

Placido Mapa 1
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JSPS Technocracy Project
Transcript of Interview

Placido Mapa
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Metrobank Plaza
Gil Puyat Avenue
Makati City

Interviewers: Professor Yutaka Katayama and Professor Teresa Encarnacion Tadem, PhD.

Research assistance for the interview was provided for by Mr. Chirstopher Nex Beñas and Ms. Mary Ann Joy Quirapas. The transcript of the interview was edited by Professor Laura L. Samson and Ms Rosa Concepcion Ladrado.

< Dr. Tadem and Dr. Mapa are talking about latter's experience in football. >

MAPA: I went to De La Salle [University] and Ateneo [de Manila University]. I played football for Ateneo. I did not make the grade when I was in La Salle but I made the grade in Ateneo. Anyway, I was quarreling with the referee because we did not like his officiating. But we found out that that we were both Ilonggos so we became friends during the half time. On the second half, the officiating was fine.

TADEM: Just a brief background about the project. We are studying technocracy particularly during the Martial law period and we want to hear from the technocrats themselves... to have a perspective on economic planning and the challenges for the technocrats during the period. Through my colleague, Professor Katayama, we were able to get funding support from the Japan Society for the Promotion of Science (JSPS) so we can do an oral history of technocracy in the Philippines. The purpose of this is to record and video tape interviews with technocrats and make the transcripts available to other scholars who can also write their own stories...

MAPA: Alex [Alejandro] Melchor was very much involved in this and Armand Fabella.

TADEM: We interviewed Armand [Fabella]. He gave us one interview last August [2008].

MAPA: Good. Alex [Alejandro Melchor], were you able to interview him?

TADEM: No. But we were able to interview Ting [Sixto] Roxas... Hilarion Henares and Armand Fabella...

MAPA: I was Armand Fabella's deputy.

TADEM: Sir, of course, PM Cesar Virata.

MAPA: Have you interviewed him?

TADEM: Sir we have 12 interviews with him. When we started to interview, we had 5 and then we had a lot of follow-up questions...

MAPA: Maybe he feels that it is about time that the people who were senior to him and his subordinates and colleagues get the credit that was being denied to them.

TADEM: That is also how we looked at it. In terms of the transcripts, we will give you a copy. Some prefer to have it edited first... Definitely none of these will be made public until you give us the go signal.

< Dr. Mapa asks the team about their drinks. Dr. Tadem introduces the research assistants to Dr. Mapa. >

TADEM: So sir, we would start with your... family background... I'm wondering, what kind of values were you raised with?

MAPA: Okay first, I was from De La Salle [University] and then Ateneo [de Manila University]. Well, I took grade school and high school in La Salle because my uncles went to La Salle, the Ledesmas. In college, I chose where I wanted to go so I went to Ateneo...

TADEM: Sir why, because you have relatives in Ateneo?

MAPA: No. My parents took me to a basketball game. I got excited watching the Ateneo Blue [Eagles] play.

TADEM: During the time of [Virgilio "Baby" Dalupan]?

MAPA: Much earlier. This was pre-war.

TADEM: Because of basketball?

MAPA: Yes.

TADEM: Sir did you see the difference between the De La Salle brothers and the Ateneo Jesuits?

MAPA: Both were disciplinarians. During my time, La Salle was very strict, now you hear sometimes of drugs, even gays in the faculty; during my time, no. They would whip you in the back.

MAPA: I was there in the late 1940s and early 1950s. It was usual for the [De La Salle] brothers to spank us with a two-foot ruler.

TADEM: Sir, was this La Salle Taft?

MAPA: Yes... Ateneo was also strict but not as strict as La Salle. I thought at that time, Ateneo was more rounded in the classics, history, and the humanities. La Salle had Latin but removed it later. Ateneo had Latin all the way to high school and college. It was relatively weaker in math and La Salle was very strong in math. But now, Ateneo is strong in math. In my time, it was not so; when I was trying to transfer from La Salle to Ateneo, math was a brisk for me. When I was in La Salle, English was my strength, so when I went to Ateneo, I felt at home. Also in philosophy and theology, we had more of that in Ateneo.

TADEM: Sir, what about your parents?

MAPA: My parents are from the Visayas. My grandparents were from Iloilo but they migrated to Negros so my parents were both born in Negros. My family is Mapa and Ledesma-Lizares on the father side, Alunan. We were relying on the sugar industry.

TADEM: Sir your parents studied in Iloilo or they studied in Manila?

MAPA: Both, in Iloilo first, then in Manila.

TADEM: Sir, did you feel you are middle class or upper class during that time?

MAPA: During my grandfather's time, I guess we were from the upper class. Now, I think we have come down...Because with each generation, the properties were divided and then even without land reform, it gets smaller and smaller each year.

TADEM: Sir did you feel when you were going to school that you belong to a different social class compared to your classmates?

MAPA: In La Salle, we were from both upper and middle classes. There were very few in the lower class. Both La Salle and Ateneo were that way. There were few scholars.

TADEM: Sir, you never thought of UP (University of the Philippines)?

MAPA: No. Although I taught later in UP as a professorial lecturer but I did not go to UP. I think I had the wrong impression that in UP, they were not really friendly with the Catholic faith... But in fact... the Opus Dei ... did a lot of apostolate within the campus...

Later... in fact from the point of view of the Catholic faith, it was better to go to UP [University of the Philippines] because there was confusion after the Vatican II. In terms of the interpretation of the changes that were introduced in the Vatican, there were a lot of misinterpretations. What happened was, in many Catholic schools, the Catholic religion teaching was either neglected or even wrongly taught. It was better therefore for people who wanted to be faithful to the Catholic Church to go to UP rather than to be exposed to the error.

TADEM: Sir I was from Maryknoll so I do not know the...

MAPA: I also went to Maryknoll.

TADEM: Sir, where, in Bacolod?

MAPA: In Isaac Peral and Mabini. This was before the war.

TADEM: In Iloilo?

MAPA: In Manila.

TADEM: So there was a Maryknoll in Mabini?

MAPA: In Mabini and before that on Isaac Peral [Street] or UN [Avenue] and my teacher was Sister Robert Marie who stayed here for a long time and who was the head of St. James [Academy] in Malabon.

TADEM: Sir, how did you find Maryknoll?

MAPA: It was very good. Aside from my parents, I learned the Catholic faith, initially from the nuns of Maryknoll. I had my first communion there with Sister Robert Marie.

TADEM: Sir, where did this come from? Did your parents raise you with a strong Catholic faith?

MAPA: Yes.

TADEM: Sir is this with the whole clan, the Ledesmas?

MAPA: ... My great grandmother became an Aglipayan for a short period but that was just because of some misunderstandings. She was very nationalistic. In fact, her title was Kapitana because she was a leader during the revolution. So she thought it was nationalistic to join the Aglipayan [church]. Later she found out, "... It sounded heretical." She went back to the Catholic faith.

TADEM: Sir, Prime Minister [Cesar] Virata was an Aglipayan...

MAPA: We get along very well. We respect each other's positions.

< Professor Yutaka Katayama arrives. >

KATAYAMA: Good morning! I am very sorry I am late. My name is Katayama.

MAPA: You are not late, they just arrived early.

KATAYAMA: Thank you. I am working for Japanese embassy as minister. In fact, this project we are handling...

MAPA: You are a minister?

KATAYAMA: Yes.

MAPA: I met these people from the [Japanese] embassy... Metrobank has a very close relationship with [them]...

KATAYAMA: It is a very good honor [for me] to see you.

MAPA: My pleasure. We prepared coffee for you unless you want tea instead.

KATAYAMA: Thank you.

TADEM: We are just going through the Ateneo-La Salle battle.

MAPA: My parents were very strict. In fact, some of our relatives used to comment that we were like the military.

TADEM: Sir how many kids were you?

MAPA: We are eight--six boys and two girls. We would observe curfew. We would be home at a certain time. When we had dates, "I am sorry but I have to go home already and bring you home as well." We danced with girls but at a certain time, we would be going home. <laughs> Of course, the parents of the girls we were dating were happy also. They knew our reputation because of our parents and so they were happy to be with us and sure enough before midnight, they were already checked-in.

TADEM: Sir, were your cousins also raised this way, the Ledesmas?

MAPA: Not as much as our family. Maybe the family of Oscar Ledesma; they were a big family too and I think the parents were very warm and at the same time, disciplinarians, the parents of Bishop Tony [Antonio] Ledesma.

TADEM: Sir he was your cousin as well?

MAPA: Yes.

TADEM: Sir we had the Philippine Social Science Conference before and he [Bishop Antonio Ledesma] was our keynote speaker. That was in Zamboanga City. When we had projects in agrarian reform, he was one of our consultants.

MAPA: I think he is the youngest. In our family, there is a tendency for the parents to be strict on the older ones but they tend to relax towards the end. The younger ones are not anymore subject to the strict discipline of the older ones.

TADEM: Sir, we were eleven kids. They were strict with the older ones, the middle ones they kind of forgot, the younger ones they remember... But the middle ones came out to be better. I am number 7...

MAPA: I am number two.

TADEM: That is why they were very strict.

MAPA: Also, although I am number two in the family, I was the first boy so in a sense, so I was really subject to strict discipline.

TADEM: Sir, were you also strict with your kids?

MAPA: Yes. We were also strict with our kids.

TADEM: Really?

MAPA: But then again, towards the end, we sort of relaxed a bit.

TADEM: Sir because the older ones tend to take care of the younger ones...

MAPA: Also you tend to realize that you got so strict with the first so you relax towards the end.

TADEM: So the youngest gets lucky! But sir, what about your choice of economics, was that clearly what you want since you were [young]...

MAPA: That was because my grandfather was in the cabinet of President [Manuel] Roxas, and later, with President [Elpidio] Quirino. He held many positions especially with President Quirino. He was the first secretary of commerce and industry with Roxas but with Quirino, he was agricultural and natural resources, economic coordination, acting secretary of finance. Then also, what was the predecessor of NEC (National Economic Council) in terms of foreign trade? Foreign Economic Assistance Office, that went into the implementation of projects. He was also chairman of RFC (Rehabilitation Finance Corporation) which later became DBP (Development Bank of the Philippines). When I graduated from Ateneo, I was planning to take agriculture because we come from a landed family and we wanted to go to the farm, so he said, "Why don't you take economics?" I was reluctant because as I said I wanted something related to the farm

but... he told me, "Why don't you try it for a year? If you do not like it, then you come back and the farm is yours." So ... I tried economics and went abroad for my master's. After I got my master's, I realized it was not enough, so I asked, "Can I go on with my Ph.D.?" "Sure! Sure!" Except that, I first went to St. Louise University, "If you are going to take Ph.D. why don't you go instead to Harvard?" So that was when I applied to Harvard for a Ph.D.

TADEM: So sir, did you go straight to Harvard? Were you also thinking of an academic career?

MAPA: No. I taught when I came back, I taught in Ateneo [de Manila University] but on a part-time basis. My main interest was ... banking. My first job in fact was with Citibank, it was then called, "First National Citibank." I found economics as a very good [preparation] for going [into banking].

KATAYAMA: Going back to your US days, did you not have any difficulty in catching up with your classmates in terms of academic performance?

MAPA: No.

KATAYAMA: How good were you?

MAPA: I was a top student in St. Louise University but when I went to Harvard, I was just average.

TADEM: Sir, I am curious about your choice of La Salle and Ateneo...

MAPA: Precisely because I was going to the US for the first time and I wanted a good transition, I thought of going to St. Louise University which is a Jesuit university. I thought that would facilitate my transition from the Philippines to the US, going from one Jesuit school to another.

TADEM: So not Fordham or any other school?

MAPA: Because at that time, I was talking to the head of the Economics Department of Ateneo, Father Nicholson who came from St. Louise, and he recommended St. Louise instead of Fordham and Georgetown. So, I followed his suggestion.

KATAYAMA: Were you enjoying full scholarship in St. Louise?

MAPA: No. My first year, my parents paid [for my tuition] but in my second year because of my grades, they gave me a fellowship in St. Louise.

TADEM: Sir how was the environment then for studying?

MAPA: It was very good. I was staying in the first year in a dorm. Well, in a graduate school, in fact I made it a point not to watch television so as to give me more time to study, except on weekends, I would watch basketball and football games.

TADEM: Sir how about the physical exercises?

MAPA: I played basketball. We had a gym and on weekends, I would play basketball with my schoolmates.

TADEM: Sir how about comparing St Louise to Harvard in terms of the environment?

MAPA: Well, Harvard was a much bigger university and also more competitive so I said I was the top student in St. Louise. With the same effort, I was an average student in Harvard.

TADEM: Did your professor or anyone of your professors have an impact on you?

MAPA: In Harvard, I particularly like Evsey Domar. Remember the Domar model for the investment multiplier effect? I had several teachers but he was my favorite. In fact, my dissertation, the heart and analytical part of it, was the expansion of his model, the Domar

investment multiplier model, except that this was for a closed economy, and what I did was to put it in a coefficient for an open economy that would take foreign exchange into account..

TADEM: He was your adviser sir?

MAPA: He was my favorite teacher but then he left. He was there for a short while but he moved on to MIT (Massachusetts Institute of Technology). For my thesis adviser, I have [James] Duesenberry.

TADEM: Sir, how about your classmates, did you socialize with them?

MAPA: Yes. I related well to them. In fact, it was interesting because I ran into some of them later on; I would hear about them and actually see them. One of them later became an assistant secretary in one of the departments in Washington and another became the president of the Federal Bank of Minneapolis. When I was in government [service], and I was going there for missions, we would go to the Treasury Department and to the West Wing of the White House and I would run into Professor [Gottfried] Habeler who was my teacher in international trade and [Duesenberry] who was also one of the economic advisers [of John F. Kennedy]. In fact, my thesis writing was delayed because whenever I would have an appointment for him to go over the draft, he would suddenly apologize because he had to postpone our appointment. He was among the advisers of Kennedy. He would be called to Washington and we would not be able to keep our appointment. That delayed my graduation by half a year.

TADEM: Sir...when you saw your professors working with the government, did you see yourself working like that?

MAPA: At that time, I was also with the government and I was in the Cabinet so I was happy to see them but they were also happy to see me-- that a student of theirs was in fact in the government of a country.

TADEM: Sir, were there other Filipinos also studying in Harvard during that time?

MAPA: [We were not exactly classmates but we were there at the same time... like Bernardo Villegas who came after me and also later, Jes [Jesus] Estanislao. Beniting [Benito] Legarda and Amado Castro S were no longer around by the time I got there.

TADEM: Sir was that the first time you met Bernie [Bernardo] Villegas and Jes [Jesus] Estanislao?

MAPA: In Harvard. In fact, I got in touch with Opus Dei when I was in Harvard.

TADEM: Sir, why did you think of contacting the Opus Dei at that time? Was it because you were raised by the Jesuits and De La Salle Brothers?

MAPA: Because the chaplain of Harvard at that time was a priest of Opus Dei. That was how I got in touch. Unfortunately, the previous chaplain of Harvard was a Jesuit but he did not believe in Catholics going to Harvard. He was not keen on that. I forgot his name now but at that time he was saying that outside the Church, that there was no salvation and he himself in fact got excommunicated for taking that extreme view. Later on, he came back to the Church. He was, I think, the chaplain of Harvard at that time and he did not like the idea of Catholics going to Harvard.

TADEM: Sir was it okay for your parents at that time that you become Opus Dei?

MAPA: Well, Opus Dei is a Catholic organization so anything that would enhance you in the Catholic faith is good.

TADEM: Sir, where did you meet your wife?

MAPA: During a New Year's break, I went to Washington to do research. I went to the libraries of the World Bank, the IMF (International Monetary Fund) and talked to some people there because I was writing my dissertation then. I stayed in my friend's rooming house, the late Tony

[Antonio] Ayala who was my friend from Ateneo and who was also studying at Georgetown. His girlfriend was from Milwaukee, studying in Marquette University and her roommate became my wife. They were both in Washington for a vacation. That was how I met my wife because she was the roommate of the girlfriend of a close friend.

KATAYAMA: You are from a very affluent family unlike the other technocrats.

MAPA: But now I am not so affluent anymore... In fact, I lost my land already. I am a deposed landowner.

TADEM: Sir did you share Archbishop Ledesma's agrarian reform advocacy?

MAPA: We went voluntary to sell. We offered our properties because my mother wanted to cooperate with land reform. Also because, although we were entitled to some small [parcels of the] remaining land, in the case of some of my cousins, like Danding [Eduardo Jr.] Cojuangco, they sold their lands but they entered into an agreement with the beneficiaries... to form a corporation to manage the properties.

KATAYAMA: So you sold your land to Danding [Eduardo Cojuangco Jr.]?

MAPA: No, to the government.

TADEM: Then you hired farmers?

MAPA: I was giving the example of Danding [Eduardo Jr.] Conjuangco who also owned land and sold it to the government but instead of leaving the farm, he remained as manager and formed a corporation and lease the land back to the farmers who became his employees. They [the farmers] were the owners of the land but they were also his employees.

KATAYAMA: Yes. Yes. That is what I have read in the book written about him, ***Boss Danding*** (*check title*).

MAPA: That's right.

KATAYAMA: Very tricky.

MAPA: Oh well, that is allowed by law.

TADEM: It was different from Hacienda Luisita?

MAPA: In Hacienda Luisita, they became stockholders. In the case of Danding [Eduardo Cojuangco Jr.], he sold the land, rather than stocks, then lease the land back from them and hire the new owners as his workers. It seemed to be more successful than the stock option which is now being questioned.

TADEM: Sir your children, they all grew up in Manila?

MAPA: Yes.

TADEM: Where did they study, in La Salle or Ateneo?

MAPA: In Woodrose (School) and Southridge (Afternoon School) which are the schools that I helped establish.

TADEM: I thought that was like ten years ago.

MAPA: Longer than that, 33 years ago.

TADEM: Did anyone of your children follow your footsteps of pursuing a higher degree?

MAPA: One daughter, who in fact became a teacher, got her Ph.D. but she is London now. She finished her high school in Woodrose, then college in Ateneo and then went to London to the

Queen Mary College for her master's and then came back and taught in University of Asia and the Pacific (UAP), then to London again to King's College in the University of London, first for Classical Greek then Latin but later she switched to education where she got her degree. She is still there. She is supposed to take over the English Department in UAP.

TADEM: You were active in CRC (Center for Research and Communication)?

MAPA: In fact, I am chairman of the board there.

TADEM: So sir, when you came back, did you go to Citibank already?

MAPA: I also taught in the Ateneo [de Manila University] graduate school.

TADEM: And CRC was not yet there and then when you set it up, you were in the Citibank?

MAPA: No. By that time, I had left Citibank and went to PIA (Program Implementation Agency).

TADEM: Sir how were you recruited to PIA (Program Implementation Agency)?

MAPA: It was during Ting [Sixto] Roxas's time that we got recruited. I got recruited during the [Diosdado] Macapagal administration. One of the things that he did was to implement decontrol so that gave the banks a chance to go into foreign exchange trading and make a lot of money that way. In Citibank, we had an executive training program where the graduates, many from the US, were being recruited and trained. The first to be recruited was Tony [Antonio] Ozaeta. Ting Roxas was trying to recruit him but then the Citibank had just set Tony [Ozaeta] to train in foreign exchange trading and they did not want to let go of him because this was the opportunity to make money. They volunteered me instead of Tony because for one thing it was economics and I had a Ph.D. in Economics. Tony had a master's in business administration and also Citibank knew that I intended not to stay permanently. I frankly told them in the beginning, when they were recruiting me, that I had an eye to eventually work for the government because I

wanted to follow my father's footsteps. In fact, they were reluctant to take me because they would lose me and then a more senior one said that "Let's take him anyway." They took me in and then when they were about to lose Tony Ozaeta, they volunteered me. That was supposed to be for a short time only, six months to one year and then I was supposed to be back with Citibank. When I joined PIA during Ting [Sixto] Roxas's time, there was a revamp and Armand Fabella became the director-general and then later on, one of his deputies, Cesar Zalamea was borrowed for a while from Philam but then when he came back to Philam, he needed a replacement and so when Armand [Fabella] was asked who would take his place, he [Armand] pointed to me. I got promoted to deputy director-general. By the time, I was supposed to go back to Citibank, I thought, "Well, I am enjoying my work here. I may have more responsibilities, so never mind."

TADEM: Sir, why Citibank?

MAPA: Because of the training. If you look at the Philippine banking system, many of the top executives of Philippine banks are ex-im banks.

TADEM: Sir, when you entered Citibank, who were the people there?

MAPA: Well, the director-general was Ting [Sixto] Roxas. He was the one who recruited me.

TADEM: Sir, do you remember your first projects there?

MAPA: I was head of capital transfer when I first joined PIA (Program Implementation Agency), which was in the area of banking. The transition was very easy for me... from PhD in economics, from banking training then Citibank, practical banking, money matters, management and then going to capital transfer in PIA.

TADEM: Sir what were the debates during that time?

MAPA: There was this kind of debate. NEC (National Economic Council) under Hilarion Henares was more nationalistic. PIA under Ting [Sixto Roxas] was more open-oriented, allowing foreign investment especially under Armand [Fabella] later because Ting did not stay that long in PIA (Program Implementation Agency). Armand [Fabella] replaced him.

TADEM: Were you part of the debate? Was President [Diosdado] Macapagal able to balance the different views?

MAPA: I was not in the forefront. I was only a deputy so I was not that exposed to the debate. It was more of Armand [Fabella] and Larry [Hilarion Henares]. [It was just] later on within PIA and ... when I became undersecretary of finance under Feny [Rufino] Hechanova. I did not transfer but I was concurrent and deputy director general under Armand [Fabella] in PIA. There was this debate within us only. It was an internal debate on foreign exchange goods. ...At that time, there was this margin, dual exchange or multiple exchange rate, and] I wanted to capture the margin... they were bidding on exchange transactions and ... [they wanted to] raise the exchange rate to encourage exporters and also to use the revenue that was being frozen by the Central Bank to reduce the deficit and increase the outlays.

TADEM: What were the other views on that?

MAPA: Others held on to what the BSP (Bangko Sentral ng Pilipinas) was saying because they were afraid of increasing the money supply and the danger of inflation and prices going up. Armand [Fabella], although he was the head, allowed me to present my views to President [Diosdado] Macapagal, who had a hard time deciding because he was attracted to the [other] proposition also, to utilize the earnings... on foreign exchange transaction and to encourage the exporters but Armand [Fabella] and Dr. [Andres] Castillo were against it. In the end, President Macapagal held on to that view but I submitted to whatever decision they made. When there was a change in administration and [Ferdinand] Marcos was already the president... I revived the proposal; in fact, he implemented it. It was made to pay for the deficit that he had inherited.

TADEM: Sir, in terms of that, did you feel that President [Diosdado] Macapagal was also hands on. He did not leave matters for his secretaries to decide?

MAPA: No, he made the ultimate decision. He would rely on the recommendation especially of the PIA (Program Implementation Agency) under Armand [Fabella] because he was both director-general of PIA as well as assistant executive secretary for economic affairs and that was a very powerful position.

TADEM: Sir you had two bosses, in the PIA, Armand Fabella and Secretary of Finance was...

MAPA: Feny [Rufino] Hechanova.

TADEM: Sir they had no clashes then?

MAPA: In fact, they teamed along very well in the cabinet. Although Feny [Rufino Hechanova] backed my decision, the final decision was with President [Diosdado] Macapagal and he decided to be cautious.

TADEM: Sir how was the transitioning to Marcos time... when [President Diosdado] Macapagal....

MAPA: ... they realized later the value of PIA (Program Implementation Agency). PIA was an elite core of people from the private sector who joined the government because they were idealistic and their intention was to stay for a short time and contribute. We also got bright people from the other departments and had them retained in PIA. It was a very effective and powerful [office]. They saw its value. There was this change of government after President Macapagal. Paeng [Rafael] Salas [was there] who was my friend and known to other people. We were good friends because we were together in Harvard. He saw the value of retaining it [PIA] as a whole rather than dismantling it. Sometimes, with the politicians, it was not that popular because... it was the role of PIA to cut down on spending and so to deny requests for fund releases by the politicians.

TADEM: Did you have to deal with the politicians yourself during that time?

MAPA: Yes. In fact, they asked me not only to stay but to become the head because they could not retain Armand [Fabella] since he was in the cabinet level during the Macapagal administration. In my case, I was the deputy or undersecretary... so they felt free to retain me because Paeng [Rafael] Salas personally knew me and also, it turned out that although my father was with the Liberal Party [during the time of] President [Elpidio] Quirino and [Manuel] Roxas, he had many friends even on the Nacionalista Party side. I had relatives also who were politicians in the Nacionalista Party who were part of the [Ferdinand] Marcos group. So in terms of people vouching for me or plugging for me, there were enough, but I was very uncomfortable. I was carried over. I was undersecretary for [Diosdado] Macapagal. I was close to him and even to Mrs. [Eva] Macapagal. We got along very well so I did not want to be disloyal to Macapagal. I do not know if anybody forced my father but he called me one time, "I understand you were declining the offer to stay and be promoted to be head of PIA." I said, "Yes, because I have an offer from Philam Life." Cesar Zalamea, who was my predecessor as deputy, had gone to Philamlife and he was being promoted. So someone needed to fill his old position and they thought of me... So I told my father, "You know, the salary that I would get in Philam is much better than in government." "Okay, I will take care of the difference." Because having been in public service himself, he was in the cabinet of [Manuel] Roxas and [Elpidio] Quirino, he valued the idea of public service, so he encouraged people to stay and on the financial [side], [he said to me] "I'll take care of it."

TADEM: But your father, was he already retired this time?

MAPA: He was the president of Metrobank, the first president.

TADEM: Did you talk to President [Diosdado] Macapagal about this?

MAPA: No, actually when he [Macapagal] was President and I was undersecretary, he was already on his way out. Cesar Zalamea in December was telling me, "You have to come in now."

I wanted to resign but President Macapagal did not want the undersecretary to resign. We had a meeting and we were asking “Should we also resign?” Because the cabinet secretaries were resigning, “No, no, you... people you should not resign.” I was caught in a bind because I wanted to resign but he said, “No, no. You should not resign.” I had sent my resignation to [President Ferdinand] Marcos already since I wanted to leave but he also did not act on it.

TADEM: Sir, Cesar Zalamea could have offered you a bigger salary in Philam?

MAPA: Yes. That was why I wanted to leave. I was going to leave even when [Ferdinand] Marcos was taking over. My father told me “Okay, I will take care of the difference.”

KATAYAMA: How would you describe President Macapagal’s leadership style?

MAPA: First, he [Diosdado Macapagal] was very honest but I think, he was a little too inflexible in terms of strategy. For example, he had this...target of implementing land reform which was a good thing by itself but to get the passage of the land reform, it took up a lot of his political capital and he pushed so hard for it that by the time he was able to push it through, he had already wasted all of his political capital... He needed other reforms to make his administration and his program successful; he needed more revenues. How could you implement land reform without the necessary revenues and other development requirements? You needed other taxes to be passed. All his political capital was spent and he was not able to push the taxes that he needed to make his program work.

TADEM: But sir, were there external pressures to do that, from the US?

MAPA: The land reform? I was not aware at that level.

KATAYAMA: He could not...

MAPA: ...strategize, he put all his capital and by the time he got it through, there was nothing left in terms of pushing the other things he wanted. It was a very hard effort so in the second half of his administration, when he was trying to push the tax measures...

KATAYAMA: How was his communication ability? Some people say that he was not good at it.

MAPA: [Ferdinand] Marcos was a better communicator with the politicians in terms of getting his program through and this was what I learned after watching him operate. We did not have to pass the other measures. It was [not] needed... the tax measures especially and then the Investment Incentives Act in the creation of the Board of Industries. Watching how Marcos operated, I also did the same thing. Instead of sending a message to Congress and telling them this was important, what I did was I would look for the more important politicians and approach them one by one. I had the advantage... because my late father knew many of the politicians. He was in the government, in the cabinet, and in doing his duties, he helped a lot of people; he did not collect anything under the table from them so they owed him gratitude... so I had help from the friends of my father. The majority floor leader, senate president, the head of committees, I would approach them [and] asked for an... appointment, and right away they would give me the appointment. When I came to see them, "What can I do for you?" I said, "I need your help to pass this bill." "Okay, your father is good friend of mine. I am happy to do this for you." Just like that. So many of the measures that President [Ferdinand] Marcos wanted... I myself would just talk to the congressmen or the senators and they would help me. Sometimes there would be another senator who was a little tougher, I did not know him that well and he did not know my father, I would just tell President [Ferdinand] Marcos, and then he would talk to them. He would come around. We would pass tax measures that way.

KATAYAMA: You might have been very exceptional because usually technocrats did not do that kind of job. Mr. [Ferdinand] Marcos made all the necessary arrangements. So you assisted Marcos?

MAPA: I would approach, as I said, the friends of my father.

KATAYAMA: Very exceptional....

TADEM: It was also the family. But your family was not group of politicians?

MAPA: Well, my grandfather was a member of the first National Assembly during the time of [President Manuel] Quezon. But my father was not a politician. He was a member of the cabinet. When President Macapagal ran... he was asked to be part of the senatorial ticket but he declined because he was not a politician. He had many politician friends, but he himself [was not a politician]...

TADEM: Sir going back to the reforms, you were saying that it was difficult opening up the economy; it was harder to push them during Macapagal's time, or Marcos' time?

MAPA: During Marcos' time, we were able to set up BOI (Board of Investments).

TADEM: In Macapagal's time, did you want to push through these policies?

MAPA: Yes, but we could not [do it] but during Marcos' time, he was able to do it... I learned from him. That was how he did it and then I learned from him, you do it [talk to the politicians] one by one. I also did that.

TADEM: Sir with your personality also.

MAPA: It was because I had the [political] capital of my father who did favors for them.

TADEM: Sir, the idea of liberalizing and opening the economy, where did it come from?

MAPA: That was not abrupt, that was little by little. Actually, most of the liberalizing came during [Fidel] Ramos' time. I was out of government. That was again because President [Fidel] Ramos had the leadership and he had a very good speaker in Joey [Jose] de Venecia. You know, Ramos was so successful because he had the speaker who delivered for him all the legislative

measures that he wanted [mostly]... on liberalization including banking. But during Marcos time, the more urgent ones were... the tax measures.

TADEM: Sir, what were the tax measures?

MAPA: The export tax. It was easier to pass the export tax if you were making it easier for the exporters by allowing the exchange rate to depreciate and making them more competitive. During [Diosdado] Macapagal's time they did not want to do this. How could they push the export tax? You were already [burdening] the exporter's with uncompetitive exchange rate and you add the export tax. But if you want the export tax, [you should] balance it with a more competitive exchange rate; then they could afford to pay the tax and still have profitable operations.

TADEM: Sir how powerful was sugar bloc for you?

MAPA: It was very powerful. They were my relatives. The sugar bloc was not that united... there were also factions--the Araneto-Yulo faction, and the relatives of Mar Roxas, and the Lopez faction.

TADEM: Sir how did you deal with them?

MAPA: They were all friends of my father so I would approach them.

KATAYAMA: What were the main issues between the two groups?

MAPA: It was more in terms of power rather than policy position because they were both on the same side when policies were concerned. It was the matter of who was in the top position. In the election of [Elpidio] Quirino vs. [Ramon] Magsaysay in 1953, instead of uniting, one group was with Magsaysay, the other one was with Quirino. [Jose] Yulo was with Quirino, [Fernando] Lopez was with Magsaysay.

TADEM: Sir was there any comparable bloc other than the sugar bloc during that time?

MAPA: During Marcos' time, the tobacco bloc. They were trying to protect the tobacco industry.

TADEM: So how would you view that?

MAPA: They were a very united and powerful bloc but then I was not so much involved in taxes. ...We wanted to make sure that the allocation of tobacco imports would be efficiently done. I had a technical staff using some formula and I would rely on them and sometimes this would run counter to the politicians and the cronies in terms of changing the allocation. I stood my ground; one time in my absence, President [Ferdinand] Marcos reversed our position, and when I came back, I tendered my resignation.

KATAYAMA: Which year was this?

MAPA: This was in the late 1960s. Not making a fuss of it, I submitted my resignation [but] President Marcos refused to accept my resignation and reversed his order and upon the recommendation of the technical staff. When my colleagues saw that, they were encouraged and they kept on doing their job well. The politicians saw that also, they did not anymore try... You know it was not known, but people like [Cesar] Virata and [Alejandro] Melchor and myself during Marcos' time would submit our resignations quietly... when we disagreed with the position of the president and quietly the president would say "No, no. You take back your resignation. I would reverse my order. I want you to stay." That was never publicized but those things happened... We did not like publicity in what we do so we kept it [among ourselves].

KATAYAMA: That is very interesting. I never heard of that kind of resignation done by [Cesar] Virata and [Alejandro] Melchor.

MAPA: Because we did not publicize it. We worked but we did not publicize much of our work.

KATAYAMA: How many times?

MAPA: In my case, three times.

TADEM: Sir, what were the instances when you tried to resign?

MAPA: During the period of 1967 to 1970, in my case.

KATAYAMA: That was before martial law?

MAPA: Before martial law.

TADEM: What were the reasons?

MAPA: Well, if you asked me ten years ago, I might be able to remember the details.

KATAYAMA: Marcos was not at all [angry] with that kind of resignation?

MAPA: No. He knew that we were doing it out of sincerity and not because we had vested interests or what.

TADEM: Sir in your working relationship with Marcos, was he also saying what policies he wanted?

MAPA: It would be both ways.

TADEM: What were the chances to discuss with him?

MAPA: Either in the cabinet [meetings], in cluster [meetings] or sometimes, individually. For example, he would invite us on a weekend, some of us, to go swimming with him. We were in the presidential yacht. They would land off somewhere in Cavite where he had a beach house or in Bataan as well. During those times also, he would also chat with us and we would be

discussing things. Sometimes, he would invite us to go on retreats, and after the retreats, we had time for private conversations.

KATAYAMA: Did you still have a clear recollection when you met him for the first time?

MAPA: Yes, when he asked to stay and then I took my oath. Before that I did not know him. I was appointed by him on the basis of a recommendation. One of his executive secretaries [was] Rafael Salas and one of them was a powerful person and the head of the sugar bloc, Eugenio Lopez Sr, the father of Geny [Eugenio Jr.] Lopez who later on became enemies of Marcos. During the first elections, they were all together. Lopez supported [Ferdinand] Marcos against [Diosdado] Macapagal, and before that Lopez and Macapagal were clashing. So this clash now between GMA (Gloria Macapagal-Arroyo) and the Lopezes, that is second generation. Even before that, there was a clash between the two.

TADEM: Sir you should write something on that, "Talk of the Town."

MAPA: Then, the Lopezes supported Marcos and before that, Eugenio Lopez offered me a job to go to Meralco. This was in early 1960s when I was in PIA (Program Implementation Agency) and I was deputy-director general of Armand [Fabella]. He offered me to... be treasurer in Meralco but what happened was, Feny [Rufino] Hechanova offered me to be the undersecretary of finance at the same time. So I was trying to decide whether to stay in the government, and I decided to stay. My father was also secretary of finance so I thought this was following his [footsteps]... so I declined and thanked Mr. Lopez for his offer. Instead of getting angry with me, he put in a good word for me and told President Marcos, "He is good because he is idealistic. I offered him a very good position and he declined it."

KATAYAMA: He said that to Mr. Marcos?

MAPA: Yes. Although, Mr. [Ferdinand] Marcos did not know me personally, I guess there were enough people who were putting in a good word for me. Another one, I had an uncle in Congress who was close to Senator [Gil] Puyat, one of the leaders during that time. I felt uncomfortable

about it because I did not want to seek any endorsement but relatives of mine were speaking on my behalf and putting in good words for me.

KATAYAMA: I suspect that Mr. Marcos might have thought, knowing that you have that kind of a very influential network, you would assume an independent stance....

MAPA: Yes. He knew that because precisely when we had some differences, I submitted my resignation.

TADEM: But on the one hand, you would always have the connection. If you wanted to push particular policies and he would have that whole network.

MAPA: Then he was also told that I was an idealist.

TADEM: Sir between Lopez and Macapagal during that time, what was their fight about?

MAPA: Because of politics and power because President [Diosdado] Macapagal was voted president and that people would follow what he wanted but the Lopezes, being powerful businessmen, wanted to influence Macapagal and the latter did not want to bow down to the Lopezes. And the Lopezes, if there were politicians who would refuse them, would try to go against them and support another politician.

TADEM: Was there any policy that Macapagal was implementing that the Lopezes were so threatened with?

MAPA: He [Macapagal] would not do what they wanted him to do and they would attack him in the [*Manila Chronicle*].

TADEM: Now the [*Philippine Daily Inquirer*].

MAPA: They became nice [to each other] for a while because of EDSA 2 but it did not last long. The room was not big enough.

TADEM: ...When martial law was declared did you know it was coming?

MAPA: I was already in the US. What happened was in 1970, in the second Marcos administration, there was a chance for us to have a seat in the board of the World Bank and the IMF. It was the first time that we would have that opportunity but we needed a candidate who would be acceptable... to represent the group in the board. You may be aware that in the IMF and World Bank, some countries have enough votes of their own, US, United Kingdom, and Japan. The others do not have enough vote but they need to pull their votes together to elect the executive-director. More of them had to get together to elect a representative so Cesar Virata at that time became finance secretary and before that, he was my deputy. He and [Alejandro] Melchor were my deputies in the Presidential Economic Staff. Later, he became chairman of the Board of Investments and then finance secretary. When he was told about that possibility of the Philippines occupying a seat, he offered it to me. "Would you be interested in going to Washington and be seated in the Executive Board of the World Bank or the IMF?" So I thought that it was a rare and excellent opportunity which I grabbed and so they nominated me.

TADEM: So sir, this was four years from 1970- 1974?

MAPA: First, as alternate executive director in the World Bank but for a short while also, executive director of IMF and it was a good thing I took that opportunity because after that we could not anymore become executive director. We did not have the confluence of votes. But at that time, there was this short opportunity to become executive director which exposed to me to a lot of contacts and also see the world and watch how Washington operate... and with my background in government here, I could appreciate what was going on in Washington, the tug [of war] between the executive and the legislative.

TADEM: Sir, were there policies, when you were in World Bank, that you liked for the Philippines?

MAPA: The fact of the matter is when you are directly represented there, the top listens to you more. The moment that I sat in the board...much higher loans were being granted by the World Bank for our projects. Of course, we had to do something also in terms of improving our own capabilities to implement [projects]. One of the things that was done by the Marcos administration and especially the handy work of Alex [Alejandro] Melchor was to set up an infrastructure operation center in Camp Aguinaldo to better monitor and coordinate the implementation of the projects. If you could show that you could implement better, the World Bank and ADB (Asian Development Bank) would be more predisposed to grant you more loans. ...So you need [to demonstrate] capabilities but [it helps] also if you have somebody there putting pressure on the staff... [so] when you follow up, they pay more attention to you. If you are not there, then they will be more inclined to disregard your arguments.

TADEM: How were you there?

MAPA: I was like a congressman there, putting pressure on the executive... you speak enough and be eloquent enough and then they would be careful not to offend.

TADEM: Maybe they know you are from Harvard.

MAPA: Never mind the Ph.D. the more important thing is what you say in the board meeting.

TADEM: How were you guided from the Philippines sir, with regards to the policy and how you would pursue things?

MAPA: In some cases, I would be communicating with either Finance Secretary [Cesar] Virata or Governor [Gregorio] Licaros of the Central Bank but many times, on my own initiative, I would say things or sometimes I would just let them know what I did. Many times, I would do things without telling them... because I was confident of our relationships.

TADEM: And the perspective for economic planning, did you share it with them?

MAPA: Yes. In fact, there was one project [supported by] the World Bank, the Pantabangan [project]. That was a very good project in Pampanga, an irrigation project... with a power generation component which was done at the later stage. The first phase was the irrigation project when I was still with PIA (Program Implementation Agency) and NEC (National Economic Council). We were still negotiating for that project. We were asking if we needed to include the power generation component while we were doing the construction of the irrigation dam because you might as well put in different stocks, but the World Bank was saying, "No, not economical enough." That eliminated the power generation component. Later, when the oil prices went up, suddenly they now considered the installation of the power component which was later done but if they had listened to us earlier... we wanted to anticipate and diversify the sources of power generation, it would have been more economical to use the thermal plants to generate power... From a banking point of view, diversification is important. You do not put all of your eggs in one basket. You need to diversify in order to reduce the risks. But they did not listen to us. Later on, when the addition to the power was already taken up at the World Bank board, and I was already sitting in the board, I said, "This should have been done much earlier and could have cost much less and it could have started to generate benefits much sooner, if only they listened to us." The [World Bank] staff was very uncomfortable, including the senior vice-president who earlier denied our requests. So if you say things like that in the board, they are more afraid to offend you and are more inclined to listen.

TADEM: Sir during that time, when you were in World Bank-IMF, did you have contact with President [Ferdinand] Marcos?

MAPA: I would occasionally come home for consultation.

KATAYAMA: Would he give you any instruction?

MAPA: No, more direct instructions came from [Cesar] Virata and [Alejandro] Melchor or [Gregorio] Licaros. If I needed any instruction, I would course it through them. I had a history of communicating directly with him but as a matter of protocol, [when] I was in the World Bank, I

would be careful to course it through Virata, Licaros or Melchor who was also the executive secretary.

TADEM: Sir when martial law was declared, were you abroad at that time?

MAPA: Yes.

TADEM: Sir, did it take you by surprise?

MAPA: Yes, although Alex [Alejandro] Melchor, because he would go to Washington and we would see each other often, had hinted about the possibility of martial law.

TADEM: And what was the reason he was saying that, because of the chaos?

MAPA: Yes, but I was not that too familiar with what was going on.

TADEM: So sir was it business as usual or did you have to pause for awhile...?

MAPA: We had to pause because everybody was pausing also, but then, [Alejandro] Melchor and [Cesar] Virata were around. This was during the IMF meeting when martial law was declared. They were the ones who faced the press.

TADEM: Did they themselves know?

MAPA: Maybe [Alejandro] Melchor...From the point of view of... implementation, things moved much faster... During martial law, the technical staff would just draft the executive order or we had the presidential decree which had the same effect as legislation.... So whenever the World Bank or the IMF would call for certain policies that would require the process of legislative hearing and all that, the staff would just prepare [a draft legislation] and then present it to President [Ferdinand] Marcos. He would study it, sign it and it would become a law. So whatever was required by the World Bank or the IMF in terms of legislation or a policy, it was

just done through a presidential decree. From the point of view of economic planning and implementation, things moved fast during martial law. Those decrees were not just done haphazardly. They were carefully studied by the staff including the people I knew, the lawyers, some of them were my assistants like Ruben Ancheta. He was one of those I brought to Washington and Ernest Leung was one of my technical assistants. Cesar Virata and the late Pio Veroda, the legal counselor of PIA (Program Implementation Agency) before or PES (Presidential Economic Staff), they would study all these things carefully and President [Ferdinand] Marcos would later on study it also, put his corrections and finalize it. Implementation then was very efficient and fast but to show you how careful these PDs were done and how well they were prepared, none of the PDs that were passed during the martial law had been repealed. Those people who criticized the PDs before, now they found out that these are good.... They did not repeal them... including the [budget] appropriations. This [the appropriation for debt service] was the recommendation of then Budget Minister [Jaime] Laya, and the politicians were denouncing it then. Now, that they are empowered, they think that it is a good thing... It has never been repealed. No other decrees had been repealed.

TADEM: But sir, I am just curious, your relatives were also in Congress so when Marcos closed down Congress, how were they?

MAPA: In fact some of them, the late Senator [Jose] Diokno was a good friend. I have a very high respect for him. Cesar Virata and I worked very closely with him in drafting the investment incentives act and the creation of the board of industries. We worked late at night in his office or in his home in Magallanes, in his private study, drafting that bill. I was impressed at his dedication and brilliance in terms of doing the work. He would argue, get our points through or convince us. We came out with a good [investment incentives] act that became a law...

TADEM: Sir, the difference lies not so much on economic policies but more on the political aspects?

MAPA: Yes. Senator [Gil] Puyat was a very good friend of my late grandfather. He was young when he was dealing with my grandfather, [as] Senate President, then later [as] head of the

opposition... in terms of our personal relations, we maintained them. Even the Lopezes, I would continue visiting Vice President [Fernando] Lopez. When Mr. Eugenio [Lopez] died, the other friends of his [who] were in... government... were afraid [to go], I went to the wake. His sons, especially Oscar and Geny, were very touched by the fact that I was in government but I did not hesitate to go ... and pay my respect to him.

TADEM: Sir, what was the source of conflict between the Lopezes and Marcoses at that time?

MAPA: Again power. When you have a private sector wanting to dictate and wanting to shake government policies, and you have a government that does not want to yield its power and give in to what the private sector wants for its benefits so...

TADEM: What guided your decisions?

MAPA: First, my conscience, I would pray for guidance and whatever is correct. Sometimes, I would find a way to reconcile them. I cannot [remember] the details anymore but one of my subordinates then, Ernest Leung would always remind me of the incident when we were about to have a recommendation for power rates. My staff knew that I was close to the Lopezes but they were also aware that there was this conflict. In fact, Mr. Leung himself went to see Ting [Vicente] Paterno...

< Dr. Mapa takes a call. >

MAPA: ...why don't you go and see Ting [Vicente] Paterno because I have respect for Ting Paterno as a technocrat. In fact until now he is respected as a person; he was working with the Lopezes, later he worked with the Marcos government ...

TADEM: Sir when you came back did your relatives or friends in Congress also talk to President [Ferdinand] Marcos... Or did they approach you to talk to President Marcos?

MAPA: No one asked me to do that, either they did not want to or they were friendly to Marcos himself. In my own family, they were divided, some were for Marcos and the others were against him including those who were very supportive of him earlier but later turned against him. Others continued to be loyal to him within my own family.

KATAYAMA: After the declaration of martial law or even before martial law?

MAPA: Before and after. My late mother was among those marching in rallies against [Ferdinand] Marcos.

TADEM: Sir, what was the L in your name? Ah Ledesma. Were the Ledesmas also split?

MAPA: In a big family, there are some for and against.

KATAYAMA: Looking back from now, what do you think was the reason for the declaration of martial law by Mr. [Ferdinand] Marcos, was it only for political reason or was there any other reason?

MAPA: Political is one; I think, the vocation of economic efficiency... [is another] and the proof is that years after martial law, we had efficient implementation of the policies.

KATAYAMA: How about his ambition to monopolize all...

MAPA: I think it was part of that also.

KATAYAMA: How about his ambition in economic terms, to accumulate wealth? Was this also included in his agenda?

MAPA: No. I think wealth from his point of view was a means to an end because he saw that with wealth, he could continue to perpetuate himself in power. Not wealth for its own sake but as a means of the perpetuation of power, which I think is true for every politician.

KATAYAMA: The same is true for GMA now?

< Everybody laughs. >

TADEM: Metrobank might disappear.

MAPA: Metrobank is neutral.

TADEM: Sir what about economic efficiency, did you think that it would last through the years?

MAPA: Later on, it was not efficient anymore. There were more intrusions of politics and, even though we went through martial law, Marcos tried to end martial law... So we had the interim Batasang Pambansa. We had again elected leaders. We had an election. He always wanted to go back to form. Whatever he did, he would always just make sure that there was a legal justification for it.

KATAYAMA: That is a very important point but do you think Mr. [Ferdinand] Marcos understood everything, particularly those complicated economic policies?

MAPA: Not initially but subsequently. He was not always right perhaps but the fact that he would study it because who knows who is always right? Many times brilliant people have different points of view.

KATAYAMA: When you gave him a briefing, did you have the impression that he understood you?

MAPA: He would. If he did not, he would ask questions to clarify and then, we would have to explain to him.

KATAYAMA: Could you describe some personalities like Rafael Salas and Alejandro Melchor? We are very much interested... [to know more about] them.

MAPA: Both were my friends but I have a higher regard to Alex [Alejandro] Melchor in terms of integrity and courage. Paeng [Rafael] Salas was also a brilliant technocrat. He had political ambition but he was denied that, so he decided to leave the country.

TADEM: How was he denied? He wanted to run?

MAPA: He wanted to run for senator and his own cousin, Bobby [Roberto] Benedicto was going to provide financial ammunition for him to run.

KATAYAMA: Bobby [Roberto] Benedicto?

MAPA: Yes, he is a close cousin of Paeng [Rafael Salas].

KATAYAMA: Mother side?

MAPA: The father of [Rafael] Salas is related to the mother of [Roberto] Benedicto. Roberto Salas Benedicto. Benedicto's middle name is Salas.

TADEM: Sir we should get your family tree.

MAPA: He [Rafael Salas] wanted support from his cousin. "Yes, I will support you but I would like you to sign for whatever support I will give you. People accuse me I am always raising and collecting money and I am the bad guy. You are all the clean guys there so..." He [Paeng] did not like to sign but he knew also that if he did not get the financial support, he would not be elected because in the survey he was not yet that high in the ranking. If he had enough funds to publicize himself, maybe he would move up in the ranking but his cousin would help if Paeng would sign something. <laughs>

TADEM: There was no endorsement from President [Ferdinand] Marcos? I am sure Marcos could have told [Roberto] Benedicto, "Don't make him sign."

MAPA: Maybe he thought that [President] Marcos was not willing to tell that to [Roberto] Benedicto so he decided to resign. He got a good offer from the UN (United Nations).

< Dr. Mapa leaves the room for a break. >

TADEM: Sir is it okay to continue? I think Yutaka has a question on Metrobank. So your father founded Metrobank?

MAPA: Together with Mr. George Ty. He was the founding president and Mr. [Emilio] Abello was the founding chairman.

KATAYAMA: You sold all your stocks?

MAPA: I personally sold it but those were not my original stocks. I inherited some shares from my father but then when I got appointed to the Monetary Board and NEDA (National Economic and Development Authority), I had to dispose of my shares in Metrobank. When I left the government and came to Metrobank, I bought again on my own, not as much, but on my own.

KATAYAMA: How many percent?

MAPA: Very small, not like the percentage that my father had when the bank was founded.

TADEM: Sir, how about your siblings, did they have stocks there as well?

MAPA: I think they sold it already. I think my sisters kept all her stocks.

TADEM: That is why she is in London?

MAPA: No, that was my daughter.

TADEM: Ah yes!

MAPA: But I also invested in their names but I do not know if they still kept it or sold it but it is very small compared to the original holdings of my father.

TADEM: So when your father went out from the government, they founded the Metrobank?

MAPA: Yes. He was invited by Mr. [George] Ty.

TADEM: So they knew each other from before?

MAPA: No. Mr. [George] Ty invited Don Pio Pedrosa who was also in the cabinet with my late father who was the Secretary of Finance and then he went to the private sector and joined Prudential Bank. He was the banker of Mr. Ty in flour milling. When Mr. Ty wanted to go into banking, he asked Mr. Pedrosa to help him organize the bank and to be the founding president but Mr. Pedrosa did not want to leave Prudential Bank. He told Mr. Ty that he could find somebody and that was my father because they were together in the cabinet. The way Mr. Pedrosa told Mr. Ty, "I'll find someone better than me." <Laughs> Mr. Ty was Mr. Pedrosa's good friend and client as a banker so he wanted to help Mr. Ty. In fact, even though he did not leave Prudential Bank, he helped them organize it as one of the incorporators.

TADEM: And then Mr. [Emilio] Abello was also a banker that time?

MAPA: No, he [Mr. Abello] was the ambassador to Washington but he was also a respected businessman and was the chairman of Meralco.

TADEM: Sir we should map out your family tree and your friends.

MAPA: After my father died and I was in the World Bank, Mr. Abello then as chairman of Meralco asked me because the Meralco group also was a stockholder of PCI (Philippine Commercial International) Bank and PCI Bank had some problems. They wanted to step in and so he called me in Washington and asked me if I would be interested in becoming president of PCI Bank, I told him, "Only if you come in with me." I had high respects for him. I had to leave Metrobank for PCI Bank but since he asked me if I could go to PCI Bank, he could not refuse me so he went with me to take over PCI Bank. He was saying, "I do not know if I am doing the right thing, going from a good bank to a problem bank that time." But we were able to strengthen PCI Bank.

KATAYAMA: You are Chairman of the Board of Advisers [in Metrobank]?

MAPA: After I left government, I became president of Metrobank and later, became vice-chairman, and then I retired. After I retired as vice-chairman, I became chairman of the advisory board. I do not have executive functions now and even a vote in the board. I just attend the board meeting. I am retired. They just gave me a small office to receive visitors.

TADEM: Sir, so... from the World Bank, you went back but not in government.

MAPA: I went to PCI Bank.

TADEM: Did you think of going back to government after your stint at the World Bank and IMF?

MAPA: I thought that was a good opportunity. I was just an official assistant for training in Citibank. There was a chance to apply what I learned in Citibank but I had a good position since I had acquired prestige in the government. So I found the offer of PCI Bank very attractive...

TADEM: Sir, was there any offer to go back to the government, like from [Cesar] Virata?

MAPA: [Alejandro] Melchor was offering me an ambassadorship to Geneva because [to be an] ambassador to the UN agencies [means occupying] a hard working economic post. I remember telling him, “No, no. I want to be ambassador to [B---].” “You do not want a job, you want a vacation.”, <laughs> I declined and instead, took the presidency of PCI (Philippine Commercial International) Bank. After three years, the chairman of DBP (Development Bank of the Philippines) passed way, Leo [Leonides] Virata, the uncle of Cesar Virata. I had been the secretary of Trade and Industry. Anyway, he was chairman of DBP and [he] passed away so President [Ferdinand] Marcos asked me to come back and take over DBP. I think that it was another chance to be in a development bank distinguished from a commercial bank. It was also a position of my late father, so that appealed to me. I took that offer to go to DBP.

TADEM: Sir how was the experience different now, that you are the real boss?

MAPA: Although I had a very good boss when I was alternate, that was Virgilio Barco [Vargas] who later on became president of Colombia. He was a good man to work with.

TADEM: Sir when you were in DBP (Development Bank of the Philippines), what were the policies there? Did you change any of it...?

MAPA: Not really, I just ran it efficiently. It has its own charter and we had established good working relationships with partner institutions like ADB (Asian Development Bank). We were rated as the second best financial institution [dealing with] ADB in their total operations. According to Cesar Virata, we were rated the second best financial institution among their clients. I suspect the top one was India.

TADEM: Sir as DBP (Development Bank of the Philippines) president, did you work closely with the government?

MAPA: Yes. This was the idea of the late Leo [Leonides] Virata that government financial ... institutions [should] regularly consult with each other. So every Friday noon, we would have lunch together. The secretary of finance, the Central Bank governor, the secretary of commerce,

the head of PNB (Philippine National Bank) and DBP, NEDA (National Economic and Development Authority), and Budget, we would meet informally... We would regularly meet for lunch just to exchange notes and coordinate. President [Ferdinand] Marcos valued our opinions... He had other people working for him, other cabinet members, other heads of institutions, and sometimes all of them would be attuned to our thinking. What we tried to do, first among ourselves, we tried to avoid conflicts, we tried to help each other overcome conflicting positions, and we would get together regularly and coordinate with each other.

TADEM: Sir, can you remember, what were the differences with the other groups?

MAPA: It was more on implementation. For example, financial institutions were doing their merry way of borrowing, checking with the Central Bank. That was why we had this crisis in the 1970s. To correct that, we decided to meet regularly to prevent further damage and to correct whatever was wrong.

TADEM: Sir within the group itself, there were really no major issues? These were mainly the banking, the financial group...

MAPA: Until now, we still get together, about once a month but many of us had already passed away.

TADEM: Sir during this time, we were also looking at the role of the private sector because it might be interesting since you were from Citibank, then PCI (Philippine Commercial International) Bank going back to the government, how did you see the role of the private sector... was Marcos able to harness it during that time?

MAPA: The government cannot do everything. What the government needs to do is to lay down the policies so that the private sector can operate but you have to rely on the private sector to do the bulk of the economic activities. What they need are correct policies. Maybe, in some areas, the government can do some dealings directly but [only] as a catalyst for the private sector [and not as a competitor].... If they [the private sector] can do it, let them do it. As much as possible,

you leave it to the private sector or you assist them in order for them to do their role efficiently. Even in the social teaching of the Church, there is this principle subsidiarity and solidarity. Society should work together. Within society, what can be done by a lower entity should not be done by the higher entity. Let the subsidiary do things on their own, [and] only when they cannot do it, then the higher levels should step in, either to support them or do it in their place. To the extent that you can delegate, you delegate. Even within an organization, to the extent that I can delegate, I would. For example when I was in PES (Presidential Economic Staff) and the priority then was to get the legislation through, I spent most of my time outside the office, meeting with the congressmen. Of course, if you have reliable people... you can leave the office.... As I said, I had deputies like [Alejandro] Melchor and [Cesar] Virata... I could... leave them alone and [so] I could go out instead and meet with congressmen and senators.

TADEM: Sir, you were in the government from pre-martial law to martial law. In getting feedback about your policies, during pre-martial law you had congressmen but after martial law... you were free to formulate economic policies, sir where would you get your feedback?

MAPA: Yes. You would have to talk to your friends in the private sector. Some of them were frank enough.

TADEM: Sir, do you remember who were the frank ones?

MAPA: Not everybody would agree with me but it didn't mean that we did not have a relationship anymore. Some were my blood relatives and some of them were very vocal.

TADEM: Sir was this more on opening up, the quotas?

MAPA: Yes. The matter of quota for example, you know that NASUTRA (National Sugar Trading Corporation) was very unpopular with my family. That was a very sour point with my relatives but that was something within my control.

TADEM: Sir how about the relationship of President Marcos with [Roberto] Benedicto?

MAPA: They have always been very close and Benedicto was a very loyal follower even if that meant displacing his own relatives.

TADEM: And sir, what about Danding [Eduardo Jr.] Cojuangco?

MAPA: Yes. He was also very close to him. Sometimes, he had conflicts with Mrs. [Imelda] Marcos.

TADEM: Really? Because of sugar...?

MAPA: Maybe more because of coconut but anyway they were not always in good terms.

TADEM: So sir, how was your family reunion during these times?

MAPA: There were times that it was not that comfortable <laughs> but I could not answer back. These were my seniors who were scolding me, my uncle, my mother.

TADEM: The feedback came... talking to the relatives.

MAPA: Maybe not so much with them because they were already belligerent. But there were friends from the private sector who would open up to me...

TADEM: What was their concern, favoritism, that it was not an equal playing field more than the policies in general?

MAPA: Yes.

TADEM: Was it hard for you to address this?

MAPA: Not all of them were within my control. Though we had many areas of influence, we did not have full control of everything. To some extent, Cesar Virata would try to talk to the President [Ferdinand Marcos] about some things but he would not always get what he wanted. In some instances, we were in collision course with the First Lady [Imelda Marcos].

TADEM: Sir how did you handle that, in terms of prioritization of the projects?

MAPA: Looking back, we disagreed with her on number of things with her own projects... but it turned out that some of them like the Cultural Center [of the Philippines], the LRT (Light Rail Transit) [were okay]. We were against those.

TADEM: Sir, why the LRT?

MAPA: Well, the World Bank at that time thought it was uneconomical and we agreed with them but [the First Lady] went ahead anyway. Looking back... it turned out to be good.

TADEM: Sir there was this perception of this 'his and her cabinet,' was this correct?

MAPA: To some extent, yes. There was.

TADEM: Sir, who were those working closely with [President Ferdinand] Marcos and then with the First Lady [Imelda Marcos]?

MAPA: We were working with the president. People like Jolly [Jose Conrado] Benitez, **Jes** [Jesus] Tanchanco were with Imelda.

TADEM: Sir on Human Settlements, did you have any input into that?

MAPA: No. I stayed away from Imelda [Marcos] which came in handy as I looked back because later on, when I was asked to testify in New York, I was being railed by the Assistant Attorney

General in New York about her. I said that I do not know much about her because I kept my distance from her.

TADEM: Sir I think [Cesar] Virata was also keeping distant from her but she was calling him up. Did you have the same experience?

MAPA: She [Imelda Marcos] would also try. There were some instances that she would complain to the president [Ferdinand Marcos] but the president would uphold me when it came to my area.

TADEM: Sir what did she want in particular because [Cesar] Virata was in Finance but in your case?

MAPA: Some of the [cash] advances of my predecessor [were] made for her trips. I thought it was still not reconciled. Once, I put a stop to further advances [by] the person who was close to her.

TADEM: This was in DBP (Development Bank of the Philippines)?

MAPA: No, in PNB [Philippine National Bank]--the outstanding [balances] that were said to be reconciled. I insisted on collecting. In fact, when the investigators asked me why I collected from President [Ferdinand] Marcos, I told them that it was my duty to collect it for PNB, to keep PNB whole. And it was understood that the president issued sub-treasury bonds floated to pay off... of course it might be done for public interest also because during trips, he would be explaining, that if he sent her, she would be listened to by other foreign governments. The fact was these were all carried out at the cost of PNB. I have to close the float because these were unsettled items. They were asking why I collected it. I said that I think I should be given a medal because of collecting it from him. That was what I told the investigator.

TADEM: Sir I think you had a harder job because according to PM Virata, he would only say, "No." Dr. No but in your case...

MAPA: Many times also I would say no but she would complain and the President [Ferdinand Marcos] would uphold me and it would still stay no. Like when I discontinued the construction of a complex building beside the PNB (Philippine National Bank) now.

TADEM: Sir, do you remember any of her projects that you funded?

MAPA: No.

TADEM: Sir when you were with DBP (Development Bank of the Philippines), do you remember working with the First Lady [Imelda Marcos]?

MAPA: No. There were other relatives also... I would just say no. They would just go to the president.

TADEM: Sir how did they get the money? They would have to look for another source. You said you were simultaneously president of Phil. Guarantee, what was the difference in terms of the tasks in Phil. Guarantee?

MAPA: In terms of encouraging export earnings.

TADEM: Sir in terms of your experience, comparing NEC (National Economic Council), PIA (Program Implementation Agency) and the DBP (Development Bank of the Philippines), what were the differences?

MAPA: In terms of the quality of staff, the PIA-PES definitely was top. Some of them went on to other government agencies and others went to the private sector. The PES (Presidential Economic Staff) people were really talented and also there were not kowtowing to you because you were the boss; you respected them because you know that they were doing their job well and they respected you but none of those fawning over and currying favors. Everybody knew where he stood and [everyone] was confident of himself.

TADEM: So when you left, they were not brought over to NEDA, this group of people?

MAPA: No because the PES (Presidential Economic Staff) and NEC (National Economic Staff) were merged and some stayed in NEDA (National Economic and Development Authority).

TADEM: Sir, from Phil Guarantee, you left, and then you said you were Executive- Director and Alternative Executive Director, from 1971 to 1981?

MAPA: In the IMF (International Monetary Fund) yes. We had a term in the World Bank and then we have a term in the IMF...

TADEM: Sir, that time in 1973, we had the oil crisis, did you remember how we dealt with it?

MAPA: Part of it I was in PCI (Philippine Commercial International), part of it I was in DBP (Development Bank of the Philippines). The whole team was able to get the loans we needed. Our standing was in fact very good since I was in DBP, and the banks were lining up to offer more loans to us. I think what happened was when Ninoy [Benigno Aquino Jr.] died, it turned the tide because suddenly our international relations people were afraid to touch us, since they knew that there would be political chaos.

TADEM: Sir before the Ninoy assassination, there was the Dewey Dee scandal.

MAPA: I was not here then. I was in Washington.

TADEM: Sir, did you see that kind of thing happening?

MAPA: No. It was only when it happened.

TADEM: Did you make any policy regarding that?

MAPA: I went to NEDA (National Economic and Development Authority) at that time and in the Interim Batasang Pambansa.

TADEM: Sir, when you came back from the IMF (International Monetary Fund) and went to NEDA (National Economic and Development Authority), what were the policies then?

MAPA: I did not drastically change things since it was already there before when I was PES (Presidential Economic Staff) and NEC (National Economic Council) head. So there were no drastic changes. I was also appointed to the Batasan again. It gave me the chance to work closely with the legislators in terms of presenting the five-year economic plan, in getting Batasan to approve and endorse the whole plan.

TADEM: Did you see any change compared with the Old Congress and Batasan?

MAPA: Well, it [Batasan] was unicameral. That was one difference, in the sense, it was easier because you go and pass it to one chamber. I was not part of the [old] Congress but as an executive, we were invited to attend the conference committees. There were interesting experiences for me when it was still before martial law and [there were] two houses of Congress. We were invited in the conference committees... I was with the administration and therefore I was naturally together with the congressmen and the senators who were part of the administration but even with the opposition congressman and senators... it so happened that they were close family friends. These were Senators [Sergio] Osmeña and [Gerardo] Roxas who were in the opposition but they were friends of my father...

TADEM: Sir, you were talking about Ninoy [Benigno Aquino Jr.], did you feel that the instability was more political than economic?

MAPA: Yes but you cannot divorce them. One affects the other. There is no dichotomy between politics and economics.

TADEM: During this time in terms of economic policies, did you see any change because in 1972 and 1974, the debt was not yet there, so what happened after?

MAPA: The first wave of debts... we were able to get them all restructured and settled and then in the late 1980s, suddenly there was reluctance to give us new loans, so when the old loans were maturing and you had to refinance them, that was when there was pressure.

TADEM: Then with the Ninoy [Benigno Jr.] Aquino...

MAPA: Then, it was hard to get new loans.

KATAYAMA: This was after the Dewey Dee [scandal]?

MAPA: Yes.

TADEM: You were in NEDA (National Economic and Development Authority), for two years, 1981 to...

MAPA: 1983, then PNB (Philippine National Bank).

TADEM: How did you feel about the influence of NEDA with regards to economic policy making during this period?

MAPA: During my time, I made it a point for NEDA not to be isolated but to work with other agencies as a coordinator and referee because there were conflicting positions among different ministries and agencies. I would try to do everything through the Prime Minister [Cesar Virata]. We would just... support him and many times during the cabinet meetings, there would be conflict but they would ask a committee to be formed to referee, [and] many times, I would end up being the chairman of that committee. It was very hard to get colleagues to reconcile their differences.

TADEM: Sir, the conflict had to do with economic policies? What were the causes?

MAPA: I could not remember anymore the details but I think it involved oil, Ronnie [Geronimo] Velasco and another cabinet member. I forgot who. Sometimes [it involved] Bobby [Roberto] Ongpin as well; those were the very difficult ones because they had direct lines with the president.

TADEM: Sir did it help when Cesar Virata became the Prime Minister?

MAPA: Yes.

TADEM: Did you see any qualitative difference when Virata was just Secretary of Finance then Prime Minister?

MAPA: Yes, because he became the primus inter pares with him, instead of you yourself going to the president, you can go to him [the prime minister] and he did a very good job. It was very tough also precisely because this was the time when President [Ferdinand] Marcos was starting to get sick and then the Ninoy [Benigno Jr.] Aquino thing; the matter of succession was also a problem. Groups were positioning in terms of who would succeed him.

TADEM: Can you imagine your relatives' voice getting louder?

MAPA: Of course, we were working closely with Prime Minister [Cesar] Virata but he was also among those being considered, and therefore other groups were trying to make it difficult for him.

TADEM: Sir who were the other groups, like you were together with Prime Minister Virata, how about Minister [Manuel] Alba?

MAPA: Yes. The technocrats were with us.

TADEM: So [Geronimo] Velasco was on his own?

MAPA: He was more with the technocrats but of course when there were areas affecting him, he would... this was where Cesar [Virata] was very good in terms of going back to the president and trying to keep them in line also.

TADEM: So no one was left in the Cabinet, only Tourism?

MAPA: There was also the First Lady [Imelda Marcos] in terms of positioning for the succession.

<End of interview>