

**Newsletter 18
FALL 1993**

**P.O. Box 126
Arlington, VA 22210**

Through PCAFPD, returned volunteers, staff and friends maintain a bond with the Philippines by providing scholarships for exceptional Filipino students to attend college in their country. You can join us by sending a contribution in the envelope provided.

PCAFPD PARTY

**NINE PCAFPD SCHOLARS
GRADUATE**

MAIL RETURNED?

Philippine Buffet
* All You Can Eat *
"Little Quiapo"
* Monday 2/7/94 *
Information will go to
Capitol area residents.



Luwalhati Quilang
B.S., Nursing
U. Santo Tomas, Manila

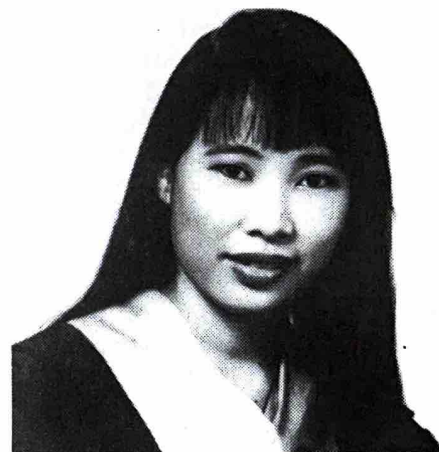
Luwalhati writes: "First of all, let me extend my deepest gratitude to the Foundation for being with me and my family for the last three years of my college year. My dream became a reality through the Foundation's support--not only financially, but also socially and spiritually....

"It's only now that I realized the real difference between being in college and out to the real, cool world and with that, I know the journey will be hard. It would mean work, but I won't falter because I know I have in me the seed of hope--the accumulated knowledge of my years in college, the education I needed to equal the hardwhip of the real world. I owe it all to you, the Foundation. I would always look back in sincere gratefulness and gladness for making my dream a reality."



Joy Capanas
B.S., Nursing
Cebu Doctors College

PCAFPD has a new address:
P.O. Box 126
Arlington, VA 22210
The U.S.P.O. failed to deliver some mail. If you had mail returned, please re-send to our new box.



Jessica Lastima
Dentistry
Southwestern Univ., Cebu

Robert Cajes (picture on page 3), whom PCAFPD will continue to support in his first year of medical school, writes:

"I am very much happy to hurdle the first years of my struggle. The achievement I attained would be nothing if not for the Foundation's support. I am very much pleased to be one of your scholars. The only payment I can assume is to study hard, make the best of what I can do, and be something useful someday. For all your goodness, my sincerest thanks."

(Continued on page 5)

After Decades of Decline, The Economy is Turning Around in the Philippines

by Joan Aragone (1961-63)

(excerpts from *Pacific Shipper*, March 29, 1993)

After more than 20 years of decline, the Philippine economy may be taking steps toward turning around. In the 1960s, the Philippines led Southeast Asia in economic potential...

But things changed. Today, while its Southeast Asian neighbors boast economic growth rates ranging from 18% per annum in South China, 5% in Hong Kong and 5.8% in Singapore, the Philippines in 1992 recorded a growth rate of only 1%, with the Department of Commerce estimating 2% in 1993...

Even before the government of Ferdinand Marcos (1968-86) became a dictatorship, depleted the country's gold reserves and enriched a band of Marcos' "cronies," Philippine law had restricted foreign investment, encouraged government monopoly of utilities, and favored local industry...

When Marcos was ousted in 1986, the government of President Corazon Aquino faced a bankrupt economy, rotted infrastructures and a population that has doubled from 35 million in 1963 to around 67 million while productivity declined and unemployment grew.

A series of natural calamities, ranging from volcanic eruptions to earthquakes, capped the decade. But Aquino hung on, despite political infighting, guerilla warfare and seven attempted coups, and last May her former defense secretary, Fidel Ramos, was elected president in a peaceful election.

Some are praising the West Coast graduate as the country's last best hope for reform... "Aquino dealt with the political problems; now Ramos wants to attack the economic ones," said Antonio Paulino of the Philippine consulate in San Francisco.

The biggest of these, experts say, is a serious energy shortage brought on by drought and lack of construction of any power plants during Aquino's term...

Foreign Investors

According to a U.S. Treasury officer, foreign investors are hindered by legal barriers in the financial sector, a government monopoly in the power sector, and high tariffs on imports and in ownership and lease of land. A powerful economic elite opposes basic change. With other countries in the region, the Philippines shares a growing crime rate and charges of corruption in a slow-moving bureaucracy.

Experts cite as pluses for the country its high literacy rate, a well-trained work force familiar with western business practices and low labor costs (minimum wage of about \$4.60 per day). The country's location midway between China and the rest of Southeast Asia is also a positive factor.

Meanwhile, says George Paine, Philippine desk officer at the U.S. Department of Commerce, the government is more stable than it has been "in a long time," due to Ramos's amnesty program for political dissidents and his control of military factions. "There aren't worries over coup attempts as there had been during Aquino's government," Paine said.

Debt Service

Under Aquino, service to the national debt was reduced from 28.2% in 1990 to 17% in 1992 and inflation shrank from 14.4% in 1990 to 9.7% in 1992. Exports grew from \$4.8 billion in 1986 to \$8.8 billion in 1991, with manufactures accounting for around 73% of exports in 1991. For 1992, the DOC estimates total exports of \$9.6 billion, imports at \$13.2 billion, with the U.S. accounting for 50% of the total,

(Continued on page 4)



STUDENTS REPORT



Baby Myra Carpio, Nursing

Wesleyan Univ., Cabantuan City

"After acquiring knowledge and skills for three years from school and personal experiences, I realized that nursing is not like any other profession. It demands from you more than you can give. It demands service and love....Just when I think I had given my best and hoped to put the patient on the road to recovery, the Lord takes them. It's painful. I experienced it when my patient whom I took care of so much died.... I know that with faith and strong determination I can handle these challenges. I want to express my deepest gratitude to the Foundation for supporting me for without them all I have now would not be possible."

+++++ This newsletter was prepared by: +
+ Patricia Kasdan, Ed. Carol Radomski +
+ Jan Putnam Sandy Sinclair +
+++++

Jenifer Mercado, Civil Engineering

Pablo Borbon Memorial Institute of Technology, Batangas City

"When the Sangguniang Kabataan Election came last year, I ran as SKB Chairman in our barangay. I was the only woman among the three candidates....I lost in the competition, however, I developed self-confidence and leadership. I ran as SKB Chairman with intentions of helping my fellowmen as well as developing good relationship among the Kabataan members of our barangay. I also worked as a social worker at the Department of Social Welfare and Development at Batangas City under the President Summer Youth Program. Some of the examples of the task given to me are meeting with group of women or mothers for productivity projects, supplemental feeding for children with malnutrition, information dissemination of the programs of the DSWD and others regarding the welfare of people."

RPCV RETURNS

Margaret Shepard, Group 230, writes:

"My return to Dumanjug (Cebu) was much like I expected.... I walked to my host mother's house, hollered "Maayo!", walked in, put on my *tsinilas*, and was immediately offered lunch. My host mother was grinning from ear to ear, and I'm sure I had an equally goofy-looking expression on my face. Much as I expected, she remarked that I had lost weight. "Are you married yet? Or anytime soon?" She also was glad that I still could speak *Cebuano*, even if I had forgotten every third word. We spent several hours catching up on *tsismus*....

"My former supervisor and (my) school principal said that they had been expecting me at the school ever since my telegram from Dumaguete arrived. As a matter of fact, they had expected me to be the guest speaker at a program at the school that afternoon. At least I made it to the school dance that evening. This was no small trick, considering that we had a brownout for a couple of hours. The faculty of Bitoon National Vocational School welcomed me back with open arms (even after all I did there!). Within minutes, I had been informed of who had gotten married since I left--just about everyone except me. I even recognized a few students and neighbors from before.

(Continued on p.4)

RPCV Returns (Cont. from page 3)

"The next few school days I stopped by different schools where I had helped out previously. I was really pleasantly surprised to find that the schools seemed better off. Some of the schools had received a grant of laboratory equipment from the Australian government. There were more students and more school buildings. Bitoon National Vocational School was now offering college level vocational courses. Students and teachers were actually using the books in the library that I had helped them to find. One of the teachers mentioned that student scores on the National College Entrance Exam had been going up. The government's initiative of the Secondary Education Development Program actually seemed to be working like it was supposed to--most teachers found the training very useful...."

After Decades of Decline, the Economy is Turning Around ... (Cont from p. 2)

followed by Japan, Hong Kong and the Netherlands.

The Ramos administration hopes to attract foreign and domestic investment through economic reforms, including de-regulation of foreign currency, reduction of tariffs, de-regulation of imports, greater availability of foreign exchange and loans to exporters.

Under a pending law, foreigners will be allowed to own land in industrial estates. Foreign ownership of land is prohibited under the constitution. Tax breaks have been increased in the country's four export processing zones--located in Cavite, Baguio, Mactan and Mindanao--where no taxes are levied on goods coming in for processing or out for export.

Other incentives give tax holidays of up to six years. Authorities also plan to develop Subic Bay, the former U.S. naval base, into a combination free port and industrial zone. Taiwanese investors have agreed to develop a manufacturing complex there, while Singapore's Sembawang and Keppel groups have announced interest in the base's ship repair facilities...

As the new administration puts its growth plans to work, the DOC estimates that the best prospects for sale to the Philippines in the next year will be electrical power systems, a sector expected to grow by 45-50%; telecommunications, 30-40%; chemicals, computer hard and software; building materials and hotel and restaurant equipment. The U.S. is well-entrenched in

the power sector, Commerce says, ranks second to Japan in the supply of industrial chemicals, and a distant second to Japan in building materials and supplies.

Especially promising for foreign investment is computer component manufacturing and software development, an industry that thrives on an educated workforce and low labor costs. Many foreign firms have been successful in export processing, especially in the fields of electronics and apparel. Texas Instruments and Motorola operate processing factories in the Philippines...

Representatives of the Bechtel Group, and other companies with experience in the country, agree: "We have projects in the Philippines," said Larry Miller, Bechtel's public affairs manager. "We have not had security problems, nor do we plan cutbacks. The Philippines is not in the upper tier we are working in, but it is definitely in the second tier. We are planning to stay."

Special thanks to the following #
Individual Student Sponsors for 1993: #

* Lyn Gorton #
* Martha Allshouse Hull #
* Lane and Jill Johnson #
* Chris and Glenda Newhall #
* Jay and Gloria Slosberg #
* BIMAK (Benguet, Ifugao, Mountain #
Province, Apayao, Kalinga) #

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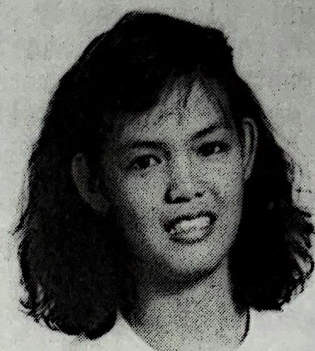
NINE PCAFPD SCHOLARS GRADUATE (Cont. from page 1)



Roberto Cajés
B.S., Biology
Cebu Doctors College



Amy Edang
B.S., Nursing
Central Philippine U., Iloilo



Maria Desiree Jayectin
B.S., Accounting
Ataneo de Davao University



Rex Portento
B.A. Economics
Polytecnic Univ. of the
Philippines, Manila



Rizalina Quibete
B.S. Elementary Education
Agro-Industrial Foundation
Colleges, Davao del Sur



Arnito Son
B.S., Community Development
Santa Cruz Mission College
South Cotabato

WHATEVER HAPPENED TO...?

- * Parker Borg (1961-63) was confirmed by the Senate as Ambassador to Iceland!
- * Elaine Brown (1980-83, Uplands group) and her husband, Carlos Perez, welcomed a baby girl, Sierra in September. They recently moved to Atlanta, Ga.
- * Mary Carson (1980-82, Bukidnon) lives in Coeur d'Alene, Idaho, with her husband and young son, Nathan. She is a Social Worker.
- * Toni Ferrara (1981-83, Zambales) works for U.S.A.I.D. in Fiji.
- * Jonathon Hubchen (1983-85), member of the PCAFPD Board of Directors, recently departed for Mozambique where he will be District Co-ordinator for World Vision.
- * Michael Walsh (1980-83, Pampanga) and his wife, Joan, became parents of Jacob Michael in May. They live in Cairo, Egypt, with their two children.

Peace Corps Greets New Director

PCAFPD Board Member, RPCV Jonathon Hubchen (1983-85), attended a reception at the U.S. Capitol for Carol Bellamy, the first RPCV to be confirmed as Peace Corps Director.

Ms. Bellamy served in the Peace Corps and later as President of the New York City Council. She pledged support for the Administration's effort to "re-invent government", noting that Peace Corps is positioned uniquely to contribute to sustainable development wherever it serves.

PCAFPD thanks Vice President/Philippines, Modesto de Jesus, for single-handedly carrying out the Foundation's mission in the Philippines - directing your contributions to each scholar's college, and providing guidance and caring support to as many as 38 scholars at one time!

CONTRIBUTORS

To save precious operating funds, we thank those who have made recent gifts to PCAFPD here rather than by mail:

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Peace Corps Alumni Foundation
 for Philippine Development

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