had there?

ALBA: One of the issues was about the conversion of minor colleges into state universities...Then, there were only 28 state colleges and universities and by the time I left, there were already 70 plus. They were converting the minor colleges into state universities with a diploma mill reputation.

PADERANGA: And this was going through IBP (Interim Batasang Pambansa), through the Batasan?

ALBA: Yes, the conversion of a college to university was a local bill and the primary sponsor was a congressman and usually, local bills were treated on a Friday and nobody attended sessions on a Friday except those who had measures to pass. Of course, there would be objections. That was how the proliferation started. I was one of those who wanted to stop it but as the budget minister stopping a local politician, I would be shut down. As a state university, a college would now appear in your general appropriations act so it was difficult. That was an issue. If you had to tolerate this kind of thing, then you had to do something to upgrade its quality. They had no faculty, no buildings, and no campus. Could you imagine that, by the mere declaration of its conversion you had to provide an allocation? You had to provide personnel allocation with the standard requirements for state colleges. That was a huge problem to me. Fortunately, I had already the EDPITAF (Educational Development Project Implementing Task Force) background so I visited practically all of them...and there, I got honored by having an Alba Hall, this kind of thing.

PADERANGA: So they would get their budget?

ALBA: Something like that. In one of those Ilocos towns, Congressman [Delfin] Albano in Isabela, made one of those big halls for me. "Alba Hall" so I kidded Albano, "...If I am no longer around, just add a "no" and it will become an Albano Hall!" But I discouraged all these things. I recalled that there was a law that prohibited the naming of buildings and structures after a living person. They wanted them dead.

TADEM: Sir, were you involved with foreign borrowings and the negotiations?

ALBA: We would sometimes walk out from the World Bank. I remember the Secretary of Finance was Secretary Romualdez, no, he was the Ambassador to the UN (United Nations).

PADERANGA: So this is Kokoy?

ALBA: No, Daniel Romualdez. He was the former secretary of finance and then, the ambassador to the UN. Usually, the ambassador was the head of the negotiations.

TADEM: Sir, can you recall, when did the government start borrowing, and [what were] the negotiations that you [got] involved with?

ALBA: It was just a standard requirement because if it was your project being implemented, you would present it to the lenders.

PADERANGA: It was done here?

ALBA: No. It was done in Washington. I was involved, especially because of EDPITAF (Educational Development Project Implementing Task Force). They were bloody sessions.

PADERANGA: Who [--] up?

ALBA: It was Ambassador [Daniel] Romualdez, "If this is what you want, why should we spend our time here..." You also have to play hardball.

PADERANGA: In our case... the highlight was when Jess [Jesus Estanislao] walked out. There was shouting between Jess and during that time. It [had something to do] with the estimates of how much we can use the money supply.

ALBA: Sometimes, they would send a team here before the negotiations. When the negotiations become [--], they would send these nasty bureaucrats from the World Bank. We also walked out.

PADERANGA: Yes. They kept me out... Jess [Jesus Estanislao] and Joey [Jose Cuisia], they were suspicious of NEDA (National Economic and Development Authority).

TADEM: Why were they suspicious?

PADERANGA: Because of the history of Winnie [Solita Monsod]. But later on, Jess [Jesus Estanislao] would include me.

ALBA: Jess?

PADERANGA: Jess [Jesus] Estanislao with Finance and then Joey [Jose Cuisia] ... as Central Bank Governor.

ALBA: We invited Jess a lot in CRC (Center for Research and Communication).

PADERANGA: When did the chairmanship of the Monetary Board move from the Secretary of Finance to the Governor of the Central Bank?

ALBA: I recall during [Gregorio] Licaros' time.

PADERANGA: With the reorganization commission by [Armand] Fabella?

ALBA: I can't remember but I started seating in the board either in 1974, two years after Gerry [Gerardo] Sicat. [Gregorio] Licaros was already the chair but that was after martial law. I am not sure about Andres Castillo, but he was the Secretary of Finance. Daniel Romualdez was [chairing] it.

PADERANGA: [Andres] Castillo, [Alfonso] Calalang and then [Gregorio] Licaros.

ALBA: I know Licaros was chairing it.

TADEM: Sir, with regards to foreign debt, what was your major concern?

ALBA: It was part of the whole budget. During that time, it was off the GAA (General Appropriations Act), one component of the budget was the fund so since then [debt service] has been crucial. The other was the exchange rate. You have to take into account the

exchange rate in the determination of debt service. The inflation rate was also crucial. Then, NEDA (National Economic Development Authority) and not the Central Bank, was responsible for inflation rate.

TADEM: When was it taken from the NEDA?

PADERANGA: ...There was this 1993 law that says that the Central Bank is in charge of price because that was in the Constitution. Knowing Gabby [Gabriel] Singson, who was very a legalistic person, he would tell NEDA, "Do not talk about price...." It was really with NEDA so that NEDA can monitor ... but actually, the estimation of the inflation rate is not with the Central Bank but with NSO (National Statistics Office).

ALBA: ...which is affiliated with NEDA

PADERANGA: ...which is chaired by NEDA.

ALBA: So the debt management was pretty much part of the budget concern. I had to answer questions on that during sessions.

TADEM: What were the main questions?

ALBA: Basically, why are we borrowing? In other words, we could not afford it? Then, you raise the issue of tax increase and you would get a violent reaction. How would you amortize debt over time? They were not really into the percentage of GDP [Gross Domestic Product] ... we were borrowing for non-traditional sectors, like education. It raised the whole issue of how would we pay them? That was a political question and in terms of the economy, how would you create the means to pay your debt.

PADERANGA: Did the government go for the commercial foreign debt? Around when did this happen?

ALBA: I could not remember. It was clear that it had really opened up quite early.

TADEM: Sir what about foreign investments? What were the challenges in attracting foreign investment?

ALBA: Government stability.

PADERANGA: Coming from the multilaterals?

ALBA: Coming from the multilaterals and private direct investors. We had to put up a fifteen million factory. It took so long. There were a lot of demonstrations. The other was the incentives program. I think that should be reviewed__if incentives should be allowed, if they are too liberal to attract investors; and yet studies indicated that it was not the incentives that drive [investments] or the lack of it. It was like a short-term deal that we had in place.

PADERANGA: Not just one study but many studies.

ALBA: The evolution of BOI (Board of Investments) was also based on that.

PADERANGA: Because they do not like the [UP] School of Economics.

ALBA: They would have a pending process. For example, the means of paying the debt was we had to generate foreign exchange from exports. Our traditional exports are already made to pay the domain. The echnology sector provides more than 70 percent of our exports, and yet our exports are only 12 percent of our GDP (Gross Domestic Product). We have the smallest portion of exports in our GDP. Maybe, that is the reason we are not affected so much by the financial crisis. We are low-tech and we are not globalized so much. In our financial transactions, exports account for a small portion. So, we are being buffered. The image problem is another one... We are number so- and-so as the most corrupt country in the world. How can you attract investors? That was not an issue before.

PADERANGA: The African countries were not surprised.

TADEM: It was the issue of stability rather than corruption.

ALBA: Oh yes. I think they can deal with the issue of corruption but not instability. The Koreans would say since I worked for DTI (Department of Trade and Industry) also, “We are not worried about the corruption here. We are worried about whether we could put up a plant and get it operational.”

<Dr. Alba talks about the food.>

ALBA: You know one thing about BA (Business Administration), the students are so good. Their project proposals are very professional. Sometimes, I wonder if they should be the one teaching and not the other way around.

PADERANGA: But the wisdom.

ALBA: ... We have the knowledge and the facts but the wisdom and the...

PADERANGA: ...judgment

ALBA: The judgment and the discretion.

PADERANGA: I was talking about the students in general. It is okay as long as you do not hand over things to the political science.

ALBA: Bistek [Herbert Bautista] is their student.

TADEM: Mayor, future mayor.

ALBA: It would be interesting to find out the educational background of the local government administrators. I think if there's a challenge today, it is the management of local government units. I was reading yesterday Julie Yap Daza's article, that according to a new report, the most corrupt agency or sector or entity in the country is not DPWH (Department of Public Works and Highways), DENR (Department of Environment and Natural Resources), DILG (Department of Interior and Local Government), and not even education but the local government unit. The measure could be the total amount involved. I am not saying that Quezon City is ... but having seen it all around. You know the IRA? Some

government units are dependent on IRA (Internal Revenue Allotment) for 80 percent of their funding. And that's not even the real figure!

PADERANGA: ... they would hire their relatives.

ALBA: Their resource is the school board fund. The school board gets 1.5 percent of the total estate tax paid. That is a huge amount of money. Since it is strictly local fund, the local government can very well institute it. Then, what kinds of projects are being funded for that purpose?

TADEM: Sir, on the emergence of multilateral relationship, what was your take on the GATT (General Agreement on Tariffs and Trade)?

TADEM: Since during that time, there were the multilateral institutions, what do you think of them?

ALBA: If you want to increase the proportion of foreign trade to GDP, then you need to export. We are underperforming in exports. So the idea of a multilateral agreement is not so much as a marketing campaign but some formal agreement wherein you can strike out some basic targets. How much can this country buy from us, in exchange for what? Are we exporting to Russia, exporting gas, for example? So, you scan around for a possible exchange. It is like ASEAN (Association of Southeast Asian Nations), with a target from 5 to 15 percent, and you cannot do that without multilateral relationships. With the bilateral, we can still do a lot with it. We still have bilateral trade with the US. But the global scenario is a free trade multilateral relationship that even Bush had to agree with that. I think, the regional multilateral relationships should also be looked into...

PADERANGA: Did you participate actively?

ALBA: In trade negotiations? Once or twice. I was not really with DTI (Department of Trade and Industry)-BOI. Lately, I was under Mar Roxas. I was not with DTI at all before this.

PADERANGA: You were with the Budget and then NEDA (National Economic Development Authority), then DTI...

ALBA: In NEDA, I was also the chair of the budget.

TADEM: So there was no close relationship with Foreign Affairs in terms of foreign policy and the Marcoses.

ALBA: Of course, there was... your trade policies are related to foreign affairs.

TADEM: Sir, who were the point persons there in Foreign Affairs?

ALBA: Rosario Manalo and others.

TADEM: Edcel Custodio

ALBA: I think he was a director but he was assigned abroad.

PADERANGA: Was he the one with Geneva?

ALBA: I think so. He was mostly abroad.

PADERANGA: Who was there in foreign affairs after [Carlos P.] Romulo? Was it [Pacifco] Castro?

ALBA: He was acting because he was the undersecretary at that time. For two years only. Who was the secretary after Romulo?

PADERANGA: I was thinking who the secretary was during the crisis. During [Corazon] Aquino's time, it was not [Leticia] Shahani because she became Ambassador. [Raul] Manglapus was Secretary of Foreign Affairs until the Aquino administration. He took charge of the military bases negotiations and then under [Fidel] Ramos, it became [Roberto] Romulo first and then, there were some problems... the Flor Contemplacion and then [Domingo] Siazon took over. During Erap [Joseph Ejercito Estrada] it was Domingo Siazon

TADEM: Sir these are all the back to memory lane, what do you think were your achievements?

ALBA: During OD's time, when he was the UP president, there was this appointment, Faculty and Government Service, FAGs. There were several of us who were its beneficiaries, myself, Jimmy [Jaime] Laya, Gerry [Gerardo] Sicat, and I think, [Thomas] Fonacier, Tony [J. Antonio] Aguenza, and Cesar Virata which made us the exception to the two-year rule, that after two years you have to resign, so I took advantage of that. I was not worried about staying and what entered my mind was to go back to UP and then, put up my management firm, which we did. At that time UP was full of activists. I was not really... and there were UP guys who were my friends. The only guy who said a mean thing was no less than the president himself, Noel [Emmanuel] Soriano. He said, "Those UP alumni who continue to work for Marcos, we will have their diploma invalidated." Ed [Edgardo] Angara took over. He is my friend. There was a hiatus but I felt that I should not return to UP yet. I made sure that my status as FAG was active. We put up with OD [Corpuz] a management consulting firm. But when they saw the names, Corpuz and Alba, there were no takers. That was terrible. So for a while, we could not even reach first base in this consulting firm so, we went back to UP.

PADERANGA: Not even abroad?

ALBA: Not even abroad.

PADERANGA: According to [Vicente] Paterno, after he left Public Works he spent the next year or two flying to countries like Africa as a consultant.

ALBA: Yes. In his case, he was not personally tainted. He is an industrial engineer and Ting [Vicente Paterno] got out from the Marcos government earlier.

TADEM: When did you pick it all up? Like [Cesar] Virata now is all over the place...

ALBA: Well, people have a short memory. Many things had happened and people forget that there was once a parliamentary system and we had a prime minister. On the other hand, people should realize that Marcos accomplished a lot of things... That's why Imee [Maria

Imelda Josefa Romualdez Marcos] is daring enough to do a Panama project. We started to do consulting work. I worked with Jimmy [Jaime] Laya's firm for a while.

PADERANGA: Political science was not welcoming so Pepe [Jose Encarnacion] invited OD [Onofre D. Corpuz]... When he came back to UP (University of the Philippines), he was not with Political Science but he went to the School of Economics. It was better because he had drinking buddies there.

ALBA: OD [Corpuz] is a Vodka guy.

PADERANGA: Pepe [Jose Encarnacion] would drink anything.

ALBA: I joined Pepe [Jose Encarnacion] in many drinking sessions, with Ralph Rodriguez, and [Pepe] would be loaded and he would harass the girls.

PADERANGA: Yes. Yes.

TADEM: Sir, did you see anything that you wanted to achieve when you joined the government?

ALBA: Me? Oh well, we were aspiring poor boys. Government during our time was still the place to go.

PADERANGA: Were your ideas already formed like you knew more or less the things that you wanted to do in government?

ALBA: Let me put it this way, I was a young instructor, an assistant professor who started at PhP125, then PhP250, to PhP245... All I ever wanted was to go abroad. I had that opportunity so when I came back I was involved in this Harvard educational program improvement funded by the Ford Foundation. It eventually led to the founding of AIM (Asian Institute of Management). Actually, it was a diversion from the regional purpose of Harvard. Five Harvard professors came in to upgrade management education in UP (University of the Philippines), Ateneo [de Manila University], and De La Salle [University]. There was no thought of AIM at all. Suddenly, most of the funds went to AIM.

PADERANGA: [Cesar] Virata talked about it.

ALBA: Yes. In a sense that was my first involvement in what might be the beginning of a much broader perspective. After that, I got invited by OD [Onofre D. Corpuz]. I was close already to OD. He was my professor in History 5 in Iloilo. That was where he met his wife. So it was him who thought about me and eventually I got into EDPITAF (Educational Development Project Implementing Task Force). I started in SGV (Sycip, Gorres, and Velayo). If I stayed there longer, I might be a partner also. I stayed there for about two years...

PADERANGA: You were an accountant when you got into SGV?

ALBA: I was a pre-board student, just fresh from college. Actually, I also started in Proctor & Gamble. [I was there] for six months. That was how I got to know some SGV (Sycip, Gorres, and Velayo) people, like Eddie (Eduardo) Villanueva. From Proctor & Gamble, I moved to SGV. Amado Castro was the one who got me there. He was the recruiter in the university, at the College of Business [Administration]. Then, OD [Onofre D. Corpuz] invited me to the PCSPE (Presidential Commission to Survey Philippine Education).

PADERANGA: During that time, you already have your doctorate?

ALBA: In 1977, fresh with a PhD. PCSPE started in 1968, and during PCSPE time, I got close to [Blas] Ople. After PCSPE, I even drafted speeches for him. I was a speech writer although Blas was very good. For a while I was with Blas Ople moving around Asia. He brought me to conferences. It was a German foundation that funded social projects. So Blas brought me there. We moved around campuses and even jogged around the Mekong Delta River... He was the one who aroused my interest in government. Maybe, my colleagues were integral to my interests in government. Cesar [Virata], Jimmy [Jaime] Laya...

PADERANGA: OD Corpuz in 1965.

ALBA: Much earlier. He was already Secretary of Education. He left partly because of Imelda Marcos. Part of the reason why I came back was Imelda Marcos.

PADERANGA: In between of the two education stages, OD Corpuz was the President of UP and then he became concurrent in education.

ALBA: Noel [Emmanuel Soriano] was acting president then.

TADEM: Sir, you mentioned a lot of your achievements, can you single one greatest achievement that you had?

ALBA: It would be the PCSPE (Presidential Commission to Survey Philippine Education) – EDPITAF (Education Development Project Implementing Task Force) and then, my NEDA (National Economic and Development Authority) experience, surely my budget assignment and my experience with the parliament. We should get the documents, those in the parliament, the exchanges. They were very useful. The opposition had a free will and time to raise their opinions.

TADEM: Sir, what were the negatives...?

ALBA: Well, I think I was not aggressive enough. I was not inventive.

KATAYAMA: What did you mean by not inventive?

ALBA: I was not aggressive. I was rather shy. I was too ethical for my own good.

TADEM: Who were the ones who were aggressive, like you could have been like them?

ALBA: I guess I have what you call a laidback personality. In some cases, a much more open, forward, and aggressive personality would be helpful. If I could have been like that, I could have been more...

KATAYAMA: Please name names.

TADEM: Sir, [Cesar] Virata?

ALBA: He was like me, the shy type.

KATAYAMA: Technocrats, not politicians, who were the ones you perceived to be aggressive?

TADEM: [Roberto] Ongpin?

ALBA: I think so, aggressive, in the sense of being assertive.

PADERANGA: What about Joey [Jose] Leviste?

ALBA: Joey [Leviste] was talkative because he had no agenda. Sometimes, we equate being vocal and expressive to being aggressive __aggressive, in a sense that he is a guy with a mission, an objective and a job to do. I worked with that kind in mind. That means that you bank so much on the integrity and efficacy of the channel but when that channel was itself corrupted, then, it is over... and I hate bypassing people. Maybe, that's a problem in a sense. That is why you keep improving that process.

In a crowd, people who are aggressive get more attention. Your only venue in getting attention is your intellect. I think, I did well on that. Fortunately, Marcos is the type of person who took note of that kind... Fortunately, we had those__the commissions, EDPITAF [Educational Development Project Implementing Task Force] and the parliament provided for those forums. Then, we had credible [people] like [Onofre D.] Corpuz, [Blas] Ople, and [Cesar] Virata. I guess that is one form of aggressiveness.

TADEM: Was [Geronimo] Velasco aggressive?

ALBA: Yes. I guess we have to define what aggressiveness is. It is different putting your weight around people; to me that is not aggressiveness but persistence in pursuing what you want to do regardless of whether you're shy or what. <laughs> I admire people like that. I wish I were like that.

TADEM: Sir, General [Carlos P.] Romulo?

ALBA: General [Carlos P.] Romulo did not have any problems because of his prestige. His budget was always approved, viva voce. No one questioned it. That was why he would leave it with me. Most of the time, he would not be able to attend budget sessions. He would tell me, "Maning, you take care of the budget!" There was no problem. You could see how deferential President [Ferdinand] Marcos was to him.

TADEM: Sir who were more assertive among the technocrats, the Marcos boys or the Imelda boys?

ALBA: Assertive? Imelda [Marcos] did not have any technocrats. It was only Jolly [Jose Conrado Benitez]. Most key decision makers were with Marcos. The boys below Imelda were ... in fact, you can call them operators, those who would go to the judiciary and would assert... They lack finesse. "We are here to tell you how to run your office." That was too much. I suppose when you say aggressiveness, it is when you see the best way of doing things... pushing persistently without fear... I was aggressive... in relating to people. I even gained friends. The 56 opposition members in the government became friends of mine. Like Monching [Salvador] Mitra, Doy [Salvador] Laurel who got me in his campaign, Louie [Luis] Villafuerte...

... That was what I did and I cultivated friendship. You get things done by goodwill... I was more consultative than assertive.

TADEM: Sir, was Marcos able to tell you what he really felt?

ALBA: Yes.

PADERANGA: He would have one on one with you?

KATAYAMA: Several times, [during] the entire period?

ALBA: Several times during the entire period. I usually had a one-on-one with him before a presentation. I would inform him about these things.

PADERANGA: That was almost like my relationship with President [Corazon] Aquino. It was very professional. Unlike some other presidents, when you gave them bad news, there was a tendency to blame you. "*Anong ginagawa mo?*" [What are you doing?]

ALBA: You know what was the most embarrassing thing that we had to go through after Aquino's administration took over? We were ordered: all ex-secretaries and cabinet members of Marcos were invited or instructed to proceed to the Cojuangco building in Ayala Avenue to pay a courtesy call to the new president. We were like cattle being herded and while we were walking, all those guys were throwing pieces of paper on us. That was the most belittling experience that I ever had, in Cojuangco Building.

TADEM: Right after [the] People Power [Revolution]?

ALBA: Yes, right after [Ferdinand] Marcos left.

PADERANGA: That passage way was not big?

ALBA: The passageway was small. Everyone went.

TADEM: Did you meet in one place first?

ALBA: Yes, so when we were up, there was Juan Ponce Enrile armed to the teeth. I don't know why he was armed to the teeth. We were led by [Jose] Roño and soon after the son [of Enrile], Jackie [Enrile] came in, fully armed too. "Jacky, Jacky get rid of those arms." We were threatened. We were supposed to meet with President [Corazon] Aquino. I had the privilege of being one of those who talked to her first because of the budget. I told her that the first appointment should be the Secretary of the Budget. Bert [Roberto] Romulo wanted to be the Secretary of Energy but what would he do there? Energy is a shell office. The real operating entity is PNOC [Philippine National Oil Company]. That is where the action is. I talked to Bert [Romulo] afterwards during the Batasan session. "Bert. I think the budget is yours... accept it." That was why Bert was the first budget secretary...

PADERANGA: Before he ran for Senator.

ALBA: Two years [after], I think.

TADEM: Who got PNOC [Philippine National Oil Company]?

PADERANGA: There must be something there because Joker [Arroyo] took it for himself.

ALBA: I don't remember anymore.

PADERANGA: Either Joker [Arroyo] or [Rene] Saguisag. But I think [it was] Joker. He was concurrent Executive Secretary and Energy [Minister]... I don't know what executive secretaries were called during that time.

TADEM: Still executive secretaries.

PADERANGA: But everyone were [called] ministers.

ALBA: Yes. I think the parliamentary was still holding for a few weeks.

TADEM: Sir, can you recall any criticism of your policies?

ALBA: Criticisms about me being Budget Secretary, from whom?

TADEM: From the business sector, the public.

ALBA: Well, the budget was always being criticized but [there was] nothing personal against me because with PD 1177, anything that [President Ferdinand] Marcos presented to the parliament was being questioned through the PD 1177. Most of the complaints really were on how equitable was the budget allocation. It was still through connectons. During that time, the so-called IRA (Internal Revenue Allotment) was already in place. There was no attempt to rationalize the workings of the local government. Even the local government code to me was very defective...

PADERANGA: We tried to have some inputs there, though we came from the same place, he wouldn't listen to me.

TADEM: Who?

PADERANGA: Senator [Aquilino] Pimentel. I said that we should divide the IRA so that it would give incentives to local government to collect data for you. I don't know whom he was listening to. He was so insistent on this system that so many percent [should go] to the cities. That's why everyone would like to be cities. I saw his staff from civil service. They really had no sense of economics.

KATAYAMA: I know this is a very blatant question but reflecting on the criticisms [against] Marcos or his administration, even including those people who assisted him, did you regret being part of the Marcos administration?

ALBA: No.

KATAYAMA: Okay. Suppose that you were aware of the reactions towards Marcos administration now and then you go back to 1970s, if you were invited by Marcos to join his government, would you?

ALBA: Yes. I have this overwhelming interest on what I can do under any circumstances. There are simply a lot of areas where a lot of things need to be done. Can that be done better under a dictatorship? I was not so much bothered by the scenario of the decision. We needed to implement an educational program so I can say that I was more of an academician. I can sense that there were so many objections to his regime and as I reflected, this could have offset the good intentions especially on the implementation of the programs. That bothered me but as to whether there was failure on our part because it was a martial law regime, I did not see that at all. I think we had done a lot more because of that, so I do not regret it. But if you have a choice, then you would rather serve a government under the normal circumstances of an orderly democratic regime.

PADERANGA: You were not given the choice.

ALBA: Your choice was whether to accept it or not. I could just have stayed as a professor in UP (University of the Philippines) but that would not isolate me from appreciating or being

worried about what was going on. You cannot be a professor all your life and not be involved.... People were to be pirated from the academe and a lot of them were already in place...When I was in EDPITAF (Educational Development Project Implementing Task Force), it was like being in academe as well. I was not bothered too much by...

PADERANGA: Martial law was quite popular in the first two years.

ALBA: Yes, for the first two years. How could the multilateral institutions, for example, have supported [the government]. They held the IMF (International Monetary Fund)-WB (World Bank) conference here for the first time... After, there were some abuses. Knowing that you were not party to these abuses and even with those kinds of circumstances, we managed to proceed in areas of our concern and get things done. That, in a sense, solved the fact that I should not feel guilty about the...

KATAYAMA: When I brought up this project, I had a very simple but very fundamental question, and it was shared by my colleagues and also the reviewers of the project at the Minister of Education in Japan__ why Marcos did not show expected performances even though he succeeded mobilizing the best and the brightest in the government, the best technocrats. Even compared with the succeeding administration, those technocrats who joined the Marcos administration were the best and the brightest—you, Cesar Virata and OD Corpuz. Why? And there was no intervention of the Congress, why did Marcos fail? That is a very simple question [shared by] many people.

ALBA: In effect, the judgment of history through the voice of the people is that the Marcos years were a failure?

KATAYAMA: I think so because you accumulated so much debt and in terms of performance [indicators], the final [outcome] was not that good.

ALBA: Well, as I have said, much of the corrective history should be written. That is what the Pamana would do. I am not sure where the failure was... but if it had to do with development programs, I might debate that. As to whether the acceleration was slower than it should have been, again we can debate that. Development was very rapid during the first few years with an eight percent growth rate. We experienced self-sufficiency in rice over the

years that should now be renewed as soon as possible. The energy program started [during that time]. In the educational program, I am sad that it did not proceed as much as we wanted to. It was not anymore because of Marcos' fault but the way the programs were implemented subsequently.

KATAYAMA: I can rephrase my question. I was much inspired by a book written by academics on the Lopezes. In the Philippines, even during Marcos period, kinship politics prevailed. That was what Marcos tried to avoid but what happened? That was why he mobilized those brilliant technocrats, for example, DAP (Development Academy of the Philippines) or the career services executive board. No nepotism. Salary standardization based on performances and qualification. Very beautiful! I was very much impressed but eventually kinship politics prevailed. Why?

ALBA: I guess I am not right person to answer that question. I think the ingrained cultural dimensions of things are present. Kinship, or the relationship by blood, continued despite the technocrats. At the end, you would realize why Marcos did those things, getting the technocrats. In hindsight, things simply got worse, the kinship politics, I would say got worse than during the Marcos years.

KATAYAMA: But [Ferdinand] Marcos had the better chance.

ALBA: I know, the lost opportunity that would have made him a great president. He lost that but that is not the same thing when you say that he did not achieve anything. It was just the opportunity of doing much more and greater things that were lost...

PADERANGA: Lee Kuan Yew.

ALBA: You want Lee Kuan Yew.

TADEM: What do you think made it difficult for Marcos to [do away with] all those kinship politics...?

ALBA: The political culture remained. I guess it is easier to reform economic policies in the processes of formulation and decision-making than reforming traditional cultures and values

that are passed down from generation to generation as an inheritance. The dynasty thinking, that they have the right to continue... I suppose that in the long term, the better educated the population, the better they are in defining what is appropriate for them and install a government that is... but that is what precisely would take generations to change. I think, Marcos could not do it in his generation... He installed some changes but it was lost opportunity. Some would say he could not control his wife. <laughs>. If he could not control his wife, then, how could he control the country?

TADEM: There was this perception that even though there were some dynasties that ended, there were new ones created.

ALBA: There are many.

PADERANGA: Maybe dynasties would change but the dynasty system would remain.

ALBA: The dynasty —meaning the autocratic family dictating local [politics]. Some define dynasty as the succession by the relatives ... like your son and your grandson taking over the post of the tribal chief, “Hey, you tribes, I have installed my son here!” That is why [Barrack] Obama capitalized on the fact that for the last two presidencies, we have one Bush after another, and will it be one [Bill] Clinton after another? That really helped him. I really am struggling with the answer to that question.

PADERANGA: That is a political science view also.

ALBA: It has been debated in the academe.

PADERANGA: It is a political science point of view because clearly the question is weighted heavily by political rights, political variables included; from the planning and economic point of view, it is about the timing, the changes in commodity prices, the Latin America debt problem.

ALBA: There were so many externalities that were difficult to deal with. I mentioned about [President Ferdinand] Marcos being essentially a democrat. It was painful and agonizing for him to declare martial law; and as to why many technocrats accepted it, I guess, they were

mindless of the fact that the political culture was going to be the serious impediment. I have a tunnel vision on the fact that technocracy would be useful... From our end, we tried our best. We could have probably done more if Marcos himself set the example and the guidance in terms of what he could do.

KATAYAMA: I really appreciate the information and description [you provided]... I think the ... scholars who are interested in the Marcos administration [will find] these transcripts [valuable].

ALBA: [The] dynamics that do not come out in public.

PADERANGA: Maybe the background makes a difference because [when] we asked PM [Cesar] Virata the same questions, he would come up with a very 'engineering' answer. He was very neutral. OD [Onofre D. Corpuz] was very laconic. He knows many things but he does not want to talk about them.

KATAYAMA: I was amazed on how you were able to visualize...

PADERANGA: The personalities and the play of forces were more highlighted here than in the other interviews.

KATAYAMA: Having interviewed you is already a success for our project.

ALBA: Thank you.

KATAYAMA: This is a three-year project and this is the most fruitful interview. I am honest.

ALBA: To me, even little anecdotal incidents are explanatory of why this guy decided the way he did. For example, one of your questions, "Was Marcos very sick at that time?" He was, and I thought it affected his decision-making. Twice, I shook his hands and he was swelling... his ailments made it tough for him to make decisions. Historians should pay attention to this, whether his mind was already affected.

PADERANGA: That is why we [are asking] ... When did you think his health problems started to pop up? I think PM [Cesar] Virata confirmed this also. It was during the assassination of Ninoy [Benigno Aquino Jr.]. He really could not get in touch with President [Ferdinand] Marcos.

ALBA: I think, it was during the post-assassination... You could see it. It was the puffing of his cheeks. I suppose, it was because of the dialysis.

PADERANGA: Do you think the doctors would talk now?

ALBA: I do not think so. I think it is part of their code... Bongbong [Ferdinand Marcos Jr.] would be a nice person to ask, or Imee [Maria Imelda Josefa Romualdez Marcos].

PADERANGA: Do you think it will come out in the Pamana [Project]?

ALBA: Bongbong [Ferdinand Marcos Jr.]?

PADERANGA: No, the illness.

ALBA: The most likely person who could answer that is OD [Onofre D. Corpuz] because I would not know. I do not think Cesar Virata would mention it. It is such a critical factor.

<The team gives the first transcript to Dr. Alba. Dr. Paderanga and Professor Katayama leave the room. Dr. Tadem and Dr. Alba talk about the interview with OD Corpuz.>

ALBA: Maybe, it was because of his emphysema, he could not really talk that much.

TADEM: But maybe if you are there, when the people he is comfortable with are there, I think [he will talk more]...

ALBA: Was he uncomfortable with you?

TADEM: The one who is close to him is Dondon [Cateyano Paderanga Jr.] because Dondon's wife was his secretary.

ALBA: Is that so? As for me, I feel free to talk. It is like [all these things] bottled up inside me [are] simply wanting to get out. In Pamana, these things will also come out but it is not a transcript kind of record... So, I will be writing a lot about the educational experience and the budget process. That is what I am writing on.

TADEM: Sir, we will give you the transcription.

ALBA: I might laugh at the things that I have said [but] I should not be saying at all. Shall I delete some of these things?

TADEM: Yes sir. We will email you the soft copies. Sir, for the last three questions, we would like to ask your perception of the military.

ALBA: Which aspect, the active military being used for political purposes? If you have noted, during all those coups, the military was the crucial factor in the ouster of President [Ferdinand] Marcos and Joseph Estrada. That is one aspect of the politicization of the military. The other one, the military officers retire early, at age 45 in the Philippines. So, what do they do afterwards? Many of the officers look forward to being involved in government. Since they have helped the ruling leadership, they are able to get appointments to key government offices. This is getting to be a [a cause for concern]. The Magdalo people, 18 of them were appointed there. That is the case of either militarizing politics or politicizing the military. In effect, you have an activist military that would like to participate in decision-making, not through the electoral process but in the administrative functions outside of being the subservient entity to the Chief Commander. I can say that the Philippine military is one of the most active in this regard.

TADEM: How about their appointments in government positions, in government corporations?

ALBA: Quite a few, isn't it? Now, there are several cabinet secretaries who were former military commanders... Many corporate chief executives are former military men. Some of them have entered Congress itself...

TADEM: Sir, during Marcos time, you had the technocrats and then you have the military [men], were you comfortable with the military?

ALBA: Yes. Fortunately those who had participated in areas that I had worked in, they were very technocratic. They had good training in the PMA (Philippine Military Academy). In fact, they were quite good and serious. No fooling around. They did not have a second objective on what you do. They would just tell you, "This is it!" That was what I like about them. I did not have any unpleasant encounters with them.

TADEM: Sir the last two questions, on hindsight, if you can go back... what position would you like to have in government? I mean, what would you find most challenging if you were to go back now?

ALBA: I would not want to go into the administrative bureaucracy, maybe in government corporations. Corporate governance is something that I will do. If there are good projects, project management challenges would be alright. I always wonder about the idea of being a bank president, for example. Once, I tried to work in DBP (Development Bank of the Philippines). But other than that... I have no ambition to be that successful or be well-known. I just want to have a comfortable role where I would continue to be useful. At one time, I wanted to be the chairman of COA (Commission on Audit) because it was vacant and I was interested in that. [But] I had no patron to sponsor me. It is a prestigious position. It still has not been soiled. As far as its status is concerned, you can do a lot in terms of how to remedy many of these government offices... I ran for president for UP, did you know that?

TADEM: Sir, not that time when Gerry [Gerardo] Sicat ran?

ALBA: Yes, it was when Gerry Sicat ran. Dodong [Francisco Nemenzo Jr.] was the one appointed. To be frank about it, it was Raul de Guzman who asked me to run and aspire for it. I did better than most of them in the public forums, Ledy [Lediviña Cariño] was also a candidate there, also Emer [Emerlinda] Roman. Raul told me, "You did better than most of them in the public forum." And I thought that I had Raul's support because he was the one who asked me. I thought Oscar Alfonso would also support me, so I would have at least two votes.

TADEM: But they did not vote for you?

ALBA: I did not get a single vote... Well, I would have loved to be the president of UP. It would have been a good career ending ... not because it is secondary to you. It is everybody's aspiration to be the president of UP, if not president of the Republic of the Philippines. I was asked to be the president of two universities in the Visayas. I'd rather enjoy my old age and play tennis. I have a small management consulting firm that is fun to do.

TADEM: Sir, you are still young, you are not yet 70.

ALBA: I am 69 and I will be 70 in May. [Cesar] Virata is eight years older than I am.

TADEM: He was born in 1927; he is now 80.

ALBA: He is healthy and still plays tennis. The Marcos' people are all healthy. Look at Jimmy [Jaime Laya], Gerry [Gerardo] Sicat, Bobby [Roberto] Ongpin, [Emil] Javier...

TADEM: Sir, [Cesar] Virata said that Armand Fabella was challenging him in tennis.

ALBA: Oh, those two, they are way out of our league.

TADEM: Sir, what about Gerry [Gerardo] Sicat?

ALBA: He started earlier than I did but after a while, he just couldn't win.

<Dr. Tadem and Dr. Alba talk about their centennial medals.>

TADEM: Okay sir, what advice can you give for those in government now based on your experience?

ALBA: What advice can I give them? Are they committed to stay or are they there because they could make money out of it? Are they seriously interested in being of service to their fellowmen? It is so easy to say this, but just do good. Do well but it also boils down on how well-paid our government officials are. In Singapore, government officials are so well paid,

and their pay scale is equal to corporate executives. If you are paid like that...if I were to get 500,000 to 2.5 million a month, I could concentrate on my job and I would be honest about it. Part of the reason why some government people are like that is because they know that they can make money out of being in government. So, they spend maybe 60 percent of the time trying to earn money for themselves, instead of doing the work that they are being paid for. I can say this factually. In local government, well, except for Mayor [Feliciano "Sonny" Belmonte Jr.], who is such a great mayor, the corrupt third level kinds of people are in local government. According to a survey, the most corrupt entity is the local government unit.

TADEM: Sir how did Mayor Belmonte plug down corruption?

ALBA: He does. I am in City Hall, and I have been victimized. I was doing an affidavit and some guys straight out from the office of the city legislator asked me for PhP 5000. I called someone but he did not do anything about it. One would say, they are doing it upstairs, so why not? ...How can we reform? We still have a long way to go. The reason why we are undeveloped is because at the local government level [there is a lot of corruption] ... but the pay scale is one reason. We should do something about it.

TADEM: Sir, with the salary standardization scale, full professors will get PhP 80, 000. I do not know if this is true, Winnie [Solita] Monsod said that we have lost 75 PhDs.

ALBA: More would be going, what a waste. We have devised something__ for example, the professors in the College of Business Administration have other sources of income.

TADEM: The issue of academic research...

ALBA: Your time is only so much and then being so involved in other projects, there is no sense of what is the priority, and academic interest is lost. You are concentrated on what is my next project, where you can get funding ...those kinds of things.

TADEM: Like for example, it is so hard for a department to publish...

ALBA: That's why I think eventually UP (University of the Philippines) should recognize that some of our professors should be allowed to teach in other universities as an alternative

[to get] additional income... Not everybody can do consulting work like the BA (Business Administration) people, the NCPAG (National College of Public Administration and Governance) people, or the economics people, who are everywhere. On the other hand, it would improve the quality of other universities, by allowing UP people to teach in those universities.

TADEM: Emer [UP President Emerlinda Roman] is open to that. You are allowed to take a leave for two years...

ALBA: The other thing is to address the issue of UP housing. I talked to Emer [Emerlinda Roman] about it. Let's make sure that everyone has a subsidized housing unit here in campus or elsewhere. I guess part of the reason that I stayed in UP was because I had a nice cottage for PhP 300 a month. Otherwise, I would have left early and stayed in SGV (Sycip, Gorres, and Velayo). If you cannot increase the pay scale, look at other benefits. Likewise, offer free scholarship for the children of UP employees. There are so many ways that you can handle all these.

TADEM: They have been given incentive awards as well.

ALBA: That's fine. Those are rewards for achievements but [there is a need for UP] to provide a proper environment to...make it easier for the faculty to [work]. If a faculty couple has five children, you can enable three of them to go to UP. I am sure they would stick around. There are several measures that I think Emer [Emerlinda Roman] would like to address. It could be a centennial faculty housing.

TADEM: Even the dorms are lacking.

ALBA: I stayed in the dorm when I was a faculty member. I commuted when I was a student. I was a working student for most of my years in the university. Then, I developed bronchitis at work. I got sick when I was graduating. I was marching at the commencement and I nearly fainted. I got sick right after the EDPITAF (Educational Development Project Implementing Task Force) thing. Too much work. So what advice can I give? Commitment first, what do you really want to do? For young people like you, strike anywhere, go anywhere you want, and afterwards, based on your experience, decide on what you really want to do.

TADEM: Talking about the ones like former bankers going to government...

ALBA: Let me quote a friend who said that if government service is in your biodata, you have done much. I wish it is like that. Many of those who are well-off did not make money from government but in the private sector. I wish they would help and donate their salaries to charity. Who are these people?

TADEM: I could think of [Jose Isidro] Camacho.

ALBA: In UP, you have a professor emeritus for a peso — you have a nice office, a beautiful research assistant, that's your pay off.

TADEM: If you do research you have PhP12 thousand. You are also given transportation allowance, etc. [Prof. Remigio Agpalo] used to get that.

ALBA: He also plays tennis.

TADEM: Sir, he died already.

ALBA: Oh, he passed away.

TADEM: Yes.

ALBA: He was hot-tempered. He was at the tennis court one time and he was belittling everyone else.

TADEM: Sir, my husband Ed [Eduardo Tadem] also plays tennis. He brings up the issue of UPTC [UP Tennis Court] when he sees Emer [UP President Emerlinda Roman].

ALBA: We have a problem there.

TADEM: But then I told [Ronaldo] Zamora...

ALBA: He just underwent heart surgery, a triple bypass and three other minor operations. He is 80.

TADEM: I saw him in the infirmary.

ALBA: That was sometime ago.

TADEM: Less than a year. He said we can still keep it [the UP Tennis Court] for two years.

ALBA: The mechanical engineering building and the tennis court were both declared as non-conforming to the UP land use plan. Both have to go. That area was supposed to be part of the academic oval. The humanities department or the architecture department can construct a building there. UPDTC [UP Diliman Tennis Court] is resigned to leaving but they need time to move elsewhere... I said, "Give us time to move, this is not just for us. The UP Alumni, the students, the UP tennis team, the donors are all using it." For architecture or humanities, it would take at least two years to get money from the budget.

<Dr. Tadem and Dr. Alba continue to talk about the tennis court.>

ALBA: Okay, last question. We are done, right?

TADEM: Sir, what we will do is to transcribe everything and if there are gaps then we will come back...

ALBA: Was I helpful?

TADEM: Very much.

ALBA: I have talked too much. I was fascinated by this project. Dr. [Ma. Luisa] Camagay, the head of the UP Press, was commissioned to write the history of Quezon City. So I said what kind of history do you have in mind? It could be controversial...

TADEM: So Sir, is Herbert [Bautista] running for mayor?

Manuel Alba 2
Date of Interview: January 23, 2009

JSPS Philippine Technocracy Project
Transcript of Interview

ALBA: Is he? ...

<The team talks about recent politics in Quezon City...>

<End of interview>