

Horacio "Boy" Morales, Jr.
Date of Interview: August 14, 2009

JSPS Philippine Technocracy Project
Transcript of Interview

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Third World Studies Center Office
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*At the interviewee's request, some portions were redacted.

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

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KATAYAMA: We started this project on Philippine technocracy during the Marcos administration about three years ago.

MORALES: Only [Ferdinand] Marcos?

KATAYAMA: Yes. Many books have been written about the Marcos period... about what happened during the Marcos administration but there is one missing link – the technocrats. They were the best and the brightest mobilized by Marcos during that time.

MORALES: I was part of that crime. I organized the Development Academy of the Philippines (DAP). <laughs>

KATAYAMA: But they have been very silent and have kept a low profile... After that, just looking back now how will you explain... the programs, the achievements of the Marcos administration or your commitments? These are all very important. Without pre-judgment, we would like them [the technocrats] to talk.

MORALES: Will they speaking for themselves? So, you will not editorialize anymore?

KATAYAMA: Probably through commentaries.

MORALES: Commentaries.

KATAYAMA: I know this is very undiplomatic but some key figures already passed away. Alex [Alejandro] Melchor, Adrian Cristobal...

MORALES: They were very crucial personalities.

KATAYAMA: We convinced the JSPS, the Japan Society for the Promotion of Science, to support the project. Otherwise, we would miss important opportunities. For instance, we interviewed Cesar Virata for more than ten times and more than 30 hours.

RIVERA: In fact, we are going to come out with a book just on Cesar (Virata).

KATAYAMA: We should have scheduled another interview with Armand Fabella. He died after we had our first interview with him... OD [Onofre D.] Corpuz, we interviewed him only once. We have been asking him for another interview but...

MORALES: Is he busy?

RIVERA: It is more of physical...

KATAYAMA: Last time we interviewed Jolly (Jose Conrado) Benitez.

RIVERA: He was with you?

MORALES: Yes, he was with me.

KATAYAMA: He talked about you quite often.

MORALES: I hope not in a negative way because they did not know what I was doing. They were all surprised. "Where is Boy?" "He went to the mountains."<laughs>

KATAYAMA: With your permission, we would like to do an audio-visual recording of this interview. We plan to make the interview transcript public but we will ask your permission first. If you are not comfortable making this public, we can embargo the information for a fixed period.

MORALES: Is that negotiable?

KATAYAMA: Yes. Like Wash (Washington SyCip), he asked to review the transcript first...

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MORALES: He is still very active.

RIVERA: He is already 88 years old.

<Dr. Teresa Tadem came in. Some greetings.>

KATAYAMA: We always start the interview with questions about family background...

TADEM: We would like to know more about your background... where you came from...

KATAYAMA: Your family social network and also your educational background.

MORALES: I come from Moncada, Tarlac and belong to a land-owning family. My grandfather was a senator and my father was an engineer. He studied in the University of the Philippines (UP), and my mother too.

RIVERA: Who was your grandfather?

MORALES: Luis Morales. Do you remember the Luis Morales Park when you pass by Moncada? He was a contemporary of Ninoy's [Benigno Aquino Jr.] father, Benigno Aquino Sr. My mother also graduated from the University of the Philippines (UP). She got a Ph.D in Spanish. I went to the Far Eastern University High School where my mother taught and then, I went to UP.

KATAYAMA: May I know the full name of your grandfather?

MORALES: Senator Luis Morales.

KATAYAMA: And the full name of your father?

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MORALES: Horacio Morales, Sr. I am a junior. My mother is Julia Rosales. The father of my mother was also a mayor of Cebu City. So, we are a political family-- the Rosales clan in Samar and Leyte. Cardinal Rosales is part of our clan.

TADEM: You had your elementary in Tarlac?

MORALES: Yes. I had my high school in Samar and Leyte, then I went to UP.

TADEM: But your family was based in Manila already?

MORALES: When I was in high school, my mother had to come to Manila but we were in Tarlac before. When my father who was an engineer died, my mother took over our construction company.

KATAYAMA: What year did your father die?

MORALES: 1949. I was only 6 years old.

KATAYAMA: Did you suffer any financial problem at that time?

MORALES: Not really, because we had land.

KATAYAMA: How big was your estate in Tarlac?

MORALES: 60 hectares, mainly rice land .In Cebu, another 60 hectares.

KATAYAMA: How did you get that information?

MORALES: Later on. <laughs>

RIVERA: When you say 60 hectares, was the land owned by your father?

MORALES: My father. My grandfather owned more land. They had subdivided it several times. It must have been around 300 hectares since he has five children. The father of the senator owned even more land because he has three sons. Maybe, it would be around 600 hectares.

KATAYAMA: When was your grandfather a senator?

MORALES: 1936, after Commonwealth.

RIVERA: If I remember it right, one of your grandfathers married a British woman who is the grandmother of Connie [Consuelo] Paz?

MORALES: My grandfather was the senator. His brother was an engineer who constructed the Balara Filters and he went to London, married a British woman, and brought her here. Those were my cousins. They are all British. The other one is a doctor. He did not have any children. The doctor went abroad, also in Germany. My grandfather did not go abroad; he entered politics and became a senator.

KATAYAMA: Do you have any recollection of your grandfather?

MORALES: No, he died before I was born.

TADEM: How many siblings did you have?

MORALES: There are six of us. My mother had another child, so we are seven. When I was in high school, we had transferred to Manila. She was running the construction company that my father established.

KATAYAMA: Who took care of that construction company?

MORALES: My uncles. I had two uncles who survived my father. My mother was part of the company but eventually, nobody took over. I was not interested in taking over. I tried engineering for two years and then, I transferred to economics.

KATAYAMA: During your childhood, you did not feel that your family was in need of some thing, or you were rather really rich?

MORALES: No, not really rich. [But] we did not have any financial problems. We had our construction company.

KATAYAMA: How did you develop some social perspectives?

MORALES: Well, it is because of the exposure to classmates, friends and the society around you and of course, partly from my family's experience. There was point when they were very well off but some of their big business partners took advantage of them and they got all the businesses. I saw all these things.

KATAYAMA: But you belong to the upper echelon. How about your conception of local forms, those farmers? ...

MORALES: In our case, it was different because of our father who distributed his lands very early. At that time, there was no land reform but he was one of the first landowners who implemented the policies of [President Manuel] Roxas or [President Sergio] Osmeña to give a larger share [of the harvest] to the farmers and he did it immediately after the Second World War when he was still alive. So we had a record of that. What I mean is, we had a very good exposure to social commitments. I think, he was one of the first to implement the 60-40 sharing.

KATAYAMA: How did your father explain to your family these decisions?

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MORALES: I think, it was the family's political aspect that made this easy, helping people. We had a big house and everybody went there to get food or assistance. We had this kind of exposure to help people. Nobody questioned my father.

KATAYAMA: And your father did not have any political ambition at that time?

MORALES: People wanted him to run actually but he died before that. My uncle was a mayor of our town... We had more or less a heavy political orientation.

RIVERA: And your father already had the construction company?

MORALES: When he was in the province, he established the construction company in Manila.

RIVERA: So he was not the typical landlord.

MORALES: They were both landlords and professionals. He was an engineer.

TADEM: The social consciousness of your grandfather, where did it come from?

MORALES: Probably from my grandfather, he was a senator. He was really committed to the people.

KATAYAMA: To whom was your grandfather close? [Manuel] Quezon or [Sergio] Osmeña?

MORALES: He was an opposition senator. Their party was Partido Demokrata, the Sumulong group. They were the opposition. The Sumulong group was a national party. People had been telling me, "You're grandfather is just like you, he is always with the opposition."

TADEM: So from engineering, why economics?

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MORALES: I did not like the subject, five hours in one unit. You do nothing but draw. I could not stand it. I did not like that. When I was taking my exam in Economics 11, I crammed. The first time I read the book, I liked it because it explained what was happening in the world.

TADEM: You should have taken Political Science instead.

MORALES: I don't think that there is a political science book that is comprehensive as the [book I read in] Economics 11. It was a book by [Paul] Samuelson. I said to myself, "this is OK; it explains everything, including historical materialism." <laughs>

RIVERA: Who was your Economics 11 professor?

MORALES: Tony [Antonio] Gatmaitan. We had those terror professors, like Nick [Niceto] Poblador.

RIVERA: Dean Amado Castro must have been one of your professors?

MORALES: No, but he was the dean then.

KATAYAMA: How did you perceive your potential during high school?

MORALES: I did not have any ambition at that time.

RIVERA: You were not active in school politics at that time?

MORALES: ... I was the president of the Student Council. I was already political. But I had no clear ideological framework. My only orientation was to help the young students against abusive parents and teachers. <Everybody laughs.>

KATAYAMA: Which influenced you the most during your high school days?

MORALES: I was active in the Boy Scouts. That took my time. We went around camping and that helped me deal with other people. One experience that I had was with my uncle who was a professor in UP engineering. We had a commitment in Moncada, Tarlac, every summer and we organized basketball tournaments. Before the kids could qualify for the tournament, they had to attend catechism classes every morning and I was the one organizing all of these. I was happy that I could do it very well. I was effective. I told myself that I was good at doing these things. I liked the job of helping the kids. If they did not attend class, they would not be able to join the tournament. I was in high school then.

TADEM: How about the frats, Boy, what did you join?

MORALES: My father actually was the founder of the Beta Epsilon Fraternity from the [College of] Engineering. So in freshman and sophomore years, the Beta Epsilon was taking care of me. But I changed my course [to Economics]. There was no Epsilon frat there, so I was exposed to the Beta Sigma Fraternity.

TADEM: Aside from your father's influence, what was the reason for you getting involved with the frats?

MORALES: It was like... because my father was a fraternity organizer. All my aunts were fraternity sweethearts. Almost everyone in our family have some fraternity bond...

TADEM: Karina David was a sweetheart.

MORALES: Ours .I was the one who took her. <laughs> Initially, Karina refused. She was like a guy. "No" but we wooed and courted her.

RIVERA: When I was the president, Boy was the corps commander and the corps sponsor was Boots Anson[-Roa].

MORALES: It was quite glamorous. When I became the corps commander, it was during the first two years of Carlos P. Romulo's term [as UP President]. Carlos Romulo wanted us to have parades every week for dignitaries so my corps of cadets became deaf in all those parades. That was all that we did, parade and more parades. If the Chief Justice was visiting, we were on parades. We were quite glamorous; it was just a matter of timing.

TADEM: Sir when you graduated, did you think of taking your MA?

MORALES: I planned of taking an MA.

KATAYAMA: Before that, what kind of books that impressed you most during your undergraduate years? Have you read [Karl] Marx already?

MORALES: Yes. I was impressed by the books on economics.

KATAYAMA: The Das Kapital?

MORALES: We did not have that; it was too complicated. At least, the basic Marxist economics books that you could learn from — we had studied those already in economics.

KATAYAMA: Who was your adviser when you read those books?

MORALES: Well, we had this group of leaders. Like Nur Misuari, Partido Makabansa. We had the leftists... **Harry Citro (check name)**, Frankie [Francisco] Llaguno, **To Tique (check name)**. To Tique was very Marxist during that time. He was already reading Marxist books. It was a complicated group. We were all politically radicals but we also belong to the Banana Club. <laughs> We did not take this seriously. <laughs>

RIVERA: The Banana Club was like a group young writers and intellectuals in UP then.

KATAYAMA: Were you impressed by the leftist materials?

MORALES: Yes. I actually belonged to the Bertrand Russell Peace Foundation. There was no KM (Kabataang Makabayan) yet during that time. KM started in 1964. So, I was in Bertrand Russell. Like Nur [Misuari]. I was with **Harry Citro (check name)**. Then, KM and SDK (Samahang Demokratikong Kabataan) were organized. I was out of the university ,by then. I had graduated.

TADEM: But at that time Bertrand Russell was PKP (Partido Komunista ng Pilipinas) already?

MORALES: It was independent. It was not yet infiltrated... <laughs> Later , it was infiltrated by the Left.

TADEM: So you did not know Dodong [Francisco Nemenzo] at that time?

MORALES: No. He was still out of the country then. Joma [Jose Ma. Sison] used to come.

RIVERA: You were out of the country...?

MORALES: Only a year, in 1968. I went to the University of Oklahoma.

KATAYAMA: You never found those neoliberal books interesting?

MORALES: No, there were no neo-liberals during that time?

KATAYAMA: But there were already orthodoxies of this kind.

MORALES: None yet, during that time, it was mainly the orthodox Marxist books that were around. In fact, I became a lecturer in the School [of Economics] I taught the History of Economic Thought and even in its curriculum, Marxism was included but, of course, there was no neoliberal discourse.

RIVERA: Was Gon [Gonzalo] Jurado already part of the faculty during that time?

MORALES: I think so. I taught in Manila and he was in Diliman.

RIVERA: Because Gon [Gonzalo Jurado] was the resident Marxist during that time and Dick [Ricardo] Ferrer but he came later.

TADEM: Who were the ones teaching there in Manila during that time?

MORALES: Ed [Villegas?] was around but he was not in Economics, he was in Political Science. There were other young faculty members then.. Many of them came from Diliman. They came for additional teaching units in Padre Faura.

KATAYAMA: So when you went to the US for your MA, who supported you?

MORALES: Mr. Rafael Salas. That was already the start. We had this group of boys, Frankie Llaguno, me, To Tique, Ed [Eduardo] Soliman, Mat [Matias] Defensor. We met almost every night, talking about the problems of the country. <laughs> Every night in Frankie's house. There were ideological [discussions...]

RIVERA: This was roughly what year?

MORALES: 1963 -1964.

RIVERA: During the term of [President Diosdado] Macapagal?

MORALES: We were not with Ferdinand Marcos yet. Frankie [Llaguno] used to bring us to Dean [Jose] Lansang. If we were to understand Marxism, we needed to go to the guru who was Dean Lansang. They had a house in UP [Diliman]. We saw him once in awhile, and we met some of the labor leaders too. That was around 1964-1965. We were very active in student politics. Our candidates usually got elected as chairman of the student council, like **[first name]**

Garcia, Leo [Leonardo] Quisumbing. We went into national student politics... We won all the elections there so we said, "we are graduates of student politics, so let us join the national politics". <laughs> Actually, we planned to meet with Paeng [Rafael Salas]. We asked Frankie [Llaguno]. We did not want to go into private business. We did not want to serve the capitalists. We wanted to devote our lives serving the country so we had to join the government. We were looking at the candidates, [Diosdado] Macapagal and [Ferdinand] Marcos. Frankie Llaguno said, "Mr. Salas was my professor." "Why don't we meet with Mr. Salas and ask if he needs us and then, we would join the campaign for Marcos." We heard that he [Paeng Salas] was helping Marcos. So that happened, Frankie talked to Paeng, "I have a group of boys who wanted to participate in the election," and introduced us to Paeng. Many of Paeng's people were my cousins like Dominador Cepeda, the brother of Triccie [Cepeda-Sison]. "Oh, you're Doming's cousin, so you can join us." It was just like that. If I didn't have that kind of connection, it would take time and nothing will be facilitated.

KATAYAMA: What kind of impression did you have of Mr. [Ferdinand] Marcos when you were campaigning?

MORALES: We were attracted to him because he was imprisoned. He was charged and then, he was able to defend himself successfully in court. He was very articulate. His development was really very impressive during that time. So between Marcos and [Diosdado] Macapagal, Macapagal was more identified with the Americans. Marcos was not associated with the Americans then. The important thing was how to get into national politics first. And that was how we got in. We were introduced to Mr. Salas and we started working for him. They called us the 'Salas Boys' and our group, our generation started with five people. In the end, we were able to recruit 50 from my generation like Ruben Torres...

TADEM: Were there women in the group?

MORALES: Yes, Violy Calvo

KATAYAMA: Can you name all five?

MORALES: [Frankie] Llaguno, [Horacio] Morales, Augustin Que, Eduardo Soliman, and another one. I think, Jimmy [Jaime] Yambao. All were from UP. We were known as the Llaguno Boys, then...

TADEM: Nur Misuari was no longer around?

MORALES: This was the Beta Sigma group. Nur was in Partido Makabansa in UP. We were all together then.

KATAYAMA: So all five were leftist?

MORALES: All five were progressives in orientation at that time. But now they have changed already.

KATAYAMA: Also [Rafael] Salas?

MORALES: Not Salas, only our group. [Frankie] Llaguno came from Lyceum and I was a student of Dean [Jose] Lansang. That was how we met Frankie. That was how we got our Leftist education.

RIVERA: Wait, Llaguno did his undergraduate at Lyceum?

MORALES: I think so, and he went to UP for law.

TADEM: So Paeng Salas had no problem with that? Knowing your inclination?

MORALES: No. Because Paeng was really...in fact some of his boys, like Jerry Flores... I think, three of his staff escaped one day and went to Russia and China to attend the National Youth Conference. When they came back, they had absorbed what they had learned there. Salas was liberal enough to absorb even the leftist perspective.

TADEM: So how were you earning money during that time? You graduated already?

MORALES: No, we joined the government through [Rafael] Salas. That was how we started with the government position.

KATAYAMA: What was the exact position you had during that time?

MORALES: I was an executive assistant in Malacañang for Mr. Salas for six months. When OD [Onofre D.] Corpuz became the Secretary of Education, Paeng put me there.

KATAYAMA: Do you remember how much was your compensation during that time?

MORALES: I think, PhP600 or PhP800.

KATAYAMA: How did you find that?

MORALES: Just enough because the cost of living then was not that high. We learned to survive on our own.

KATAYAMA: How about allowances?

MORALES: When you were sent to do something, we got a little allowance. That was the orientation we had, public service. It was a real sacrifice. We had to live within our means. Communist ... <laughs>

KATAYAMA: Were you single during that time?

MORALES: Yes.

KATAYAMA: Girlfriend?

MORALES: What happened to me? I had one or two girlfriends before I got married.

KATAYAMA: She did not complain about the leftist orientation?

MORALES: It was so difficult for them to understand. At that time, they did not know. I just had to tell them that we would have a meeting at night. After our date, we had to bring them to the dorm at 8:00 in the evening. Then, we would go to Frankie Llaguno's place, up to 3:00 in the morning.

KATAYAMA: How did you find your [work]? Was it challenging enough?

MORALES: It was challenging. Our group was the third generation of the 'Salas boys'. We were the youngest. So when [Ferdinand] Marcos won, [Rafael] Salas met all of us and said that we would enter government. "All of you write down in a piece of paper the position that you want." It was very systematic during that time. I asked, "what is a position?" We were young and fresh graduates. Paeng explained, "Okay. I can be the only one member of the cabinet..." Remember, he started as the executive secretary of Marcos. "But you, Johnny Ponce Enrile, you would be undersecretaries; OD, you would be an undersecretary. Johnny [Juan] Araneta, you would be an undersecretary and we would ask Marcos to appoint old secretaries so that in one or two years, they would retire and you would be the secretary." So, he appointed [Jose] Yulo; in education, it was [Carlos P.] Romulo. Salas was brilliant! In two years, we were all secretaries. The old men were all retired. It was all well-planned.

RIVERA: From what we know now, one strong point of Paeng [Salas] and Marcos was the Lopez connection, right?

MORALES: But not only that. That was one.

RIVERA: But aside from that, did he have personal links with Marcos aside from the Lopez connection?

MORALES: None. He was sponsored by the Ilocano group... Romy in Education, There was an Ilocano group there. They sponsored Paeng [Rafael Salas] and of course, the sugar bloc... where he came from, many supported him. And they also saw how he operated during the campaign, and they were impressed with how he handled things. It was clear that [Ferdinand] Marcos would get him. So when our big people got their positions, we joined Paeng as Executive Secretary. We had different assignments but when OD Corpuz had lunch with me and Paeng and the others, he said, 'Paeng, I don't have anyone, please give me some people.' "Oh, Boy, join us!" OD said, 'I like Boy, he looks okay.' <laughs> This cannot be put on record.. We were all together with Frankie. So after the old secretaries, the undersecretaries became the secretaries. We became the private secretaries. We were also aligned.

RIVERA: Can you imagine if [Rafael] Salas became the President...

MORALES: Of course, we always talked about this. Two things: skill and character but Salas said that it was his character that was important. So, he had a good character, and Marcos knew that. In addition, he had very good skills so he was very well trusted.

KATAYAMA: I have a question regarding how Marcos recruited "the best and brightest." We know that Marcos was very competent enough to be with the best and the brightest. But of course sometimes jealousy couldn't be avoided especially given people like Paeng Salas.

MORALES: That was why Paeng [Rafael Salas] left because he [was a] threat [to] Marcos. But let me add, it was not mainly Marcos who recruited the best and the brightest. Paeng Salas played a major role in that. It was from the Salas Boys where the best and brightest joined the government. That was stage one. When martial law was declared, we started the Development Academy of the Philippines (DAP). That was where we recruited the best and the brightest. We were the ones organizing this.

RIVERA: Whose brainchild was DAP?

MORALES: Ours, OD [Onofre D. Corpuz] and us.

KATAYAMA: Please elaborate because we are very curious about Paeng [Rafael] Salas.

MORALES: We'll go back to Paeng. This was the team that I was telling you about, OD Corpuz, [Juan] Araneta, and Fernando Campos. I cannot remember all of them. They were all young bright boys who joined the Marcos government because of Paeng. Without Paeng, they would not be able to join the Marcos administration. That was a big chunk.

KATAYAMA: Do you know why Enrile developed close ties with Paeng Salas?

MORALES: They were classmates in UP and fraternity [brothers].

KATAYAMA: How about OD Corpuz?

MORALES: They met in UP. Paeng was the vice-president for administration. OD was vice president for academics before [Carlos P.] Romulo...

RIVERA: Was Salas also personally responsible for recruiting [Cesar] Virata?

MORALES: Cesar? There was group in the Presidential Economic Staff of [Diosdado] Macapagal, like Armand Fabella, Cidito [Placido] Mapa, and [Cesar] Virata. So these were all Macapagal recruits. When Salas came in, he said, "Who were these people?" And he saw their credentials. "Do not touch them. All of them were retained.

RIVERA: His approach was very inclusive.

MORALES: I learned a lot from Paeng. Whoever was brilliant, leave him [alone to do his work].

KATAYAMA: What we planned was to create a family tree of technocrats.

MORALES: That was Paeng Salas' technocracy. That's us. In fact, several groups came out during that time. One of the books —the Political Technicians — really explained what technocracy was all about. When we were in Malacañang, we used to call ourselves, "techni pols" or political technicians, and then some people would call us "technocrats".

TADEM: But the image of the technocrats were more like Cesar Virata because they have some political...

MORALES: Technocrats have a political [side]. They are not the technocrats in a sense. They are academicians.

TADEM: Because as we find it, technocrats are apolitical.

MORALES: A technocrat must be both academic and political because if you do not have the political ability to get things done, then, you cannot be effective. That was the Salas way.

KATAYAMA: Was that perception shared by many?

MORALES: Which perception? The technocrats? They were all impressed. This was widely shared by the people. The technocrats were well respected by the people then.

TADEM: I wonder where that view was coming from because technocrats are supposedly apolitical... Just like Virata...

MORALES: They were not technocrats. For us, we look at the academic background, although Cesar [Virata] really had a way of getting things done. But we did not in a sense operate that way. They could do it with their own academic proficiency and technical abilities to get things done. They did not need to think about how they could get it through to the other offices or bureaucracies and to the other sectors. That was what we were doing. We involved all the stakeholders. Those were the technocrats.

TADEM: How did you view Armand Fabella?

MORALES: He, Cesar [Virata] and Cidito [Placido Mapa], they were all economists doing economic planning, programs and projects but they were very sensitive because we could work with them. They appreciated the other dimensions of the situation and they could adjust. Paeng [Rafael Salas] retained them. After some time, we all agreed that they were okay.

TADEM: What about Ting [Sixto] Roxas?

MORALES: Ting was in the private sector, Bancom, during that time.

TADEM: So there was no relationship between him and Paeng Salas?

MORALES; Not officially, but they knew each other.

RIVERA: So looking back, what do you think is the lasting legacy of Paeng [Rafael Salas]?

MORALES: You mentioned the Administrative Code, right? He saw that the template for the bureaucracy was really an old one and it could [no longer] work so he had this Administrative Code to really improve the efficiency of the bureaucracy. That was his legacy and OD Corpuz'. His thesis in Harvard [University] was on bureaucracy in the Philippines. Both of them were very much focused on reforming the bureaucracy. I think that was a major achievement of Paeng, formulating and having passed the Administrative Code. His other legacy was the rice productivity program where we were able to export rice during his time. He was very innovative in terms of government structures, plans, and action projects. There was a coordinating council for rice production. The secretary for agriculture then was Fernando Lopez although he just let Paeng do it his way. So we formulated the national rice productivity plan and that was where we all learned how to plan a national program. It was very detailed, the land areas, what kind of seed varieties, what kind of government agencies would you need to mobilize, the time table, what were your targets, what were the funding requirements. It was a national campaign. After one and half year, we were exporting rice.

KATAYAMA: How did Paeng [Rafael Salas] develop that kind of capability?

RIVERA: Before joining UP, he also had experience with the private sector?

MORALES: He was in *Manila Chronicle*, the newspaper. He was the general manager.

RIVERA: So he had some managerial skill already.

MORALES: He had the vision; he was well prepared, and well-educated. Whenever he had the chance, he lectured to us. He would say, "Politics is simple." "Sir, what is politics?" "Politics is composed of three main components: Political theory, political institutions, and political behavior."

<Dr. Paderanga came in. Some greetings.>

MORALES: We have been talking a lot. I think, I need to edit some of these...

PADERANGA: Gon [Gonzalo] Jurado did not teach you?

MORALES: No, but when I was already teaching. I used to work with him. My teacher was Nick Poblador.

PADERANGA: What about Morayta?

MORALES: He was also my teacher. Only three of us passed his course. My classmates wondered, "How did Boy passed that course?" I was a glamour boy in UP, then."

PADERANGA: Martin, what was his name? The one who went to US and never came home?

MORALES: We also had two Americans, they were exchange professors.

PADERANGA: That was before the School of Economics.

MORALES: It was not yet around. We were AB (Bachelor of Arts)

PADERANGA: It was not a UP program?

MORALES: We were AB major in Economics.

TADEM: Dondon, it was [Paul] Samuelson who inspired Boy [Horacio Morales] to shift to economics.

MORALES: I shifted. When I read Samuelson, I was cramming for two nights for an exam in Economics 11. I read Samuelson, and I liked what I read. I was happy with what I was reading, so I shifted from engineering to economics. Where are we?

TADEM: We are talking about Paeng [Rafael Salas].

MORALES: He gave us a lecture. He said, "Very simple, you learn politics by studying political theory, political institutions, and political behavior." That was a lot! He would tell you what books to read for the theories. He would note where the institutions were coming in.... He was not only in political science; he was also a public administration man.

PADERANGA: What was he teaching here before? Was he teaching Political Science or...

MORALES: Law but he was the vice president for administration of UP (University of the Philippines). Maybe, Administrative Law.

RIVERA: His master's was in Public Administration?

MORALES: Yes. That was why he knew these coordinating mechanisms for government programs.

KATAYAMA: And he had very good political instincts?

MORALES: Very good. He had many theories on political behavior. How to choose the right people, how to spot the bad people... that's behavior, you would really learn a lot from him.

KATAYAMA: After Paeng [Rafael]Salas was able to recruit the best and brightest, I guess Marcos felt threatened...

MORALES: That developed, I think, in the third year of his term as Executive Secretary. He was already developing a national reforestation program. You see in the rice program, Marcos saw how effective Paeng Salas was. So after that, we were already planning for a national reforestation program. There were already some activities and events that featured Paeng and Marcos started to ask questions, "Why is Paeng here? Why are they doing this? He has nothing to do with reforestation. He is an executive secretary." That was how the jealousy came in. He saw that already.

PADERANGA: This was in 1967 already?

MORALES: When did Paeng leave? Maybe a few months before he left. There was a lot of mutual espionage. Marcos had someone in Paeng's staff who reported everything to Marcos.

PADERANGA: Who?

MORALES: <laughs>. I realized there is this recorder. <laughs> Actually, I can say more but.. <laughs>

TADEM: We can turn it off.

MORALES: We also had someone in Marcos' office. We also monitored what was happening to Marcos.

PADERANGA: Who was your person in the Marcos camp?

MORALES: That was tough. But that was how he operated. He had to deploy intelligence people everywhere.

RIVERA: He [Rafael Salas] had people in the military?

MORALES: Yes. It was also part of our operations. There were 18 senators, one person per senator, a liaison. Whatever the senator needed, we were able to give.

KATAYAMA: They were controlled by Paeng [Rafael] Salas?

MORALES: Paeng. The Salas Boys...

KATAYAMA: This was under the directive of [Ferdinand] Marcos?

[REDACTED]

[REDACTED]

[REDACTED]

PADERANGA: To be open...

MORALES: A third envelope. <laughs> I don't know if I am going to do that. I'll think about it but not these kinds of details. Maybe, many things that we did are good to narrate also. I'll think about it. I have many stories. <laughs> Actually, what we were thinking are merely anecdotal things now that you can relate to lessons [learned]. That was what I wanted to do. I'll put the names, the dates and the places to make them more realistic and interesting. In 1969, [Rafael] Salas left after three and half years [in the Marcos government] and he joined the UN (United Nations).

PADERANGA: Probably [Ferdinand] Marcos was thinking that he would be replaced by Salas...

MORALES: It was not really like that. I do not think Marcos was threatened because he was entering a reelection period. Paeng [Rafael Salas] was not a politician. However, there was jealousy in terms of public projection and capabilities...

PADERANGA: One item of information we got was that Salas wanted to have full control of the budget for the senatorial election and Marcos would not give [in]...

MORALES: For the senatorial election, we were ready to campaign for him. Actually, I was the one who set up his campaign headquarters, which operated only for five days, and then he left. Anyway, that's what happened; he was related to Bobby [Roberto] Benedicto and [Aurelio] Montinola.

PADERANGA: Montinola was Secretary?

MORALES: No. He was in business, his son or daughter later became a presidential assistant.

PADERANGA: This is Almond's Trading Montinola?

MORALES: I think so. So, he [Aurelio Montinola] was raising money for the Salas campaign. One of his fraternity brothers was in BIR [Bureau of Internal Revenue] and somehow, they raised some money for Paeng but somebody reported it to [Ferdinand] Marcos. But Marcos was not vindictive. He called him and said, "Paeng, I got this report." It was normal. When [Roberto] Benedicto heard about that, he said, "Paeng, I heard you were raising money in BIR. You do not have to do that, I can give you the money but you have to sign this." That was the point when Paeng realized that he could not do it on his own. He had to work with the system and he did not want to do that, so he left. It was not only Marcos but more on Bobby [Roberto] Benedicto.

PADERANGA: What was to sign?

MORALES: To sign that he had received the money <laughs> Naturally, you don't want to do that.

KATAYAMA: This is not clear. What kind of money?

MORALES: For the campaign.

KATAYAMA: Not the one from BIR?

MORALES: There was a report that one of the Salas boys raised money. They reported it to [Ferdinand] Marcos. Marcos asked Paeng [Rafael Salas] and Paeng said that it was only one of his fraternity brothers. [Roberto] Benedicto heard about this and asked Paeng if he needed money. Benedicto could give the money but Paeng had to sign for it.

RIVERA: What year again?

MORALES: 1969.

PADERANGA: Before the senatorial election. That could be before 1969.

Horacio "Boy" Morales, Jr.
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MORALES: Around June or July of 1969. So, Paeng [Rafael Salas] left the country. He could not stand it.

KATAYAMA: Who were the other people involved in that dispute between Paeng [Rafael Salas] and [Ferdinand] Marcos?

MORALES: It did not [lead to] a confrontation at all. He just got feedback from a very special person <laughs>. "Marcos was asking about you, why were you in the front page all the time."

KATAYAMA: Was Imelda [Marcos] involved in this?

MORALES: She was also telling [Ferdinand] Marcos, "Why is Paeng [Rafael Salas] here?" Soboth of them [were wondering about Paeng's plans]. I think, they saw some pictures of Paeng in connection with this National Reforestation Program.

KATAYAMA: Apparently Marcos was little bit irritated with that...

MORALES: It did not reach a point of confrontation, but there was a definite suspicion from Marcos on what Paeng [Salas] was doing.

TADEM: Was this shared by other cabinet members?

MORALES: Everybody had expectations about Paeng. We did the rice program very well so this National Reforestation Program was nothing. We also established the Population Commission. I headed the Responsible Parenthood Council with the bishops. We had to involve the bishops and convince them to do a program on natural [family] planning. So they became a part of the Population Commission. That was also Paeng's project.

KATAYAMA: During the past term, did Paeng [Salas] sense the hidden agenda of Mr. [Ferdinand] Marcos to extend his term?

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MORALES: In the same manner that [Ferdinand] Marcos suspected Paeng [Rafael Salas] of being over projected. Paeng had received reports of anomalies in different departments. So, he was beginning to be very uncomfortable. In the first two years, it was all good.

PADERANGA: And the deal involved Marcos?

MORALES: Yes.

PADERANGA: Directly?

MORALES: Directly. So, he was beginning to hear some noises. He got his undersecretaries...
<laughs>

RIVERA: What about Alex [Alejandro] Melchor?

MORALES: He was not a Salas boy.

TADEM: How come Jolly [Jose Conrado] Benitez said that he was a Salas Boy?

MORALES: Jolly? He worked with me later in DAP [Development Academy of the Philippines].

PADERANGA: But Salas could no longer be there. So could we consider him as a Salas boy?

MORALES: Maybe, by association. Jolly [Jose Conrado Benitez] was not a Salas Boy. Jolly was abroad doing his PhD during that time.

TADEM: We just interviewed him last time.

MORALES: But he was with me [in the Development Academy of the Philippines (DAP)]. And then Paeng [Rafael Salas] started to notice the corruption, all those anomalies...

PADERANGA: Would you be at liberty to give a few more concrete details about that?

MORALES: Nothing specific. The only thing I knew was that his resignation from the government and then immediately being appointed to the UN (United Nations) was not a miracle. He was working on that appointment for a year. He was just keeping his options open. If you were a good [planner], he would set it up. All these are in hindsight now. He was telling us that he would be meeting a UN official several times within that year. Apparently, he was negotiating for a few more years. If he got out, that was when he would go. He was in the Philippines, the next day he reported [to the UN]. No, I'm joking. I was just exaggerating here. <laughs>

TADEM: What did you feel being left behind?

MORALES: Many would feel that way. I took it in a different way. I took it as a challenge for myself. So I said I should not also leave, and then I left <laughs>. I established a responsible parenthood program which was a private group and resigned from education. OD [Corpuz] was left in education in Malacañang. Then, martial law was declared. OD came to me... OD also resigned from the government during that time. And then OD said, "Boy, let us talk to Leonides Virata. He was the chairman of DBP (Development Bank of the Philippines)." So Leo [Leonides Virata] came to us. "We have this building in Tagaytay. It is supposed to be a training center for DBP but because it is martial law, I want you to use it for the country as a whole. Can you develop a plan for this?" So, OD and I worked on that. In six months, we had set up the Development Academy of the Philippines.

PADERANGA: So the original idea for a training center was from Leo [Leonides] Virata?

MORALES: A training center for DBP.

KATAYAMA: Before that, I am also interested on how [Ferdinand] Marcos was involved in that kind of monkey business. Some people say that Marcos was very selective with what he told people.

PADERANGA: Departmentalize.

KATAYAMA: Yes. He was very keen.

MORALES: He was very good in doing that. The only reason we knew about it because we had the undersecretaries.

KATAYAMA: So that means that Marcos trusted those guys, meaning between them there were no secrets?

MORALES: It was only selective. If he needed you for a deal, he would trust you for that deal only.

KATAYAMA: How about OD Corpuz?

MORALES: OD was closely identified with Paeng [Rafael Salas], so he could not see that much also. That was why OD left.

PADERANGA: I was not here yet but were the UP guys essentially with Salas? Including Gerry [Gerardo] Sicat?

MORALES: No. The team of Gerry Sicat, Armand Fabella, and Cesar [Virata] were started by [Diosdado] Macapagal in PIA (Program Implementation Agency). When we took over, it became PES (Presidential Economic Staff). It was transformed by Armand [Fabella]. When we took over, all of them were retained. We did not remove anyone in PES.

PADERANGA: But Gerry [Gerardo] Sicat's way in was through the Philippine Economic Staff]. It was because it was already operating during that time. There was also an Economics Society.

MORALES: I think Gerry [Gerardo Sicat] did not have that kind of position during the time of Marcos. He was just professor in UP.

PADERANGA: He was in NEC (National Economic Council).

MORALES: That was Macapagal's, the NEC.

RIVERA: Was Gerry Sicat recruited by Virata?

MORALES: Yes, in NEC.

RIVERA: Of course in the case of Gerry [Gerardo Sicat], there was always the political connection, [Felix] Makasiar.

MORALES: With Marcos? Yes, I think Gerry [Gerardo Sicat] was appointed in something else.

PADERANGA: PES (Presidential Economic Staff) and NEC (National Economic Council) were fused and then it became NEDA (National Economic and Development Authority). He was the Director-General.

MORALES: Gerry [Gerardo Salas] was not really a Salas Boy.

KATAYAMA: Can I go back to some other things about [Ferdinand] Marcos? Because some say that Marcos was good during the initial years but some people are more skeptical about him...

PADERANGA: For two years he was good...

MORALES: During his first three years, we did not feel anything wrong. Paeng [Rafael Salas] I think was the only one getting these reports. We eventually noticed it also. Because everything was compartmentalized with Marcos.

KATAYAMA: That is also another keyword: compartmentalized. But eventually, Paeng Salas would know about almost everything?

MORALES: Not really everything but he got some ideas.

KATAYAMA: So he did not know about anything anomalous during the first two years. How do you explain why Marcos started those kind of things?

MORALES: Maybe, he really wanted to do that but he needed time to learn... the learning process. Marcos was a good planner in terms of getting the gold... taking the wealth out of the country? He put in layers of foundations and corporations. You could not even trace them. Even his family could not get all these money. He placed some people in the foundations and they were all the only ones... they were very hard to trace.

PADERANGA: Who would you say were the key Marcos people? Or there was none?

MORALES: Aside from us the Salas Boys, who else were his people?

PADERANGA: [Daniel] Romualdez became speaker, right?

MORALES: He was not a Marcos guy, he was Imelda's uncle. He was from the side of the rich Romualdez. He was not controlled by Imelda. Mainly political leaders from the provinces, like **[first name] Iñiguez** from the Visayas. Maybe among the technocrats...

PADERANGA: So Marcos had his own "technocrats"?

MORALES: In a strict sense, I was telling them that they were not really technocrats. Some of them were put in technical positions. They were not technocrats in terms of... technocrats, by our definition, are those with political orientation.

PADERANGA: Who was the Secretary of Finance during that time?

MORALES: ... Johnny [Juan Ponce Enrile] was the undersecretary of [Jose] Yulo. The story I was telling them before you came, one month before we assumed position in the Marcos administration, Paeng met all of us, the Salas Boys. The senior ones, the second in line, and the third in line... He told us... you write down your preferred position in the government. We were the youngest then. Paeng said, "I think I would be appointed as Executive Secretary. I think I am sure of that. However, all of you could not qualify as cabinet members so what we will do is appoint you as undersecretaries, OD [Corpuz], you will be in education, Johnny Ponce Enrile in Justice and then we will appoint old secretaries who would retire in one or two years." So [Jose] Yulo was appointed in Justice, [Carlos P.] Romulo in Education. After two years, they all retired, and all the Salas Boys became the secretaries. That was how well-planned it was.

KATAYAMA: I have an impression, that approach to management was something like Marcos'. So if Paeng [Rafael Salas] did that, I guess Marcos became very much threatened.

MORALES: I think, he did not know it and I do not think that Marcos had a very good organization. It was more of his strong political strength and alliances because he was a politician, which was quite different from the technocrats. So, that's what Dondon [Cayetano Paderanga] is saying, that Marcos depended on his friends who were mainly political leaders — congressmen, and senators all over the country.

KATAYAMA: What can you say about the contrasting views about Marcos, how he recruited the best and brightest? Majority of the interviewees answered that Marcos had enough confidence. He was very free to include everybody or anybody he wanted but with only one exception, OD Corpuz. According to OD, Marcos got only those he could handle or control, something like that...

MORALES: I think, I would agree with OD. He [Marcos] was not that type of person who was willing to take chances even with the best and brightest. That was why Paeng [Rafael Salas] had to be very careful. Paeng knew about the rule of power very early in the game. Never compete with your boss. Early on, he was aware of that. That was why Marcos was never threatened with Paeng but when the time came as I told you, Marcos started to be jealous.

KATAYAMA: I got the same impression from OD Corpuz but after Marcos passed away, he is now very free to explore that kind of...

PADERANGA: He is very laconic.

TADEM: Really?

MORALES: You should know about that. <laughs>

RIVERA: Are we in the DAP (Development Academy of the Philippines) experience already?

MORALES: I do not have much time now, I am sorry but I can do this again, if you want. In another ten minutes, I have to run.

KATAYAMA: What was your first impression of [Ferdinand] Marcos when you met him personally?

MORALES: Well, it was hard to judge him at that time. For us, our word was Paeng [Rafael Salas]. We only learned about what Marcos was doing through Paeng. As long as Paeng could do it, we did not ask too many questions. Actually, at that point, we knew that Paeng had to do a lot of infighting inside Malacañang. I will give you one example. When Marcos ran against Macapagal, one of the Salas Boys, Guillermo De Vega was implanted in the other side. He was part of the campaign staff of the other side. When Marcos won, Guillermo was brought to Malacañang by Paeng as one of his assistants. He was good. Gimo De Vega was with Imelda

[Marcos], Kokoy [Benjamin Romualdez], and the other power brokers of Marcos and the threat to Paeng [Rafael Salas] was always there but he knew how to survive. That was normal; that was palace politics...<laughs> But we did not get involved there. We left it all up to him to handle all these things.

PADERANGA: Gimo [Guillermo de Vega] was in the Board of Censors [for Motion Pictures]?

RIVERA: But he was more powerful than that, he was at the center of power.

MORALES: Gimo [Guillermo de Vega] was always wooing Imelda [Marcos]. Paeng [Rafael Salas] had headaches because Gimo, who was one of his boys, was taken by the other side.

PADERANGA: Salas did not know about this? Who planted him on the other side?

MORALES: Salas.

PADERANGA: He planted him on the other side?

MORALES: Yes, he planted him there.

PADERANGA: What was his PhD on?

MORALES: Eastern Philosophy.

PADERANGA: From where?

MORALES: India. Gimo [Guillermo de Vega] was good. And he was quite close to me.

KATAYAMA: To know much more about Paeng [Rafael] Salas, who was your contact aside from him?

MORALES: I thought you talked to [Frankie] Llaguno already? He was very close to Paeng Salas.

RIVERA: Those who worked with him directly. That is probably you and who else?

MORALES: There were a number of us. Again the Salas boys were a bunch of characters. You talk to my cousin, Doming [Dominador] Cepeda. He would be good, the brother of Triccie Cepeda-Sison. He is still here.

PADERANGA: He has been very visible after the...

MORALES: He became GAB (Games and Amusement Board) chairman. He has many stories to tell, but I do not know if he will tell you these anecdotes. He has much more than me.

PADERANGA: We should get you two together.

MORALES: Yes. He is a friend of Jerry [Jaime?] Flores, one of the boys who went to Russia and China.... Paeng [Rafael Salas] helped them and got them back in circulation. Maybe the two of them [Doming Cepeda and Jerry Flores], they are my best friends, and they love Paeng very much. If you are not too keen on the technical, they are ok, especially on the human relationships and behavior...

TADEM: Was Paeng Salas the one bringing in money from abroad?

MORALES: Yes, from [US]AID (Agency for International Development). He was quite good in that area. He had his network--the people who were with the funding agencies even in New York. So, his entry to the UN (United Nations) was easy. We developed people and deployed them.

PADERANGA: And the base of all these was UP?

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MORALES: He [Rafael Salas] was student council president of UP (University of the Philippines) and then, he organized CONDA (Conference Delegates Association of the Philippines) and SCAP (Student Councils Association of the Philippines). Later, he became the head of the Ramon Magsaysay for President Movement, the youth arm; he was the president. So he joined Magsaysay but only for a short time. At that time, he already had a network of leaders in different schools. We also went through that, as I was telling you. We were involved in national politics. We had contacts in all schools. So, the Salas boys came from all schools...

TADEM: It was not an elite, exclusive group.

PADERANGA: But did he come from an elite family?

MORALES: Bobby [Roberto] Benedicto is his cousin and the Montinolas. They are super rich families. But he got his orientation as well as his idealism from UP.

RIVERA: Do you remember the position of [Roberto] Benedicto during the first term of Marcos? What was his position?

MORALES: He was an ambassador, wasn't he? Benedicto also handled the sugar centrals which used to be owned by the mestizos. When Bobby Benedicto came in, all of them were transferred to the Chinese. Now we have to look for a formula. When I was Secretary of DAR [Department of Agrarian Reform], I was telling people that we should look for a formula that would include the Filipinos, the Chinese, and the mestizos together.

RIVERA: The art of coalition building.

MORALES: Not a united front. Okay, I have to go... <Some chattering.>

<End of the interview>