

Amado Castro: economist, educator

By Cesar E. A. Virata

Amado was my instructor in Economics 12 in 1948, just before he left for the United States to study for his PhD in economics at Harvard University. (I got good grades in his class.) At the time, he was also governor of the Pan Xenia Fraternity, an international trade fraternity established in 1923 and based at the University of Washington in Seattle.

The fraternity established its Philippine Alpha Chapter at the College of Business Administration (CBA) of the University of the Philippines with three kinds of membership: active, alumni, and associate member. Active members were students. Associate members were successful businessmen who were invited to join the fraternity to enhance its mission of promoting international trade. For example, during Amado's governorship, Jan Marsman of Marsman and Co., Jose Orosa of Heacock's, Central Bank governor Miguel Cuaderno, Secretary Cornelio Balmaceda, Secretary Pio Pedrosa¹, Philippine National Bank vice-president Juan Quintos, Sr., and Leopoldo Aguinaldo, were associate members.

Amado invited me to join the fraternity in August 1948. We were initiated at the PNB Escolta Building, the former Masonic Temple Building, because several fraternity brothers were officers of the bank. Pan Xenia also allowed its active members to join other fraternities within the University of the Philippines. I also met Amado's brother Getulio, who was an engineering student, and his sister Victoria, who was a student in the College of Fine Arts. As UP Senior Council president from 1951-52, I appointed Victoria to be the art editor of the 1952 *Philippinian*.

As Pan Xenia governor, Amado organized the celebration of its founding in the third week of September every year. He organized international trade forums in the morning for the business community, followed by a gala dinner at the Champagne Room of the Manila Hotel in the evening. I still remember being part of one traditional *rigodon de honor*. Rehearsals were held at the Marsman house in Pasay.

Amado left for the United States in 1949 for a doctorate at Harvard University. I graduated from the university in 1952 and was asked to join the faculty of the

¹ Balmaceda and Pedrosa were, respectively, secretaries of commerce and industry and of finance under President Quirino.

business college. This included a study grant from the Mutual Security Agency (now USAID), which sent me to the Wharton School, University of Pennsylvania. During the Christmas break in 1952, I went to Harvard to see Dean Jose Velmonte², who was on a Rockefeller Foundation travel grant, and there I also met Amado. He invited me to stay in his graduate student apartment while he moved to another unit which was vacant for the holidays.

I returned to teach at the business school in October 1953. Amado returned towards the end of 1953, after completing his doctorate degree (formally awarded in 1954), bringing with him a Humber car and a huge collection of classical records which included a great number of Boston Pops recordings. He also continued his interest in photography. Some of his favorite subjects were pretty coeds at the university. During his wake in June of 2017, I asked one of his nieces about his photo albums, which I thought might be very interesting.

Amado resumed teaching at the college, which now had a broader range of subjects to offer. The department of economics of the CBA was supported by the Rockefeller Foundation, which gave fellowships to its faculty and which also established the Institute for Economic Development and Research—including the construction of its offices, library, and housing for exchange professors. The foundation expanded its program in the Philippines when its China program was suspended owing to the Communist takeover in that country. Amado became director of the institute and chair of the economics department. During the regular 10:30 a.m. coffee breaks at the college, Amado and I and members of the faculty usually exchanged views about current economic and political developments.

Amado's doctoral dissertation was about the Philippine dependence on trade with the United States during the American regime.³ When the Philippines regained its independence on July 4, 1946, the United States negotiated the Mutual Defense Treaty and the Philippine-US Trade Act as preconditions for the passage of the Rehabilitation Act, which meant to assist in the reconstruction after the damage brought about by World War II.

When we were students, we protested against these agreements. However, president Manuel Roxas and ambassador Carlos Romulo strongly campaigned for their passage in Congress, saying that the Philippines needed the Rehabilitation Fund.

In 1956, I resigned as instructor from the CBA to join SyCip, Gorres, Velayo and Co. because my father had become acting president of the University. However, the University of the Philippines graduate school appointed me as lecturer to teach industrial management to evening classes in Manila. Then, in 1960, due to the retirement of CBA dean Jovino Lorenzo, UP president Vicente Sinco offered me the position of professor and dean of the UP College of Business

² Jose Velmonte was then dean of the College of Business Administration.

³ "The Philippines: a study in economic dependence" (PhD thesis submitted to Harvard University).

Administration. Since professional practice was allowed under the university code, I asked Washington SyCip's permission to continue to do consulting work for SGV. Mr. SyCip agreed to my accepting the deanship, provided that my consulting work would be exclusively for SGV. The university would be considered a client. So I returned to the CBA in October 1960 where Amado was chair of the Department of Economics and director of Institute of Economic Development Research.

After studying the situation existing between the economics department and the business administration faculty, I believed there was great inequality because of the continuous support by the Rockefeller Foundation for the economics faculty. Business administration had no major external funding, although the Ford Foundation had started to support business education by establishing the International Center for the Advancement of Management Education at Stanford University. After discussing this situation with the entire faculty, I recommended the separation of the economics department from business administration and accounting. I wrote to UP president Carlos P. Romulo to recommend the establishment of the School of Economics while the College of Business would cover both the undergraduate and graduate studies in business administration and accountancy. This would also mean the transfer of the courses leading to the degrees of Master of Science in Management and MS in Industrial Management from the graduate school to the CBA.

Both Amado and Agustin Kintanar supported the separation from Business Administration and the establishment of the School of Economics. Prof. Pepe Encarnación preferred to keep the status quo.

I presented the plan to president Romulo, and he approved it. The next step was to present it to the University Council. The plan was approved by the Council and presented by the UP president to the board of regents for final approval and implementation. It was approved by the board, and Amado became the first dean of the School of Economics. Pepe Encarnación became chair of the Department of Economics.

As an aside, the Ford Foundation set up an office in the Philippines, so I presented the faculty development program for the CBA, which would need about eight PhDs or DBAs in different fields of business administration. In addition, it would support the writing of case studies of Philippine business establishments to improve business instruction. During the summer, the college would offer courses to teachers of business administration from various colleges to improve course content and methods of teaching. Through this program, the CBA sent faculty to well-known graduate schools in the United States to earn higher degrees. The Ford Foundation agreed that this program would be valuable to the economic and business development of the country.

In the meantime, the School of Economics was established in 1965 and made itself known as a top-notch school. The faculty became active in research;

faculty members expressed their views on various economic issues through their publications, seminars, and forums.

During the presidency of Diosdado Macapagal, Amado was appointed governor for the Development Bank of the Philippines under the chairmanship of Pablo Lorenzo and he gave up the deanship of the School. However, he would visit the College once in a while for the usual coffee-time chitchat. He seemed to be happy and quite active dealing with various segments of the bank.

He informed us that he chaired a group that prepared a proposal to establish Manila as the permanent site for the Asian Development Bank (ADB). In addition, he also became vice-chairman of a nine-member expert group formed by ECAFE that drafted the charter which established the Asian character of the ADB. After Manila had been approved as the permanent site of the ADB, Amado also worked with the Philippine committee to assist ADB in finding temporary office space prior to the land purchase and building of ADB's permanent headquarters. The ADB book, *Five decades of ADB-Philippine partnership* by Tom Crouch, contains his interviews in October 2016 about his participation.

In March of 1967, president Ferdinand Marcos designated me deputy director-general for investment of his presidential economic staff to take charge of the passage of the Investment Incentives Act of 1967. One of my additional assignments was to negotiate the termination of the national treatment of American investors by July 4, 1974. During our study and hearings, the negotiating team referred to Amado's doctoral dissertation.

When he left the Development Bank of the Philippines, Amado continued his academic pursuits, and when he retired from UP, he taught in other schools such as the University of Asia and the Pacific. He was definitely a dedicated educator.

We continued to meet occasionally at the Philippine Economic Society, the UP College of Business alumni reunions, and at the general university alumni homecomings.