



**REPUBLIC OF THE PHILIPPINES
CONGRESS OF THE PHILIPPINES
SENATE**

Journal of the Senate

**THIRTEENTH CONGRESS
FIRST REGULAR SESSION
2004 - 2005**

Volume I

*Begun and held at the Session Hall of the Senate,
GSIS Building, Pasay City, on Monday, July 26, 2004*

Session No. 1
Monday, July 26, 2004

CALL TO ORDER

Pursuant to Section 15, Article VI of the Constitution, the First Regular Session of the Senate of the Thirteenth Congress of the Philippines was declared open on July 26, 2004, 10:10 a.m., at the Senate Session Hall, GSIS Building, Pasay City, with Senate President Franklin M. Drilon presiding.

PRAYER

Senate President Drilon led the Body in prayer, to wit:

Merciful Father, guide us as we begin another chapter of our lives here in this august Chamber;

Clear our minds of all distractions and give us strength to be conscientious in fulfilling our duties as legislators of this country;

Prepare our minds for the difficult tasks ahead;

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Walk with us through every mistake, make us readily accept them and teach us how to correct them;

Rejoice with us in every success and remind us to be humble;

Give this country lasting peace, health for the community and prosperity for the economy;

And, on this inaugural session of the Senate of the 13th Congress, we borrow a prayer of Mother Teresa,

“Make us worthy, Lord, to serve our fellowmen throughout the world who live and die in poverty and hunger. Give them through our hands this day our daily bread, and by our understanding love, give peace and joy.”

Amen.

NATIONAL ANTHEM

The Senate Choir lead the singing of the national anthem and thereafter rendered the song entitled *Isang Mundo, Isang Awit*.

COMELEC RESOLUTION NOS. NBC 04-002, NBC 04-005, AND SPC NO. 04-258

Upon motion of Senator Pangilinan, there being no objection, the following matters were considered read into the Record of the Senate:

- * Comelec Resolution No. NBC 04-002 on the proclamation of the 11 duly elected senators in the May 10, 2004 national and local elections:

1. Mar Manuel A. Roxas - 19,253,516
2. Ramon B. Bong Revilla Jr.- 15,703,243
3. Aquilino Q. Pimentel Jr. - 13,425,690
4. Jamby A. S. Madrigal - 13,184,804
5. Richard J. Gordon - 12,639,103
6. Pilar Juliana S. Cayetano - 12,474,894
7. Miriam Defensor Santiago- 12,111,560
8. Alfredo S. Lim - 11,229,032
9. Juan P. Enrile - 11,126,515
10. Jinggoy E. Estrada - 11,018,826
11. Manuel M. Lapid - 10,881,542

- * Comelec Resolution No. NBC 04-005 on the proclamation of Rodolfo G. Biazon as the twelfth ranking duly elected senator in the May 10, 2004 national and local elections; and

- * SPC No. 04-258 restating the proclamation of the Comelec sitting *en banc* as the National Board of Canvassers declaring Rodolfo G. Biazon as the duly elected 12th senator in the May 10, 2004 national and local elections.

COLLECTIVE OATH-TAKING

Thereafter, Senate President Drilon administered the oath to the 12 newly elected senators.

ROLL CALL

Upon direction of the Chair, the Secretary of the Senate, Oscar G. Yabes, called the roll, to which the following senators responded:

Angara, E. J.	Lapid, M. L. M.
Arroyo, J. P.	Lim, A. S.
Biazon, R. G.	Madrigal, J. A. S.
Cayetano, C. P. S.	Magsaysay Jr., R. B.
Defensor Santiago, M.	Osmeña III, S. R.
Drilon, F. M.	Pangilinan, F. N.
Ejercito Estrada, J.	Pimentel Jr., A. Q.
Ejercito Estrada, L. L. P.	Recto, R. G.
Enrile, J. P.	Revilla Jr., R. B.
Flavier, J. M.	Roxas, M.
Gordon, R. J.	Villar Jr., M. B.
Lacson, P. M.	

With 23 senators present, the Chair declared the presence of a quorum.

ELECTION OF THE PRESIDENT OF THE SENATE

Upon motion of Senator Pangilinan, there being no objection, the Body proceeded to the election of the President of the Senate.

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**NOMINATION SPEECH
OF SENATOR VILLAR**

In nominating Sen. Franklin M. Drilon for the position of Senate President, Senator Villar delivered the following speech:

It is my honor and privilege to nominate Sen. Franklin M. Drilon for Senate President.

Senator Drilon has shown dedication and leadership, both as a senator in the Tenth Congress and as Senate President in the Eleventh and Twelfth Congresses. Most of us have witnessed how Senator Drilon has administered the affairs of the Senate with integrity and competence. A very hardworking and respected legislator, Senator Drilon has and -- I know for certain will continue to guide the distinguished Members of this Chamber in enacting laws that deal with public issues, keeping in mind our commitment to serve the national interest.

Having been appointed to several cabinet posts under two administrations as Labor Secretary, Justice Secretary, and Executive Secretary, to name a few, Senator Drilon continues to maintain an exemplary career in government. Most recent among these is his stint in the legislature where he held the third highest post in the land, that of the Senate President.

I believe that Senator Drilon's well-honed skills from both the Judiciary and the Executive Department, and his dynamism as Senate President in the Eleventh and Twelfth Congresses make him highly qualified as Senate President.

I believe that Senator Drilon can ably steer the commitment of each and every Member of this Chamber to unite and vigorously pursue the much-needed legislative agenda to address the looming financial crisis in the country.

**SECONDING SPEECH
OF SENATOR FLAVIER**

Seconding the nomination of Senator Drilon as Senate President, Senator Flavier delivered the following speech:

I respectfully rise to second the motion of Hon. Manuel B. Villar Jr. in nominating the Hon. Franklin M. Drilon to the presidency of the Senate of the Philippines on this occasion, the opening of the Thirteenth Congress of the Philippines.

I have humble reasons for supporting the motion. I have seen and worked with Hon. Franklin M. Drilon as a public servant, earlier as a member of the cabinet of Fidel V. Ramos and later on, in the Tenth Congress when we first started as senators. This working experience reached its peak when he became the Senate President in the Eleventh and Twelfth Congresses.

As the Senate President, he discharged the heavy responsibilities of his high office and administered the affairs of the Senate with integrity, fairness, and competence. He also demonstrated to the highest degree the virtues of compassion, dedication, and competence indispensable to his function as Chief Executive of the Senate. He performed his duties with fairness, tolerance, and a sense of understanding of his relationship with Members of the Senate.

A highly respected legislator possessing an independent mind, high sense of moral rectitude and firm commitment to serve the national interest, Hon. Franklin M. Drilon brought honor to the Senate and guided its Members to bring out their collective wisdom in dealing with public issues.

During his Senate leadership, Hon. Franklin M. Drilon steered initiative towards crafting crucial legislations which now constitute the foundation of President

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Macapagal-Arroyo's social and economic programs. For his continuing commitment to serve our people's interest with great zeal, selflessness, and compassion, I once again endorse for the consideration of our esteemed colleagues the motion to nominate the Hon. Franklin M. Drilon to the Senate presidency.

NOMINATION REMARKS OF SENATOR ENRILE

In nominating Sen. Aquilino Q. Pimentel Jr., Senator Enrile made the following remarks:

It is my pleasure and honor in accordance with the tradition of this Chamber and as the "youngest" member of the Opposition and of the Senate, to nominate a Member of the Opposition to the position of Senate President. I refer to no one else but the distinguished senator from Misamis Oriental, Sen. Aquilino Q. Pimentel Jr.

Senator Pimentel has served on various levels of our government – he served on the local level as well as the national level. Having been elected thrice as senator of the Republic and having served in the Cabinet, I believe with his background, his political acumen, intellectual skills, and experience as a parliamentarian and vast knowledge of our country's problems, he is eminently qualified to be the leader and president of this Chamber. I so nominate him.

SECONDING REMARKS OF SENATOR OSMEÑA

Seconding the nomination of Senator Pimentel, Senator Osmeña made the following remarks:

I am pleased to second the nomination of Sen. Aquilino "Nene" Q. Pimentel Jr. for the presidency of the Senate.

Nene is a former Senate President himself. He is a three-term senator, of course, we all know that. But he is most especially famous for being three-time

political prisoner. He has been recognized for his consistency as a freedom fighter and a defender of human rights. He has always worked for the accountability of public officers especially in his several terms as Chair of the Blue Ribbon Committee. He has always believed in transparency in government. He has had a long adherence to the rule of law in our country, aside from being the champion of local autonomy. He has always been a model of integrity and courage in public service. I am proud again to second the nomination of Sen. Nene Pimentel.

CLOSING OF THE NOMINATION

There being no other nomination, upon motion of Senator Pangilinan, there being no objection, the Chair closed the nomination for the position of Senate President.

NOMINAL VOTING

Pursuant to Section 2 of the Rules of the Senate, upon direction of the Chair, Secretary Yabes called the roll for nominal voting for the new Senate President.

RESULT OF THE VOTING

The result of the voting was as follows:

For Senator Drilon

Arroyo	Pangilinan
Biazon	Pimentel
Cayetano	Recto
Flavier	Revilla
Gordon	Roxas
Lapid	Villar
Magsaysay	

For Senator Pimentel

Angara	Enrile
Defensor Santiago	Lacson
Drilon	Lim
Ejercito Estrada (J)	Madrigal
Ejercito Estrada (L)	Osmeña

ELECTION OF SENATOR DRILON AS PRESIDENT OF THE SENATE

With 13 senators voting in favor of Senator Drilon, 10 senators voting in favor of Senator Pimentel, the Chair declared Senator Drilon as the elected President of the Senate.

SUSPENSION OF SESSION

With the permission of the Body, the Chair suspended the session.

It was 10:33 a.m.

RESUMPTION OF SESSION

At 10:35 a.m., the session was resumed with Senate President Pro Tempore Flavier presiding.

OATH-TAKING OF THE SENATE PRESIDENT

Thereupon, Senator Drilon took his oath of office as President of the Senate before Senator Flavier.

SUSPENSION OF SESSION

With the permission of the Body, the Chair suspended the session.

It was 10:37 a.m.

RESUMPTION OF SESSION

At 10:38 a.m., the session was resumed with Senate President Drilon presiding.

ELECTION OF THE SENATE PRESIDENT PRO TEMPORE

Upon motion of Senator Pangilinan, there being no objection, the Body proceeded to the election of the Senate President Pro Tempore.

NOMINATION REMARKS OF SENATOR MAGSAYSAY

In nominating Senator Flavier for the position of Senate President Pro Tempore, Senator Magsaysay stated that it would give the nation, the

Filipino people and the Chamber pride to begin this Congress by electing as officers, Members of proven worth and capability. He noted that the Members just chose as Senate President a man who has been directing and providing them leadership, stability and purpose for the work of the Senate.

He stated it was a privilege to choose as the Senate President's teammate, a man known for his steadfast principles and hard work. Sen. Johnny Flavier, he underscored, has a deserved reputation for dedication and is one of the few legislators who can claim a perfect record of attendance in the past nine years serving as a senator.

Senator Flavier, he pointed out, who started his career as a medical practitioner and a rural doctor, is also known to be a man of action. He recalled the term that then Health Secretary Flavier used, "Let's DOH it." As Shakespeare once said, "Action is eloquence," he added.

He believed that with Senator Flavier as Senate President Pro Tempore, the Chamber would have the privilege of having a man of exemplary civic conscience and with an enormous capacity to offer himself in the service of others.

ELECTION OF SENATOR FLAVIER AS SENATE PRESIDENT PRO TEMPORE

Upon motion of Senator Osmeña, there being no objection, the Chair declared the election of Senator Flavier as the Senate President Pro Tempore by acclamation.

OATH-TAKING OF THE SENATE PRESIDENT PRO TEMPORE

Senator Flavier took his oath of office as Senate President Pro Tempore before Senate President Drilon.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 10:44 a.m.

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RESUMPTION OF SESSION

At 10:45 a.m., the session was resumed.

ELECTION OF THE CHAIRMAN OF THE COMMITTEE ON RULES AND MAJORITY LEADER

Thereafter, the Body proceeded to the election of the Chairman of the Committee on Rules and Majority Leader.

NOMINATION REMARKS OF SENATOR BIAZON

In nominating Senator Pangilinan for the position of the Chairman of the Committee on Rules and the Majority Leader, Senator Biazon stated that the people expect much from the Senate and the Members could begin their work by electing an officer with proven capability and worth who would do the Senate and the Filipino people proud.

He said that the Members would be electing a worthy and devoted legislator, a self-made man, a man of laws, a man who has integrity, a silent worker, a man who, despite being one of the youngest legislators, proved his mettle against the so-called veteran legislators when he co-chaired the recent congressional canvass.

Senator Pangilinan, he noted, is a man distinguished for his abilities, able to do with excellence any assignment all by himself. He stated that despite this, the nominee is an outstanding team player. He believed that Senator Pangilinan could promote an excellent, productive and healthy relationship among the Members as he shepherds the legislative work.

CLOSING OF THE NOMINATION

There being no other nomination, upon motion of Senator Magsaysay, there being no objection, the Chair closed the nomination.

ELECTION OF SENATOR PANGILINAN AS CHAIRMAN OF THE COMMITTEE ON RULES AND MAJORITY LEADER

Thereupon, the Chair declared the election of Senator Pangilinan as Chairman of the Committee on Rules and Majority Leader.

OATH-TAKING OF SENATOR PANGILINAN

Senator Pangilinan took his oath of office as Chairman of the Committee on Rules and Majority Leader before Senate President Drilon.

ELECTION OF THE SECRETARY OF THE SENATE

Upon motion of Senator Pangilinan, there being no objection, the Chair declared the election of the Secretary of the Senate in order.

Senator Pangilinan nominated Atty. Oscar G. Yabes as the Secretary of the Senate.

There being no other nominee for the position, the Chair declared the election of Atty. Oscar G. Yabes as Secretary of the Senate.

OATH-TAKING OF THE SECRETARY OF THE SENATE

Secretary Yabes took his oath of office as Secretary of the Senate before Senate President Drilon.

ELECTION OF THE SERGEANT-AT-ARMS OF THE SENATE

Upon motion of Senator Pangilinan, there being no objection, the Chair declared the election of the Sergeant-at-Arms of the Senate in order.

Senator Pangilinan nominated Maj. Gen. Jose V. Balajadia Jr. as Sergeant-at-Arms of the Senate.

There being no other nominee for the position, the Chair declared the election of Maj. Gen. Jose V. Balajadia Jr. as Sergeant-at-Arms of the Senate.

OATH-TAKING OF THE SERGEANT-AT-ARMS OF THE SENATE

Maj. Gen. Jose V. Balajadia Jr. took his oath of office as Senate Sergeant-at-Arms before Senate President Drilon.

PROPOSED SENATE RESOLUTION NO. 18

Upon motion of Senator Pangilinan, there being no objection, the Body considered Proposed Senate Resolution No. 18, entitled

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RESOLUTION INFORMING HER EXCELLENCY, THE PRESIDENT OF THE PHILIPPINES, THAT THE SENATE HAS BEEN ORGANIZED WITH THE ELECTION OF ITS OFFICERS AND THAT THIS BODY HAS ENTERED UPON THE EXERCISE OF ITS FUNCTIONS FOR THE FIRST REGULAR SESSION OF THE THIRTEENTH CONGRESS OF THE PHILIPPINES.

Secretary Yabes read the text of the resolution, to wit:

Resolved by the Senate, that Her Excellency, the President of the Philippines, be informed that the Senate has been organized with the election of its officers and that this Body has entered upon the exercise of its functions for the First Regular Session of the Thirteenth Congress of the Philippines.

Upon motion of Senator Pangilinan, there being no objection, Proposed Senate Resolution No. 18 was adopted by the Body.

PROPOSED SENATE RESOLUTION NO. 19

Upon motion of Senator Pangilinan, there being no objection, the Body considered Proposed Senate Resolution No. 19, entitled

RESOLUTION INFORMING THE HOUSE OF REPRESENTATIVES THAT THE SENATE HAS BEEN ORGANIZED WITH THE ELECTION OF ITS OFFICERS AND THAT THIS BODY HAS ENTERED UPON THE EXERCISE OF ITS FUNCTIONS FOR THE FIRST REGULAR SESSION OF THE THIRTEENTH CONGRESS OF THE PHILIPPINES.

Secretary Yabes read the text of the resolution, to wit:

Resolved by the Senate, That the House of Representatives be informed that the Senate has been organized with the election of its officers and that this Body has entered

upon the exercise of its functions for the First Regular Session of the Thirteenth Congress of the Philippines.

Upon motion of Senator Pangilinan, there being no objection, Proposed Senate Resolution No. 19 was adopted by the Body.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

Secretary Yabes read the Message from the House of Representatives on House Concurrent Resolution No. 6 entitled CONCURRENT RESOLUTION PROVIDING FOR THE SENATE AND THE HOUSE OF REPRESENTATIVES TO HOLD A JOINT SESSION TO HEAR THE MESSAGE OF THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES. *

HOUSE CONCURRENT RESOLUTION NO. 6

Upon motion of Senator Pangilinan, there being no objection, the Body considered House Concurrent Resolution No. 6, entitled

CONCURRENT RESOLUTION PROVIDING FOR THE SENATE AND THE HOUSE OF REPRESENTATIVES TO HOLD A JOINT SESSION TO HEAR THE MESSAGE OF THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES.

Secretary Yabes read the text of the resolution, to wit:

Resolved by the House of Representatives, the Senate concurring, That both Houses of Congress of the Republic of the Philippines hold a Joint Session on July Twenty-sixth, Year Two Thousand and Four, at four o'clock in the afternoon at the Session Hall of the House of Representatives, to hear the message of the President of the Republic of the Philippines.

Upon motion of Senator Pangilinan, there being no objection, House Concurrent Resolution No. 6 was adopted by the Body.

* As corrected by Senator Pangilinan on July 28, 2004

SENATE CONCURRENT RESOLUTION NO. 2

Upon motion of Senator Pangilinan, there being no objection, the Body considered Senate Concurrent Resolution No. 2, entitled

CONCURRENT RESOLUTION
CREATING A JOINT COMMITTEE
OF THE SENATE AND THE
HOUSE OF REPRESENTATIVES
TO NOTIFY THE PRESIDENT OF
THE PHILIPPINES THAT
CONGRESS, NOW CONVENED FOR
ITS FIRST REGULAR SESSION OF
THE THIRTEENTH CONGRESS OF
THE PHILIPPINES, IS READY TO
HEAR HER STATE OF THE
NATION ADDRESS IN A JOINT
SESSION OF BOTH HOUSES.

Secretary Yabes read the text of the resolution, to wit:

Resolved by Senate, the House of Representatives of the Philippines concurring, that a Joint Committee of both Houses of Congress be created, composed of ten members, five to be appointed by the President of the Senate and five to be appointed by the Speaker of the House of Representatives, to notify the President of the Philippines that Congress, now convened for its First Regular Session of the Thirteenth Congress of the Philippines, is ready to hear her State of the Nation Address in a Joint Session of both Houses.

Upon motion of Senator Pangilinan, there being no objection, Senate Concurrent Resolution No. 2 was adopted by the Body.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 10:59 a.m.

RESUMPTION OF SESSION

At 11:01 a.m., the session was resumed.

**JOINT COMMITTEE
TO NOTIFY THE PRESIDENT**

Pursuant to Senate Concurrent Resolution No. 2, nominated by Senator Pangilinan, there being no objection, the following were appointed by Senate President Drilon as members of the Joint Notification Committee, on the part of the Senate: Senators Villar, Flavio, Pangilinan, Madrigal and Lim.

ADDRESS OF SENATE PRESIDENT DRILON

Senate President Drilon delivered the following speech on the legislative agenda:

We Will See the Light of Day

We can and we will see the light of day. Though not within easy reach, it will just be a matter of time when we shall have walked past the difficult path ahead.

As I stand before you today, the 13th Congress begins, I say that we, the new Congress, be thankful that we survived an electoral process that tested us to the limits.

And so at this moment of great importance, we begin the 13th Congress of the Republic not in the traditional "business-as-usual" but in the urgent need of putting this nation in survival mode.

Our country is besieged with almost insurmountable problems. We have to set policies and enact laws that would avert a looming fiscal crisis, set the proper stage to create jobs, conquer poverty, eradicate graft and achieve lasting peace.

We must act now if this nation is to continue to provide hope for our people.

We remain hopeful. We have the fresh batch of senators joining us who come equipped in their own special way. Some brought with them their forebears' great tradition of public service. Others offer exemplary skills in local governance. A

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number are returnees who bring with them a wealth of experience and wisdom.

Towards fiscal prudence

In the economic front, a 6.2 percent economic growth in the first quarter of this year was not sufficient. A fragile economy we remain today. The fiscal crisis is at our doorsteps.

With the consolidated public sector deficit now standing at P235 billion, we should immediately find measures to narrow the gap between government earning and government spending.

The culprit of this huge shortfall is poor tax collection. The tax revenues represented only 12.3 percent of our Gross Domestic Product in 2003, a far cry from the 17 percent in 1997. The National Tax and Research Center reports P127 billion in uncollected income and value added taxes every year from 1998 to 2002 or a total of P635 billion over the past five years.

We must therefore examine our tax collection efficiency before we consider new tax measures. We must determine whether a good portion of the revenues under our present laws are indeed being collected. It is not acceptable to impose new taxes especially on those who are already heavily burdened when there appears to be so much revenue leakage and tax evasion going on.

As a measure to improve tax collection efficiency, we must reenact the Bureau of Internal Revenue Lateral Attrition bill which we passed during the 11th Congress under the able sponsorship of Sen. Juan Ponce Enrile but was unfortunately vetoed by Malacañang.

Apart from reviewing our tax collection efficiency, we also need to reexamine our spending priorities. We must do away with unproductive expenses and increase our investments in social and economic services.

Towards this end, we must reengineer the bureaucracy and introduce cost-cutting measures to ensure maximum fiscal efficiency.

As a measure to instill fiscal responsibility, let us consider putting a cap on government borrowings. It is rather appalling that for every P100 of taxes collected, P40 pesos will go into debt servicing. Good sense tells us that the more we borrow, the more we plunge into the debt pit.

What should be done with the GOCCs mandated to earn for the government but instead drain the national coffers? Financial discipline must be demanded from these GOCCs as well as the GFIs so that they should be earners instead of spenders of government.

We must rationalize fiscal incentives. Presently, I understand that there are over 100 laws granting tax exemptions.

On a faster track to poverty alleviation

How do we make an impact on the lives of the 26.5 million Filipinos who live under the poverty line?

Bringing our budget deficit to more manageable levels should allow us to invest more on the welfare of our people. Thus, for poverty alleviation measures to be strongly felt, spending on education and health should be raised to at least five percent of the Gross Domestic Product.

Given our limited resources, this government should encourage cost-efficient private and public sector partnerships.

In my case, I have allotted P170 million of fund assistance to a school-building project in coordination with the Filipino-Chinese Chamber of Commerce and Industry. We build a standard classroom at half the cost of what government spends to build the same facility. We programmed the construction of

800 classrooms in the rural areas all over the country and we have already completed over 600 units. We should have more projects using this strategy to maximize the use of our very scarce finances.

To combat poverty, creating jobs that bolster new investments is key. To create jobs for the four million unemployed Filipinos, we need to remedy our lackluster image to investors and reduce the costs and risks of doing business here.

We should pursue the peace process in Mindanao. In my book, achieving permanent peace will be more effective in fighting terrorism than any other means. Negotiations for a permanent peace with communist rebels should also be pursued with the same vigor.

We must enact measures to mobilize capital, generate savings and put in place an effective regulatory environment to complement our efforts in developing our financial and capital markets.

Spreading the gains

Without a doubt, the way to reach out to the poor and to the disadvantaged is to grant them access to quality education and health services.

Many are alarmed over the deteriorating quality of our education. Only three to four percent of our elementary students passed the recent High School Readiness Test. We must examine legislation to correct this trend. Apathy will lead us to lose our competitive edge of highly literate manpower in the world job market.

For better access to health services, we should look into the Health Sector Reform Agenda that proposes to widen the coverage of health insurance and improve local health facility throughout the country.

Improving governance/institutions

So much is lost in corruption and poor governance. The country's low international investment rating is hurting us badly. In the last 20 years, about US\$48 billion was lost to corruption, putting us one of the lowest in the latest Corruption Perception Index in Southeast Asia.

Now is the time to lay down the foundation for good economic governance.

High on the list of the things to be done is the need to reengineer the bureaucracy to institutionalize merit and fitness in civil service and promote cost efficiency to help ease the ballooning budget deficit.

I wish not to stop at naming all of the things that need to be done. As we continue with our daily grind in this 13th Congress, we will come to know them one way or another.

There is no greater honor than serving our people. But there is also no greater disgrace if we fail them.

The Senate in the 12th Congress reflected the very deep division among our people because of EDSA 2 and 3.

As a consequence of the division, legislation became so difficult, relationship among the Members became sour and the civility and camaraderie that we used to have in the previous Congresses were greatly diminished.

It is our fervent hope that we put all of that behind us and move forward for the sake of the people.

We are not asking anyone to give up the principle he or she holds deeply in heart.

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All we ask is that we start to build a stronger bridge of helping hands in this Chamber.

Let us agree. Let us disagree. Such is the essence of democracy. Out of the multiplicity of standpoints comes the one that honors everyone. Yet this one perspective will not be on hand until everyone has been listened to.

For this nation to survive, our common desire to attain this end should be greater than the sum of our differences. Hard work is what our people deserve. Nothing less.

Maraming salamat. God bless us all!

REMARKS OF SENATOR SERGE OSMEÑA

Senator Serge Osmeña stated that while the Minority were pleased about the several issues and points raised by Senate President Drilon, they were hoping that President Macapagal-Arroyo, in her State of the Nation Address, would not contradict him. He then reserved the right to interpellate Senate President Drilon in the next day's session.

ANNOUNCEMENT OF THE CHAIR

The Chair advised the Members to proceed to the Session Hall of the House of Representatives at four o'clock in the afternoon for the Joint Session of Congress.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, there being no objection, the Chair declared the session suspended until four o'clock in the afternoon for the Joint Session of Congress, after which, the session of the Senate shall be considered adjourned until three o'clock in the afternoon of the following day.

It was 11:15 a.m.

Joint Session held at the Session Hall of the House of Representatives, Quezon City

CALL TO ORDER

Pursuant to Concurrent Resolution No. 6, the President of the Senate and the Speaker of the House of Representatives declared the Joint Session open at 3:57 p.m.

NATIONAL ANTHEM AND PRAYER

The national anthem was sung, followed by a prayer led by representatives of the different religious groups.

THE STATE OF THE NATION ADDRESS

The President of the Philippines, Gloria Macapagal-Arroyo, delivered her State of the Nation Address, to wit:

Thank you Speaker De Venecia, Vice-President Noli de Castro, President Fidel Ramos, Senate President Drilon, Chief Justice Davide and the Justices of the Supreme Court, Honorable Members of the Senate and the House of Representatives, His Excellency Archbishop Franco and the excellencies of the diplomatic corps, members of the Cabinet, commanders of the Armed Forces, officers and members of the Philippine National Police, fellow workers in government, distinguished guests, ladies and gentlemen.

Angelo de la Cruz is home.

We did it! Congratulations to the Filipino people.

Samakatwid, ipabatid sa lahat, mula sa pook at panahong ito sa bawat Pilipino, saan man naroroon.

You have a government – indeed, you have a country that cares. Your life is held more dearly than international acclaim. And you have a President who is your friend.

Why was Angelo de la Cruz saved? Because I stuck to my oath. Since I first became president in 2001, my declared foreign policy focus has been to protect the vital interests of the nation, including our eight million overseas Filipinos.

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And I cannot apologize for being a protector of my people.

The difference of a few weeks for a pullout already decided on could not justify the sacrifice of a human life.

Sacrificing Angelo de la Cruz would have been a pointless provocation; it would have put the lives of a million-and-a-half Filipinos in the Middle East at risk by making them part of the war.

Wars are for combatants. As I speak, soldiers are being held hostage by communist insurgents but they don't expect to be released except by the compassion of their captors or a military operation.

We have been fighting the longest running communist insurgency in history. We have been coming to grips with fundamentalist terrorism long before 9/11.

As the leader of the nation, I say in behalf of the Filipino people to the world: we are strong and principled believers in democracy. Four generations of fighting Filipinos have ceaselessly struggled against totalitarians and terrorists, for our freedom, for the freedom of our people and the people of the world.

We have fought the enemy, and taken as good as we gave – not from a safe distance but in close quarters. Bataan and Corregidor, Korea and Vietnam, East Timor, Kosovo, Liberia, to name a few.

When I opted to save Angelo de la Cruz, I was reflecting whether one life should be sacrificed for no pressing reason or saved by accelerating an ongoing pullout.

I did not sacrifice policy to save a human life. I applied policy for that purpose. The Philippines has no policy that demands sacrifice of human lives.

Ask yourselves this: if Angelo de la Cruz had been sacrificed, what would change for the better in Iraq today?

Having saved one Filipino from a painful and pointless death, we must seize the unity we attained to improve our government and save our economy.

Ipinapangako ko ang isang bagong direksyon: mamamayan muna. Ang taong bayan ang pinakamalaki nating yaman. Ngunit madalas, kaunti lang ang atensyon na binibigay sa kanilang pag-unlad. Di tuloy matawid ang agwat ng mayaman at mahirap. Di tuloy mapa-abot sa lahat ang biyaya ng demokrasya.

I want to create economic opportunity at home and abroad. I don't want just one or the other. I want both.

But it can only be done with focus, with energy, and with a common purpose to do that which still lies within our power: put our economic house back in working order before it finds itself beyond hope of repair and doomed to share the fate of failed nations.

We have made a head start in the last three years; we must take bolder steps forward in the next six.

Inflation is under control. The ordinary housewife has been buying her rice and fish at stable prices.

New investments, foreign and better yet domestic, were made. Three million more of our people found jobs in the last three years compared to half a million in the three years before that.

Malaki ang pag-unlad sa pangunahing pangangailangan – malinis na tubig, health insurance, tirahan, paaralan, aklat.

We beat down crime. We are breaking up the drug and kidnapping syndicates. We are mopping up the stragglers. The people are safer in the streets, in their homes, and in their places of work.

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Every government in the world is at war with its own corruption; we have made lifestyle check a lethal weapon, and adopted procurement reforms to take the fight forward.

Thanks to many of you, I emerged from the last election with more votes than any previous president.

As a further sign of the people's overwhelming support, they gave me a huge majority in Congress, and a huge majority among the local governments.

This is a new day, with a new direction, and a renewed confidence in what we can achieve together.

I am determined to prove that this tremendous show of faith and confidence is well deserved.

The season of bitter partisanship is over; the season of service is upon us all, majority, minority, opposition, administration.

In my inaugural address, I laid down a 10-point agenda for the next six years — not utopia but something practical we can achieve and accomplish on time.

What I did promise was that my term would be the irreversible turning point.

Ipinangangako ko, iiwanan na natin ang ligalig at alinlangan.

At the end of my term, the question will no longer be whether we can compete but where else in the world shall we take an indisputable competitive advantage.

The next six years we hope is when we finally get things right.

Is there something about that goal we cannot all agree on? Is there a reason we cannot all work together?

All that is needed is to clear away a couple of obstacles, as I intend to do with five key reform packages: (1) job creation through economic growth, (2) anti-corruption through good government, (3) social justice and basic needs, (4) education and youth opportunity and (5) energy independence and savings.

Tough decisions will have to be made. It's going to be tough love from here on. It must be tougher on those who have had it easy than on those who have had it tough already.

Humarap din sa problema ang mga karatig bansa.

Ang kanilang sekreto ay pagkakaisa ng mamamayan, suporta sa liderato, at sakripisyo ng bawat isa.

We must bear the pain and share the pain to enjoy the gain together.

Those with more must sacrifice more; those with less are already living lives of self-sacrifice.

Maraming nagsasabi: matagal na silang nagsasakripisyo, ngunit hinihingi ko sa inyo: konti pang sakripisyo.

We must wait with patience for the reforms to work. In the meantime, we must work more productively because world competition is keen and we want the jobs not only to come, but to stay.

Our most urgent problem is the budget deficit, sometimes it is unavoidable; but chronic deficits are always bad.

Sometimes stamping out deficits too vigorously can slow down growth. But ignoring them can kill the economy. It sends the wrong signal that we do not understand our fiscal predicament and will

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not help ourselves. This will drive away investments, exacerbate the deficit and hurt job growth.

Chronic deficits drastically reduce government's ability to make those infrastructure investments that business needs to grow and create jobs.

Chronic deficits mean undertaking less social services that private charity will never provide but without which social war is inevitable. This is a sure fire formula for national failure.

So, we must raise revenues, expand government services, yet cut costs—all at the same time. It boils down to right priorities.

The beauty of the fiscal problem is that all the solutions are known, though-applying-the-right-ones is tricky.

All the solutions require: toughness on the part of government, cooperation on the part of business, patience on the part of our people, and active support on the part of Congress.

All the solutions require profound, even personal changes; politicians will need to focus on the job at hand rather than on their prospect of re-election.

The worst offender yet the hardest to pin down is corporate corruption. Businessmen must adopt an attitude of tax acceptance, not tax avoidance. They must stop trying to outrun the tax collector. They must recognize that only a fiscally stronger government can create a more congenial business environment: greater security, better infrastructure, cheaper credit, more business.

My administration will undertake reforms to raise or save P100 billion. I ask Congress to pass eight revenue measures that will collect P80 billion more.

Alam kong maaasahan ko ang mga mambabatas upang burahin ang deficit, upang ituloy ang magandang trabaho, at upang itaguyod ang saligan ng matapat na gobyerno at malakas na ekonomiya.

Investments in infrastructure and energy provide the greatest multiplier effect for growth and job creation. *Pag maganda ang imprastraktura gaya ng kalsada, tulay, pantalan, telepono, kuryente, maraming mamumuhunan. Maraming magkakaroon ng trabaho.*

We must achieve sufficient, efficient, cheap energy in the near term. We must be sure to have the capacity to meet the demands of a growing economy, so as not to choke off growth when it comes, and thereby lose the opportunities that may not come again.

To this end, Napocor power generating plants and transmission lines must be privatized but not in a fire sale. Delivering electricity to virtually an entire country as big as ours cannot possibly be worth nothing but the trouble of running it.

Napocor's transmission systems will be sold on terms that recognize the lucrative monopoly of its transmission grid. I ask Congress to pass the Transco bill that already passed the House in the 12th Congress.

Our investments in social justice and basic needs are as vital to our future as fiscal and macroeconomic reforms. A nation deeply divided will not stand. And it certainly will not move forward.

Our nation is divided by social and economic faultlines. The tectonic plates may shift with unthinkable consequences.

Some say that it is cheaper to die than to get well from an illness, that it is impossible to find clean water in this rainfall country, that in this modern day and age, part of

the country still sits in darkness. This is a terrible waste and a terrible shame.

Kaya ang aking agenda para sa maralita ay hanapbuhay; reporma sa lupa; tubig, gamut at koryente; pagtatanggol at kapangyarihan para sa mahina.

In fact, we will now be able to bring clean water to the entire country because during my previous term, you, Congress, finally passed the Clean Water Act. Thank you for that. And because in my first days as president in 2001 I signed the Solid Waste Act. Thank you also for giving me that opportunity and because we are reforesting our watersheds.

The place to start now is livelihood for 10 million Filipinos.

The growing industrial service and micro-enterprise sectors will take care of some, a thriving agri-business sector will keep more in the countryside rather than burdening a Metro Manila that is already cracking under the weight of overpopulation.

Land reform covers agrarian reform, urban land reform and ancestral domain land reform. I ask Congress to qualify farmland as bank collateral and also to reform the system of urban land titles.

Ang kapangyarihan ng taong bayan ay puso ng demokrasya. Dapat kasama sila sa paghugis ng kanilang kapalaran.

Dadalhin ko ang aking mga reporma sa taong bayan. Ako ay magpapaliwanag, ako ay makikinig.

I have shown that government does care even for a single Filipino life. Now we must show that we care for the rest of the Filipino people, especially the weakest among us.

To adapt the words of Adam Smith to the information age, "The greatest improvement in the productive powers of labor seems to have been the effects of a modern education."

Economies have exhausted the possibilities of the division of labor; the way further forward now is a better-educated, more adaptable workforce.

We need to start early. And we need to maintain the highest educational standards. I ask Congress to legislate an extra year of studies not by adding a fifth year of high school but by standardizing what is taught in the Barangay Day Care Centers.

To expand youth opportunity, we need to focus on technical and vocational education; on strengthening English, Science and Technology – and love of country. As I said in my inaugural: It is not free markets but patriotism that makes countries strong.

There is a sense in which as a society we have failed the youth in their formative years, in growing up normally and productively, in getting a good education, in learning the habits of honesty and citizenship and civic discipline.

I ask the educational system, the parents, the church and pillars of the community to help shape a new culture of honesty, patriotism, respect, discipline and service for young Filipinos.

The roof cannot collapse when the value pillars of government and society are sound and strong.

I fervently support the judicial reforms being carried out by our Supreme Court.

I ask Congress for a law making the Ombudsman's function as effective as Hong Kong's independent commission against corruption.

Bureaucratic corruption with its numerous leakages is bad. So is government incompetence. Unlike in the private sector where the free market punishes mistakes, government incompetence punishes only the public.

We have to tear away layers of inefficiency piled on by decades of political accommodation: redundancy in the national service, waste in local governments, and pointless procedures for getting done what is not needed anyway to secure the public welfare. Just how does paying off the health inspector banish bacteria from a dirty kitchen?

By definition, public services are what the private sector will not do except for a price the public cannot pay.

Where the private sector can do it better and cheaper, government may have to step aside. But the watch words are better and cheaper. Where privatization only spells public pillage, government will continue to do the work.

But that's no reason to spare public services from the test of competitive performance.

We will simplify procedures to eliminate fixers.

We will downsize the government, motivate excess employees to become entrepreneurs, and increase the pay of a lean and mean bureaucracy.

I have abolished eighty offices under the Office of the President. I will abolish thirty more.

I ask Congress to pass a law on government reengineering, with silver parachutes for redundant offices.

Once we have proved to our people that we have done what we can within the present structure of government, we can move on to changing the system to one that enhances our freedom and flexibility to do more.

I expect that next year, Congress will start considering the resolutions for charter change.

No one has a monopoly on right ideas. I am reaching out to all segments of society and all parties, be they with me or against me, to join me in those things that should be everyone's concern because they rise above politics to the level of patriotism.

I do not want a honeymoon period after which we can forget the country and go after each other again. I want a marriage not of convenience but of conviction, across the spectrum of parties and groups, encompassing the range of intelligent political, religious and economic views. I want a marriage for at least the life of this Congress.

I do not ask for unprincipled support because it will not hold.

I do ask for an end to unprincipled obstructionism because that always succeeds in defeating our best efforts.

Tunay nga na ang kahirapan at kawalan ng katarungan ang sagabal sa ating pag-unlad. Ngunit ang mga nagsusulsol sa mahihirap para manggulo ang sumisira sa ating kinabukasan.

So this must stop.

We must put a stop to that.

Every year, every president tells Congress that it is the last chance for meaningful change.

This time I will say it again, adding only that past presidents were right. And that each time change doesn't happen, makes change harder and less likely to happen the next time around.

The time for change is well past due.

This time, let me say, let's just do it!

Mabuhay ang Pilipino!

Maraming salamat sa inyong lahat.

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ADJOURNMENT OF JOINT SESSION

Thereafter, the President of the Senate and the Speaker of the House of Representatives declared the Joint Session adjourned.

It was 4:40 p.m.

I hereby certify to the correctness of the foregoing.


OSCAR G. YABES
Secretary of the Senate

Approved on July 27, 2004

