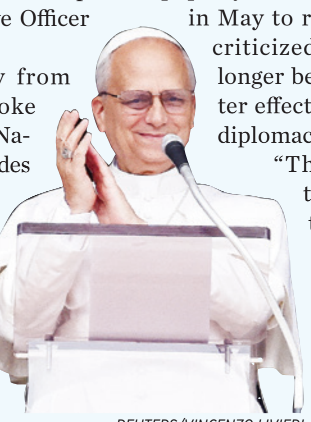
Pope Leo criticizes high, Musk-style corporate pay packages

VATICAN CITY — Pope Leo XIV criticized corporate pay packages that offer executives much higher salaries than their employees in excerpts from his first media interview released on Sunday, citing Tesla's recent $1-trillion compensation plan for Chief Executive Officer (CEO) Elon Musk.

Leo, originally from Chicago, also spoke about the United Nations (UN), his decades working as a missionary in Peru, how he has been adapting to the role of pope, and his hopes for peace in the bloody, three-year conflict between Ukraine and Russia.



REUTERS/VINCENZO LIVIERI

POPE LEO XIV leads the Angelus prayer on his 70th birthday, from the window of the Apostolic Palace at the Vatican, Sept. 14.

He has shown a more reserved style than his predecessor Pope Francis, who often gave interviews, and prefers to speak from prepared texts. Sunday's excerpts were released on the Catholic news site Crux.

"CEOs that 60 years ago might have been making four to six times more than what the workers are receiving... 600 times more (now)," Leo said in the interview, conducted at the end of July for a coming biography.

"Yesterday (there was) the news that Elon Musk is going to be the first trillionaire in the world," he said. "What does that mean and what's that about? If that is the only thing that has value anymore, then we're in big trouble."

Leo, elected the first US pope by the world's cardinals in May to replace Francis, criticized the UN as no longer being able to foster effective multilateral diplomacy.

"The United Nations should be the place where many... issues are dealt with," said Leo. "Unfortunately, it seems to be generally recognized that the United Nations, at least at this moment in time, has lost its ability to bring people together on multilateral issues."

On becoming pope, Leo said he felt more prepared at first to lead the world's 1.4 billion Catholics on spiritual matters but less prepared to play a major role on the global diplomatic stage.

"The totally new aspect to this job is being thrown onto the level of world leader," said the pope. "I'm learning a lot and feeling very challenged, but not overwhelmed. On that one I had to jump in on the deep end of the pool very quickly." — ***Reuters***

US says China spreads 'false' WWII narratives to pressure Taiwan

TAIPEI — China is intentionally mischaracterizing World War II-era documents to put pressure on and isolate Taiwan given those agreements made no determination of the island's ultimate political status, the de facto US embassy in Taipei said.

The 80th anniversary of the war's end has been marked by a bitter dispute between Taipei and Beijing on its broader historical meaning and relevance today.

The Beijing government says documents like the Cairo Declaration and Potsdam Proclamation support its legal claims of sovereignty over the island, as the wording states Taiwan was to be "restored" to Chinese rule, Taiwan being a Japanese colony at the time.

The Chinese government at the time was the Republic of China, which then in 1949 fled to Taiwan after losing a subsequent civil war with Mao Zedong's communists.

Republic of China remains Taiwan's formal name, and its government says no World War II agreements made any mention of Mr. Mao's People's Republic of China because it did not exist then, thus Beijing has no right to claim Taiwan now.

"China intentionally mischaracterizes World War II-era documents, including the Cairo Declaration, the Potsdam Proclamation, and the Treaty of San Francisco, to try to support its coercive campaign to subjugate Taiwan," the American Institute in Taiwan said in a statement e-mailed to Reuters on Monday.

"Beijing's narratives are simply false, and none of these documents determined Taiwan's ultimate political status."

The San Francisco Peace Treaty was signed by Japan in 1951 renouncing its claims to Taiwan, though the island's sovereignty is left unresolved in it. Beijing says the treaty is "illegal and invalid" given it was not a party to it.

The United States ended official ties with Taipei in 1979 when it recognized Beijing but remains the island's most important international backer.

Washington follows a "one China policy" under which it officially takes no position on Taiwan's sovereignty and only acknowledges China's position on the subject.

"False legal narratives are part of Beijing's broader campaign to try to isolate Taiwan from the international community and constrain the sovereign choices of other countries regarding their interactions with Taiwan," added the American Institute in Taiwan, the de facto US embassy.

China's foreign ministry did not immediately respond to a request for comment. Chinese President Xi Jinping on Sept. 3 oversaw a massive military parade in Beijing to mark the war anniversary.

Taiwan Foreign Minister Lin Chia-lung expressed his thanks for the US mission's statement.

"Our country and the People's Republic of China are not subordinate to each other, and the People's Republic of China has no right to represent Taiwan in the international community," Mr. Lin said in a statement. — ***Reuters***

DPWH sacks 3 Bulacan officials over anomalous flood-control projects

By Erika Mae P. Sinaking

THE DEPARTMENT of Public Works and Highways (DPWH) on Monday formally dismissed three officials of the Bulacan first district Engineering Office after finding them guilty of multiple administrative offenses linked to anomalous flood control projects.

In a decision dated Sept. 15 signed by DPWH Secretary Vivencio "Vince" B. Dizon, former Assistant District Engineer Brice Ericson D. Hernandez, Construction Division Chief Jaypee D. Mendoza, and Accountant Juanito C. Mendoza were ordered removed from service.

The officials were found guilty of "disloyalty to the Republic of the Philippines and to the Filipino people, grave misconduct, gross neglect of duty, and conduct prejudicial to the best interest of the service."

Aside from dismissal, they are permanently barred from holding public office and forfeited any retirement benefits. Their civil service eligibility has also been canceled.

The order stated the penalty is "without prejudice to the filing of separate civil or criminal charges."

Political analyst and University of the Philippines Diliman professor Danilo A. Arao said the dismissal of erring DPWH officials is "a step in the right direction."

"But all of those found guilty after due diligence in investigating should be sanctioned appropriately. The investigation should extend to CoA (Commission on Audit), DBM (Department of Budget and Management), Congress, and even Malacañang," Mr. Arao told *BusinessWorld* via chat.

"The concerned private contractors and DPWH officials are just the tip of the iceberg, so to speak," he added.

Perlita M. Frago, associate professor of political science at UP Diliman, said firing these government officials will not solve systemic issues, adding that mechanisms must be implemented at all levels.

"Removing people from their positions will not eradicate systemic corruption unless they are the only problem. There should be mechanisms at all levels to ensure these anomalies do not happen again, and there should be more transparency in the process," she told *BusinessWorld* via chat.

"More importantly, politicians and elected officials should be excluded from the process; otherwise, permanent disqualification from public office should serve as a deterrent," she added.

Ken Abante, co-convener of the People's Budget Coalition, said the government should not just prosecute the "small fish but the masterminds behind this flood control scandal."

Remittances,
from S1/1

Most of the personal remittances that month came from workers with contracts of one year and above, amounting to $2.81 billion, up 3% from a year earlier.

Those with contracts of less than one year sent home $650 million, rising by 3.3% year on year.

SEVEN-MONTH PERIOD

In the first seven months of the year, cash remittances from OFWs increased by 3.1% to $19.932 billion from $19.332 billion a year ago.

This as remittances sent by land-based workers rose by 3.3% to $15.97 billion during the period, while sea-based workers' remittances inched up by 2.3% to $3.96 billion.

Filipinos in the United States accounted for 40.3% of the total cash remittances sent in the January-to-July period.

This was followed by OFWs in Singapore (7.1%), Saudi Arabia (6.2%), Japan (5%), the United Kingdom (4.8%), the United Arab Emirates (4.4%), Canada (3.4%), Qatar (2.9%), Taiwan (2.8%) and South Korea (2.7%).

Personal remittances in the first seven months reached $22.206 billion, up by 3.1% from $21.532 billion a year prior.

Mr. Asuncion said the upcoming holiday season will allow remittances to sustain its growth in the coming months.

"Looking ahead, remittances are expected to maintain an upward trajectory in the coming months, supported by seasonal inflows during the '-ber' months and the holiday season," he said.

However, the UnionBank economist also noted that global economic uncertainty and policy changes across the world pose risks to the country's remittances growth.

"Nonetheless, steady overseas employment and a competitive peso should help sustain positive momentum," he added.

The BSP expects cash remittances to grow by 2.8% to $35.5 billion this year.

Flood-control,
from S1/1

Mr. Romualdez, in a separate statement, said the chamber will not shield lawmakers implicated in anomalous flood control projects, stressing the issue is "bigger than personalities."

He vowed the House would cooperate with Mr. Marcos' independent commission, calling it a chance to "cleanse the system."

ICI CHAIRMAN

Mr. Marcos on Monday announced the appointment of Mr. Reyes as chairman of the ICI, saying the former SC Justice has a "very good record of honesty and fairness."

"We have to make it nothing less than a turning point in the conduct of governance in the Philippines. We have to make a change, and it is a fundamental change in the way that we do business," he said, quoting the ICI chief.

The President created the commission through Executive Order No. 94 to investigate anomalies in flood control and other infrastructure projects, with authority to recommend criminal, civil and administrative charges.

"The power to hold people in contempt, I think, was not necessary (to the ICI) simply because this is not a prosecutorial body — this is an investigative body," Mr. Marcos said.

The commission is set to meet daily to finalize its organizational matters, including the structure of the secretariat, staffing needs, officer assignments and necessary forms. Whether their meetings will be held privately or publicly will be left to their discretion.

Mr. Reyes, 75, was an appointee of former President Rodrigo R. Duterte and a graduate of the Ateneo de Manila University School of Law. He was a Supreme Court justice from 2017 until his retirement in 2020.

Mr. Reyes earned a master's degree in public administration from the Philippine Women's University. He is a "third-generation justice" in the family, according to his profile on the Supreme Court website. His grandfather Alex A. Reyes, Sr. was a justice of the Court of Appeals and Supreme Court.

Joining him as members of the fact-finding body are former Public Works Secretary Rogelio L. Singson and SGV & Co. Country Managing Partner Rossana A. Fajardo.

Ederson DT. Tapia, a political science professor at the University of Makati, said Mr. Marcos' approach of sparing no one builds the credibility of his anti-graft push.

He expressed confidence in the commission's members, Mr. Reyes, Mr. Singson, and Ms. Fajardo, citing their track record.

"I think they are also well aware that all eyes are on them, so I suppose they will not leave any stone unturned in their quest for accountability," he said via Facebook Messenger.

Arjan P. Aguirre, who teaches political science at the Ateneo de Manila University, said that the new independent commission suffers from a "capability deficit" because it is an executive creation still subject to Mr. Marcos' influence, has vague powers limited to seeking agency cooperation, and lacks transparency in member selection.

He said the move appears poorly planned or possibly designed to let the administration control the investigation and shield allies.

"This most recent political move of Marcos, Jr. can be perceived as something that is not well-thought-of, or if it is, it can be interpreted as a way to control the investigative process — perhaps to protect some of its key allies," he said via Facebook Messenger.

FLOOD CONTROL FUNDS

Meanwhile, Mr. Marcos said the funds from canceled flood control projects in the 2026 budget will be redirected to key sectors, including education, health, agriculture, housing, infrastructure, information and communications technology, labor, social services, and energy.

He said a detailed spending "menu" has been prepared to guide lawmakers in reallocating the funds.

"Now that we have canceled all flood control projects for 2026, we have already prepared a menu for those savings so that, first of all, even in the budget now being drafted, it will be very clear that the funds will go to the proper places," he said in mixed English and Filipino.

While no fresh allocation will be made for flood control in 2026, the President clarified that the P350 billion already set aside for 2025 projects must first be fully utilized.

The President also said local governments will again be authorized to inspect national projects before completion and turnover, a safeguard scrapped under the previous administration.

'EXPRESS IT'

Meanwhile, Mr. Marcos backed planned protests against corruption on Sept. 21.

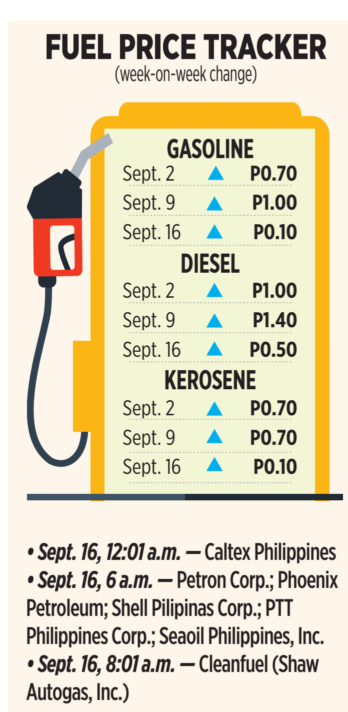
Mr. Marcos, the son of the late strongman who stole as much as $10 billion (P503 billion) from the Filipino people according to government estimates, said that if he were not a President, he would also join the demonstrations.

"They are enraged, of course they are angry. I'm angry, we should all be angry, because what is happening is not right," he said.

"So, yes, express it. You come, make your feelings known to these people, and make them answerable for the wrongdoings that they have done."

Two major demonstrations are scheduled on Sunday (Sept. 21) — one at Luneta Park in Manila and another at the People Power Monument in Quezon City.

The date also marks the country's commemoration of the declaration of Martial Law by the late President Ferdinand E. Marcos, Sr.



AMLC,
from S1/1

Last week, Senate President Pro Tempore Panfilo "Ping" M. Lacson revealed a money laundering scheme allegedly conducted by some officials of the Department of Public Works and Highways (DPWH). These DPWH officials were allegedly using money siphoned off flood-control projects to play in casinos and exchange them for chips.

However, Russell Stanley Q. Geronimo, founder and managing lawyer of Geronimo Law, said recent corruption and money laundering controversies could bring the country back to the FATF's gray list but not immediately.

"Evidence of illicit large-scale cash movement, such as the one testified on by DPWH Engineer Brice Hernandez, is unlikely, by itself, to cause immediate re-listing," Mr. Geronimo told *BusinessWorld* in an e-mail.

"But if combined with other structural weaknesses, then there is a real risk of being placed back on the FATF gray list and the European Union and UK high-risk lists," he added.

In a post on social media platform LinkedIn last week, Mr. Geronimo called on the FATF to revisit the Philippines' removal from the gray list.

Besides money laundering, the officials may face charges of plunder, graft, malversation and tax evasion, among others, according to Mr. Geronimo.

"Officials can be charged with plunder if their kickbacks exceed P50 million, graft under Republic Act No. 3019 for taking percentages from contracts or granting unwarranted benefits, malversation for misappropriating public funds, and falsification for fake accomplishment reports and vouchers," he said.

"They may also face direct or indirect bribery, and violations of the procurement law if bidding was rigged. The BIR (Bureau of Internal Revenu) could also pursue tax evasion since presumably kickbacks were not declared as income," he added.

Mr. Geronimo also noted that no suspicions were raised from the AMLC or banks when the government released large funds for the DPWH's flood projects, noting that oversight bodies are "mainly reactive."

"The BSP (Bangko Sentral ng Pilipinas) imposes no ceiling on domestic cash withdrawals. This enabled large-scale illicit cash hoarding of proceeds of ghost or substandard projects," he added.

John Paolo R. Rivera, senior research fellow at the Philippine Institute for Development Studies, said the country might return to these dirty money watchlists if the AMLC and the government fail to enforce anti-money laundering and combating the financing of terrorism (AML/CFT) policies and measures.

"Given the ongoing flood control corruption scandal, and now these alleged laundering schemes through casinos, the risk of relisting on the FATF gray list or the EU's high-risk third country list is real, especially if the AMLC and government fail to show consistent enforcement," he said in a Viber message.

Mr. Rivera noted that corruption in public infrastructure projects undermines investor confidence and weakens fiscal institutions' credibility.

"When ill-gotten funds are funneled through opaque channels like casinos, it signals to both domestic and foreign investors that the rule of law and anti-corruption safeguards are fragile," he said. "This raises perceived political and regulatory risk premiums, potentially dampening infrastructure investments and development lending."

Mr. Rivera said the AMLC should enhance its casino-related reporting, prosecution of high-level offenders, audit of STRs and inter-agency coordination to ensure compliance with AML/CFT policies.

"To restore confidence, AMLC must tighten enforcement on casino-related reporting, increase prosecutions of high-level offenders, and demonstrate inter-agency coordination with PAGCOR (Philippine Amusement and Gaming Corp.), DoJ (Department of Justice), and CoA (Commission on Audit) in investigating politically exposed transactions," he said. — **Katherine K. Chan** *with* **Aubrey Rose A. Inosante**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <tinyurl.com/23n4r82k>