

REPUBLIC OF THE PHILIPPINES

**S e n a t e**

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# Journal

**SESSION NO. 2**

July 27, 2004

Tuesday

**THIRTEENTH CONGRESS  
FIRST REGULAR SESSION**

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Tuesday, July 27, 2004

**CALL TO ORDER**

At 3:16 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

**PRAYER**

Sen. Edgardo J. Angara led the prayer, to wit:

Lord Almighty, as we begin yet another legislative session, cast Your guiding light on us so that we may perform our duties with knowledge, understanding and sensitivity. Help us to remain devoted to our work and to show our people exemplary deeds. Teach us to see clearly and beyond the immediate so that we may transcend our differences, knowing that our common goal is the betterment of the lives of Filipinos. Give us strength and single-mindedness so that we may remain fervent and focused on our efforts to lift the country and give hope to our people.

In times both of triumph and of tribulation, our loyalty remains with You and our people.

Amen.

**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.	Gordon, R. J.
Arroyo, J. P.	Lacson, P. M.
Cayetano, C. P. S.	Lapid, M. L. M.
Defensor Santiago, M.	Lim, A. S.
Drilon, F.M.	Madrigal, J. A. S.
Ejercito Estrada, J.	Pangilinan, F. N.
Ejercito Estrada, L. L. P.	Pimentel Jr., A. Q.
Enrile, J. P.	Revilla Jr., R. B.
Flavier, J. M.	Villar Jr., M. B.

With 18 senators present, the Chair declared the presence of a quorum.

Senators Biazon, Magsaysay, Osmeña, Recto and Roxas arrived after the roll call.

**APPROVAL OF THE JOURNAL**

Upon motion of Senator Pangilinan, there being no objection, the Body dispensed with the reading of the Journal of Session No. 1 and considered it approved.

**REMARKS OF SENATOR ARROYO**

Senator Arroyo thanked Senator Enrile for giving way to his question of privilege. He said that any interpellation on his speech would be made after Senator Enrile's privilege speech and the interpellations thereon.

**QUESTION OF PRIVILEGE  
SENATOR ARROYO**

On a question of personal privilege, Senator Arroyo delivered the following speech on Australia's reaction to the withdrawal of the Philippine troops from Iraq:

**AUSTRALIA and the PHILIPPINES  
1942 - 2004**

Marx said that history's great events appear twice, first as a tragedy, then as a farce. Indeed, that tragedy of World War II which visited upon us, a vulnerable population, more than half a century ago, has revisited us today as a farce.

Who could have guessed in 1945, in the aftermath of the war, that the echoes of how we were used as mere pawns in that great frontier of war in the Pacific would reverberate anew in 2004, this time, in this they call the war against international terrorism.

I can only trust that Australia's sense of history has not been bleached away by their sunny blink for being anointed as America's trusted partner in the coalition of the willing. The Australians are only too well aware of how we have been thrust in the war by America's strategic concern for Australia.

Japan in a sneak attack bombed Pearl Harbor on December 8<sup>th</sup> 1941. The U.S. promptly declared war on Japan. Japan set out to conquer the erstwhile colonies of the ABCD powers (America, Britain, China and the Dutch) in Southeast Asia.

In less than two months, February of 1942, the Japanese Imperial Forces had occupied British Hong Kong, Singapore and Malaysia; Dutch Indonesia; while the important cities of China had already been conquered in the Sino-Japanese War. The holdout was the Commonwealth of the Philippines where the Philippine-American forces heldout in Bataan.

What has that got to do with Australia?

Unknown to the Philippine officialdom and revealed only after the war, the *American strategy for the Philippines*, in case hostilities broke out between Japan and the United States, was not to defend the Philippines, because the Philippines was considered indefensible, but to delay the southern drive of the Japanese forces to Australia where Americans intended to establish its base from where to proceed upwards to recover conquered territories. That is documented in War Plan Orange No. 3 of the defunct U.S. War Department.

Our brave forces in Bataan and Corregidor held on for five months, thus the Japanese southern campaign was derailed and they were able to reach only New Guinea, thus blunting the invasion of Australia.

In short, the Philippines served as the buffer to the oncoming Japanese expedition to Australia. For that, the Philippines

fielded close to a hundred thousand troops in Bataan to tie up the Japanese invading forces that were poised to invade Australia. For that we suffered tremendous casualties.

Yet, the Australian Prime Minister continues to rebuke us for the withdrawal prematurely of the tiny, symbolic 50-men Philippine contingent in Iraq because such a stance, according to him, would encourage terrorism and thus endanger Australian lives.

As the President of the Philippines correctly declared in her State of the Nation Address, we must not and cannot do anything that would endanger 1.5 million Filipino overseas workers in the Middle East just to please others.

Our government simply cannot protect all our OFWs working elsewhere. But Australians are and can be protected by their government from terrorists in their homeland.

What the Australian leader seeks is that the Philippines should serve as a buffer to Australian lives the second time around. That is just too much.

Verily, revisiting our history is very instructive.

Indeed, in a world order where globalization has become the mantra of world leaders, and where national pride is often sacrificed in the altar of international cooperation, we should not lose our capacity for outrage, where it is appropriate. Otherwise, we will find ourselves morally and intellectually disarmed.

I am delivering this speech so it would be recorded that we in the Senate speak up and stand up, where the Foreign Office has been lulled into passive disgust or worse, ignorance of history.

## MANIFESTATION OF SENATOR VILLAR

Senator Villar made reservation to interpellate Senator Arroyo at a later time.

The Chair noted the reservation.

## PRIVILEGE SPEECH OF SENATOR ENRILE

Availing himself of the privilege hour, Senator Enrile informed the Body that he was rising as a member of the Opposition in response to his constituents' query. He delivered the following speech:

The nation has just gone through an intensely contested and contentious national election. Among others, the political contest involved no less than the presidency of the land. The competition for power has without any doubt sapped the energy of the people and has drained the scarce resources of the Republic. In fact, many say that we are teetering on the edge of a major financial crisis.

The passions and tempers of the protagonists and their supporters, though seemingly subdued and controlled, are still fresh, and they remain high. The outcome of the national election, while officially settled and declared in favor of the sitting president, has been marred by an overcast of doubt in the minds of a vast number of our countrymen regarding its cleanness, veracity, and integrity.

And this reminds me of Edsa Uno. Edsa Uno is a comparatively recent event in our history. It is still vivid in the memory of many of our countrymen. One has to remember that what triggered Edsa Uno was the general public's perception that, on the one hand, the declared winner in a presidential contest was thought to be the loser, while on the other hand, the declared loser was believed to be the real winner.

The current volatile political climate in the country, as an aftermath of the national election just concluded, is

aggravated by a residual and lingering belief of a great number of our countrymen that the incumbent president has previously ascended the presidency under dubious circumstances.

Because of these aberrant public perceptions, the country has up to now continued to be buffeted by instability and uncertainty. The nation, though seemingly calm and quiet at the moment, is in a manner of speaking not quite unlike a ticking bomb that needs to be diffused. Of course, one can only speculate how the future will unfold.

Meanwhile, we who have received the favor of our people to be in this august Chamber must go on with our task and perform the responsibility we have assumed. Assuredly, we do so not for ourselves and, certainly, not for our benefit, but rather for the good of the people who trusted us to be here.

Today, as I rejoin my distinguished colleagues in this historic hall, I am humbled by the awesome problems we face together. We all know that the country is tottering under the heavy load of widespread poverty. The squalor I have seen in my travels around our cities and across the land to seek the support of the people is shocking and sickening. I have seen the dull and emaciated faces of malnourished men and women, young and old, waiting and pleading to be redeemed from their misery and hopelessness. I saw the urgency of their plight. I heard the audible sound of their pleas for help.

The condition of law and order in our land is as equally frightening and dismaying. Violent deaths are daily occurrences in our urbanized cities. In the countryside, brutal killings are not confined to acts of lawless elements. Our own security forces are sometimes involved, although perhaps not as widespread as some had suggested. In addition, hapless citizens are robbed of

their valuables in our streets and even in the guarded plushy malls of our metropolis.

Our homes are no longer the safe havens that they were. To feel safe, the inhabitants of our congested cities imprison themselves and their families, day and night, inside bolted doors and heavily barricaded windows, sometimes with tragic consequences. The affluent and their children are helpless prey to kidnapers for ransom. The rampant and uncontrolled distribution of illegal drugs has become the bane of the country and has debilitated the minds and bodies of millions of our young. And the police organization, which we support with a huge portion of our yearly budgetary appropriation, seems unable to provide adequate safety to our residents.

Also, the economy appears unhealthy. Despite the rosy claims and predictions of our economic managers, multitudes of our people are without jobs or underemployed. Many of our domestic business concerns, I was told, had closed down because of the unabated entry of cheap goods from foreign lands. The situation, I understand, has been further aggravated by the high incidence of smuggling, which up to now, for whatever reason, has remained unchecked.

Many foreign investors are said to have left the country and relocated themselves in more friendly shores in the regions of Southeast and Northeast Asia. New foreign investments of any real consequence are hardly entering the country today. Even if there were such new entrants, they have not really made that much significant impact on our swelling labor unemployment.

Public revenue has become a matter of serious concern to the government. Collections from our domestic commerce as well as from our international trading operations have hardly risen to their desired levels. By and large, collection

targets have always ended in deficit. As a consequence, the government had to resort to heavy borrowings to shore up its operations. In fact, the amounts of present yearly deficit expenditures of the government have reached dangerously critical magnitudes. And added to this critical financial condition of the government are the ongoing insurgencies in the country, which may further exert tremendous pressure on the budget, if not handled well.

I mentioned all these things not to alarm the nation or to blame anyone. I made reference to them to emphasize the immensity and urgency of the task before us and to respectfully prompt this Senate to actively assist in looking for suitable and effective solutions to our manifold national problems.

Soon the euphoria of political victory from the last national election will melt away. Soon the heady feeling from Angelo de la Cruz's release by his Iraqi captors will wane. Soon the stark reality of our dire national condition will be upon us once more. Soon the groan of our people who are suffering under the heavy yoke of rising prices will become louder and louder. Soon we will come to grips with the demands of our impoverished populace. And soon we will be hard put to find a way to satisfy their needs.

In fact, the ever-increasing pressure of escalating cost of living is about to tear down the floodgate. Power rates, water charges, fuel costs, transportation fares, as well as prices of basic and essential commodities are rising to a level beyond the capacity of our impoverished people to bear. And, this is not to mention the intention of the government to impose new taxes on the people to bail itself out of its financial predicament.

To the poor, it is evident, therefore, that the emerging economic picture for them is that of increasing prices and taxes and low and inadequate disposable income for their families!

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In the face of this bleak and unpredictable future, I urge this Senate to brace itself and move with haste, to *summon its energy and harness its collective wisdom and to exercise resolutely its independent initiative and leadership to respond to our deepening national malaise.*

We must now explore untravelled or less travelled roads to progress. We must now adopt unorthodox measures to solve our national ills. Palliatives are no longer sufficient. The time demands for us to take a potent purgative. The time demands for us to expiate the demons of corruption, lethargy, inertia, vacillations, discord and disorder from our national community. Political debts, filial relations, and cronyism must be abandoned. Let us begin – though late – to serve only the nation and the people. Entrenched privileges must now be discarded.

The Opposition in this Senate is prepared to help and work with the Majority for the sake and for the good of the people. Without the least abandoning or compromising our role as members of the Opposition, we give our assurance that we will support any initiative, measure or program that will redound to the benefit and progress of the country.

We will constructively fiscalize. We will scrutinize every measure, every decision, every policy, or any matter that will come before the Senate. But, we will not obstruct whatever will contribute to the well-being of the people.

However, I hasten to add, we will expose, oppose, and use every means and skills available to us under the Rules of the Senate and the laws of the land to stop any program, measure, or initiative that we honestly believe to be detrimental and inimical to the national interest. We will not abandon, waive, or surrender the tradition, the vigor, and the vibrancy of democratic debate in this Chamber.

In serving the interest of the people, we will give no quarters to anyone, and no one can tell us to shut up!

By the way, the “shut up” incident in the Joint Session of Congress during the canvassing of votes for president and vice-president was unfortunate. With due respect, that incident and the manner it was handled by the leadership of Congress had allowed a very bad precedent to enter the congressional record. Rather than treating the incident as an imprudent conduct deserving some sanction no matter how light, Congress tolerated, accepted and dismissed it as an exercise of free speech.

It is my humble submission that no one, not even the President of the Republic – powerful and exalted though he or she is – may interrupt a Member of Congress who has the floor and order him or her, like an ordinary domestic servant, to “shut up.” The sender of the “shut up” note, in my view, committed a discourteous and imprudent conduct, to say the least. And she deserved to be admonished, at least, because the real intention of the note was to interrupt, and by the use of foul language at that, an interpellation being conducted by a Member of Congress well within the rules governing the joint session.

When she sent that note, Congressman Didagen Dilangalen had the floor. He was actually engaged in debate. And her act in sending that insulting note was an insolent intrusion into the proceedings of Congress and a direct affront to the dignity, honor, and prerogative of Congressman Dilangalen as a Member of Congress.

Anyway, I shall not belabor this issue.

It will suffice for the moment to say that the note-sender typifies the irreverent and abusive attitude of some sectors in

our society who preach democracy and yet are impatient to let democracy take its course, especially when their notion of "the truth" is challenged. Such was the case, too, with the unfinished impeachment trial of President Joseph Ejercito Estrada.

Our people can no longer wait. Time for them, and for us, too, is running out. Daily, a vast number of our citizens experience the pangs of unsatisfied hunger. Their sick are left to die without the needed medicine. Their children are not educated or, at best, undereducated. And there lies the clear and present danger to our freedom, to our peace, to our safety, and to our stability.

In my humble view, it is essential for this Senate to become the fulcrum of unity for the nation. Let it be seen as the highest forum in the land in which the sentiments of the people may be openly and freely aired, where their hopes and aspirations may find sympathetic considerations, and where their grievances may be justly redressed.

The unity of our fragmented people is a condition *sine qua non* for this country to surmount its mounting problems. For us, to move confidently forward as one nation with firm, steady, and measured strides into the future. We must exert every effort to restore the cohesion of our shattered society. This is an irreducible imperative of our national progress.

Let us do away with bickering in this Senate. Let us forego in the meantime the promotion of divisive personal ambition. Let us focus our attention entirely to the job ahead of us. Let us buckle down to work! If need be, let us do away with the luxury of rest and recreation so that we can respond with dispatch to the urgent demands of the people for deliverance.

Let us help in repairing the damaged credibility of our public institutions. It has been injured by the last national

elections. Rightly or wrongly, a large segment of our population has the perception that the recent national elections were less than fair, honest, and clean. This perception sprung from the conduct of the elections themselves, including the very slow count of Namfrel and the unfortunate remarks and acts of some officious government functionaries, as well as the subsequent tumultuous and seemingly one-sided congressional canvass of the votes for president and vice-president. If ever, it will require the cooperative effort of everyone, especially of those in the leadership group, to heal the wounds of this nation.

Let us do away with passivity. Let us transform ourselves into a pro-active Senate. Surely, we must render utmost cooperation with the Executive to attain our national objectives. But we must not tarry and wait for the Executive to provide us with the policy direction to solve our national ills.

Let us use our individual and collective knowledge and experience to initiate independently a course of action that we believe to be beneficial to our people. We must use our independent initiative and judgment to explore suitable and effective solutions to our national problems with due regard to the initiatives of the Executive.

The welfare and interest of the people must be our sole and primary guide. We must work with the other departments of the government to attain the national good. But we must do so under an atmosphere of equality, coordination, and cooperation. This Senate, I respectfully submit, must be looked upon as subservient to no one!

Equally, let us arrest the fading glory of the Senate. Let us rekindle the glitter it enjoyed in the days of Manuel L. Quezon, Manuel A. Roxas, Jose P. Laurel, Claro M. Recto, Tomas Cabili, Camilo Osias, Quintin Paredes, Melecio Arranz,

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Lorenzo Sumulong, Arturo Tolentino, Cipriano Primicias, Domacao Alonto, Salipada Pendatun, Amang Rodriguez, Mariano Jesus Cuenco, Emmanuel Pelaez, Ambrocio Padilla, Ferdinand Marcos, Gil Puyat, Jose Roy, Tecla San Andres Ziga, Imay Pecson, Helena Benitez, Eva Estrada Kalaw, Jose W. Diokno, Lorenzo Tañada, Jovito R. Salonga, Benigno "Ninoy Aquino, and the many other men and women of our race who preceded us here and who brought prestige, color and drama to this august Body. This is a necessary effort and an obligation. We owe it not only to this historic institution and to ourselves, but to the country and her people as well.

Let us restore the Senate to what it once was as the citadel and beacon light of our liberty. Let us again make it the repository of our hopes and aspirations. Let us bring it back to what it used to be — the stouthearted and courageous sentinel and protector of the commonweal. Let it become once more a true forum of the people—the authentic and concrete *senatus populi* of the nation.

Incidentally and finally, in her state of the nation address yesterday, the President proposed in a metaphorical manner a marriage based on principle and conviction and not on convenience. In response, the Opposition in the Senate are willing to lend their individual and collective wisdom to the great effort we are all called upon to exert for the sake of this nation. Whether that eventually results in a marriage is of no moment. What it should in the end yield are well-thought out solutions to the enormous problem we face.

And so, to borrow the famous line of our Senate President Pro Tempore, my good friend, Johnny Flavier, "Let's DOH it!"

## INTERPELLATION OF SENATOR ANGARA

Senator Angara commended and congratulated Senator Enrile for his fair and objective assessment of the condition of the country and for his proposed solutions to the problems of the nation. He noted that implicit in the speech was a description of the country that is in contrast to the description in the SONA of President Macapagal-Arroyo.

In reply, Senator Enrile clarified that he did not assume the role of an Opposition leader; he was only echoing what he believed should be the role of the Opposition and the direction of the Senate. However, he agreed that his description of the condition of the country is quite different from that of the President. Understandably, he said, the difference lies in the fact that the President viewed it as the chief executive.

Noting that the speech of Senator Enrile was not a contra-SONA, Senator Angara nonetheless viewed it as a description by the Opposition of the country's situation: teetering on the brink of a financial crisis amidst political uncertainty; a bomb waiting to explode unless diffused; overburdened and tattered due to poverty; the people no longer safe in their own homes while some police and soldiers are involved in violent crimes. He emphasized that these were deep-seated problems that must be recognized and confronted.

Senator Enrile agreed, saying that he looked at the national condition in terms of the economy without resorting to the aid of statistics that are changeable. For instance, he pointed out the differing claims on how much the national debt has reached. Nevertheless, he stressed that every banker, every government functionary and even BSP officials he had talked to were nervous about the country's financial situation, which is precisely why the Macapagal-Arroyo Administration is proposing a tax package to Congress. He stated that the administration did not want to foist this tax package on

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Congress considering the political burden it would bear to push the enactment of these tax measures; however, it has to be done because bills have to be paid, projects have to be funded, salaries and allowances have to be paid, and security forces have to be fielded.

Further, Senator Enrile pointed out that the decay in the countryside is so evident – garbage strewn on the streets and the cracked roads – that he wondered where the trust fund from the road-users tax had been used.

Citing official government statistics, Senator Angara stated that it was impossible to reduce poverty incidence by almost 40% when the country has had an average growth rate of 3.6% GDP for the past four years. He pointed out that at least 5% a year would be needed to make a dent on the poverty incidence. In addition, he noted that as of June 2004, inflation rate has gone up to 5.2% — the highest in 32 months, while five million persons are unemployed, also the highest ever.

Senator Enrile stated that every Filipino is faced with a situation wherein he has to bear high prices and high taxes with almost inadequate disposable income. He questioned how the country could have an economy when there was no market and how money could be raised through taxation if there was nothing to tax.

Senator Enrile recalled that it took one to two million people to mount an effort to topple the government, while five million people are unemployed; children cry for bread because their parents do not have money to buy bread, and other children die for lack of medicine and medical assistance. Granting the economic growth was at 5% and the population growth was at 2.3%, he asked how the 2.7% residual growth would be divided among the ordinary and the rich. He maintained that the government has not shown any evidence or proof that the economic growth trickled down into the pockets of ordinary Filipinos.

While respecting the initiatives of Malacañang, Senator Enrile stressed that it was incumbent upon the Members as the directly elected representatives of the people to do something about the situation and not depend on anyone else.

Agreeing to Senator Enrile's sentiments, Senator Angara stated that the bleak and unpredictable future of the country has caused 2,400 young professionals to leave the country every week. He offered to help in finding solutions if the Executive could not do it.

Apropos thereto, Senator Enrile said that it was about time that the government searched for solutions suitable to the conditions of the country. He suggested that government forego orthodoxies and try radical reforms.

Asked if the administration was ready to take on a big businessman who has been preventing the imposition or indexation of sin taxes, Senator Enrile replied that it was just a matter of time as to when it could be achieved. With regard to indexation, he said that it must be carefully studied because if government would insist on it, there would be no reason to prevent the wage earners and government employees from indexing their income.

Senator Angara stated that if the Executive was sincere in wanting genuine structural change, the Macapagal-Arroyo Administration must bring in fresh talent into the Cabinet; and that instead of wearing partisan hats, the Senate must wear the hat of unity.

Senator Angara recalled that in 1993 when the country was also in crisis, as then Senate President, he initiated the holding of a workshop for the senators and they formulated a reform agenda which was presented to President Ramos. He said that 18 months after Congress passed the agenda, consisting of 13 key reforms in economy, education and health, the country's economy turned around.

Senator Enrile stated that the Majority, playing the role for which they were elected, should be given a chance to formulate their policies and present them to Congress. He said that until such time that the Majority would tell the Minority that "it does not have the intellectual wherewithal to present a good program of government," then and only then would the Minority present workable and doable alternatives, to demonstrate that they are willing to help and cooperate for the sake of the nation.

Relative thereto, Senator Angara informed Senator Enrile that Senator Pimentel had just attended the LEDAC meeting earlier and that he gave a copy of some of the proposed measures to the members of the Opposition.

Senator Enrile stated that he had glanced at it and observed that most of it touched on money matters, that they were all programs that could not move unless there was "gasoline" to move it.

Senator Angara agreed that the proposed measures were not really radical structural reforms that, according to Senator Enrile, would lift the country out of the poverty pit.

Reiterating the need to raise money to support the programs of government without resorting to borrowing, Senator Enrile said that there are ways of raising it without shifting the burden of payment to the poorer members of society. Those who are more capable, he said, should bear the burden. He stressed this could be done not only by using the power to tax but also by using the police power of the State, not necessarily as a confiscatory act which is implied in the use of police power. He pointed out there are areas within the constitutional system and society where the power of regulation and the power to stop certain types of human activity with the use of exactions could be exercised.

Senator Angara affirmed that money is indeed at the heart of the solution. He also agreed that time is running out and the Members should forge a workable legislative agenda without standing on ceremony as they await the weekly laundry list from the Executive and the LEDAC while people are getting more hungry and impatient.

#### **INTERPELLATION OF SENATOR DEFENSOR SANTIAGO**

At the outset, Senator Defensor Santiago stated that the Senate *Journal* would confirm that for the six years she was senator, she hardly ever congratulated anyone on the floor for any speech or for any utterance. She made an exception as she congratulated Senator Enrile for a speech worthy of a brilliant leader of the Opposition, a *cum laude* graduate of the U.P. College of Law, a Master's degree holder from the Harvard Law School majoring in taxation and finance.

She confessed that she intends to shake in her boots when the tax reform measures of the administration are presented on the floor and would try her best efforts, no matter how feeble, to defend them against Senator Enrile. The administration, she said, should be wisely advised to avail themselves of Senator Enrile's great reservoir of knowledge on taxation and finance even before the floor debates.

Further, Senator Defensor Santiago observed that everyone, as advised by health and fitness experts, is engaged in running from and avoiding stress; however, a wise man has already discovered the undebatable fact that the greatest source of stress in life is reality. She said that half of that reality was heard from President Macapagal-Arroyo during her SONA, and the other half from Senator Enrile that afternoon. She said that as a "former elected president of the country" cheated with unmitigated malice not only of her victory but also the victory of the entire Filipino people, she highly admires President Macapagal-Arroyo for having the courage to look at "what could be" instead of looking at "what is," which only a very rare person of personal moral courage could do by taking on a job so daunting in the face of today's economic circumstances.

Senator Defensor Santiago agreed that the *pork barrel* is indeed one of the most vivid examples of entrenched privileges as she wondered what gives the Members of Congress the right to spend huge lump sums of money without effective auditing devices. She said that at this point, the public does not even know exactly how much income every senator or every congressman receives, except for a senator's legal salary of about P41,000 a month. She noted that there is something very wrong about the statistics because, according to the Senate Secretariat, a senator could pay his or her chief of staff as much as P51,000 a month. She dared the Senate leadership to reveal to the public how much every senator, particularly a Senate officer, receives in total income and public funds every month or every year. She said that the senators do not have the right to preach to other people what they do not practice themselves.

Recalling his own experience with the pork barrel, Senator Enrile said that he was assigned a certain amount to use for a project he had

identified; however, nothing passed through his hand because the process was totally handled by the Executive Department. He said that he would like to place this on record so that he would not be accused of pocketing any allotment of funds when he nominates a project for a province, city or town of his choice.

As regards the "shut up" note that was handed to a congressman during the canvassing, Senator Defensor Santiago said that while it is true that the right of free speech is maintained by most legal scholars to be the highest in the priority of constitutional rights, the capacity of the State to restrict or limit it is more severely restricted compared to other constitutional rights because the Constitution provides that, "No law shall be passed abridging the freedom of speech." She said that if the Constitution is read literally, Congress or any branch of government has no power to limit freedom of speech in any form or shape; however, the Supreme Court has upheld laws on libel and sedition, all of which are forms of limitations of the freedom of speech. This is the reason why, she said, that anybody who enters a courtroom—whether as a participant or as a mere observer—is not allowed to say anything about the conduct of the proceedings no matter how strongly he might feel about it because under the Rules of Court, he could be cited for contempt of court and sent immediately to jail to serve out a term of may be eight hours or so.

Yet, Senator Defensor Santiago recalled that during the impeachment proceedings, three individuals stared at her continuously until it became obvious they were making deprecatory facial gestures to accompany what was meant to be a message of how low they thought of her. She said that when she confronted those people to demand her full rights as a judge, some of her own colleagues defended them on the pretext of free speech. She pointed out that while the Constitution protects free speech, as long as she is a public official, she has never and never will protect abuse of free speech. She said that she supported Senator Enrile's observations about the actuation of the individual who told the legislator to shut up, adding that this person did not have the right to do so. She said that only the congressman's colleagues or the Presiding Officer could have disciplined him, and a non-member

of the House of Representatives has no right to invoke free speech to break the order in which the proceedings were being conducted, in accordance with the rule of law.

On the matter of the canvassing of votes for President Macapagal-Arroyo, Senator Defensor Santiago said that it was indicative of the times that the President's margin was slim. She noted that the points the Opposition raised against the method and the procedure of the canvassing were the very same points she raised in 1992. She wondered why these points were not raised when she was running as an independent candidate under the banner of the People's Reform Party that was little more than a one-person party. She wondered why she was allowed to suffer oppression and all sorts of indignity that are now being brought to public attention in many strident ways. She asked where the critics of the canvassing procedures were when, during the 1992 canvassing, the Congress in joint session ruled that Congress would not look beyond the provincial certificates of canvass in spite of the fact that numerous erasures were visible on the face of the document itself; when the President who had already ensconced himself in office at that time issued an informal order to all campuses in Metro Manila that no student organization should be allowed to invite her as guest speaker; when the same President postponed the start of classes for at least a month to prevent the students, who were her main constituents during that time, from convening in school and taking appropriate action on the fraud they felt was committed against the Filipino people. She said that her recollection of the canvassing procedure of the last elections reminded her so vividly of her own isolated experience in 1992. She stressed that the Senate should take one consistent position that does not depend on what the conditions are or who the prevailing party is.

Finally, Senator Defensor Santiago adverted to a press release of a certain NGO in prominent newspapers criticizing her for voting for the Opposition candidate as Senate President, as if she has taken an oath as senator to do everything that the supposed leader of the Majority wants her to do like a puppet that reacts properly when its strings are pulled. She lamented the

way the NGO personally attacked her by detailing her political history but never once mentioning the issue that she tried to raise with her contrary vote the previous day which was: when is a new set of 12 newly elected senators entitled to vote for the leaders of the Majority who would automatically become the leaders of the Senate. She asked if the Senate is supposed to inherit without qualms a set of officers voted into office by a past and defunct Congress. She also wondered who was funding the NGO that got such special notice and mention. She said that people who wanted to reform the country should follow the advice of the wise man who prayed: "God reform this country and begin with me."

#### INTERPELLATION OF SENATOR BIAZON

Senator Biazon said that he was pleased to hear again the voice of Senator Enrile whom he regards as an asset to Philippine legislation which was what he said when he endorsed the senator to be a member of a party to which he belonged in the past.

Senator Enrile gave the assurance that he would do his best to help find solutions to the problems of the country.

Senator Biazon said that such remarks were notable, coming from one who is identified with the Opposition. The willingness to cooperate, he underscored, is called for in a country that is faced with urgent problems on education, health and the adverse effects of the full implementation of the GATT. He believed that for the Filipinos to have a strong republic, they would need strong institutions. He asked whether there is a way to eliminate the need for people to go to the streets whenever institutions are in the process of resolving issues and controversies, expecting the decisions would favor them.

Senator Enrile pointed out that in a democracy, the people have the right to peaceably assemble, seek redress of grievances, differ and develop separate perspectives. Thus, he said people should be allowed to go to the streets without any undue restriction except to respect the convenience of other people. The institutions against whom these activities authorized by the

Constitution are being exercised, he stated, are strong enough to render fair, reasonable and just resolutions of competing rights and interests.

Senator Biazon stated that he was not questioning the right of the people to go to the streets but that such action is an indication that the institutions are indeed weak. For his part, Senator Enrile said that such action is an indication of the strength of democracy. While a unanimous verdict of the people on any decision of government could not be expected, government should allow the pent-up emotions of the people to be released, he said.

As regards the possibility of amending the Constitution as one of the means to repair the damaged credibility of public institutions, Senator Enrile expressed the view that the solution to the national ills should begin with the amendment to a flawed Charter.

Senator Biazon agreed with the statement as he acknowledged the need to provide jobs for the unemployed; more school buildings, teachers and educational materials for the children; and housing for about 4.2 million families living in shanties.

Noting the population growth of 2.36% that can result in a population of 160 million to 170 million by 2032, Senator Biazon asked whether the population issue should be considered as a major component of the national situation. Senator Enrile replied in the affirmative, saying that the matter should be addressed together with the financial troubles of the nation and structural barriers to modernization.

In closing, Senator Biazon said that he would be honored to have Senator Enrile as a coauthor of the reproductive health care bill that he filed in the present Congress. Senator Enrile stated that he would study the measure.

#### INTERPELLATION OF SENATOR ROXAS

Senator Roxas commended Senator Enrile for delivering a speech that has a much broader perspective than any SONA or counter-SONA he has heard over the last 10 years. He then asked how the Senate would go about developing its own ideas into alternatives independent of the Bigger House and the Executive.

Senator Enrile stated that as a member of the Minority, he delivered the speech to challenge the Majority to present concrete policy directions for the country without having to wait for Malacañang to bring the policy direction to the Senate. The Minority, he said, would be ready to study, refine and support the policy proposals.

Senator Roxas asked whether Senator Enrile would agree that one alternative would be for the senators to make use of their collective experiences and wisdom to produce a listing of the cures at the soonest possible time, not necessarily in a manner where one side makes a proposal to be examined and analyzed by the other side.

Senator Enrile said his colleagues in the Opposition would be open to any proposal if it would solve the fiscal problems of the country. He added that as duly elected officials, it is the duty of the senators to help draft the necessary solutions.

Senator Roxas said that although he could not speak for the Majority, he was personally interested in finding the solutions and would be open to collectively finding and prioritizing them.

Senator Enrile explained that the problems of the country could be reduced to a very simple question of funding where the concentration should be. He said that the measurement of the country's needs is the proposed budget of expenditures but the government is currently operating under the 2003 budget, which was supported by tax measures for 2003. He emphasized that as guardians of the nation's money, the legislators must first be convinced that the money to be raised under the present 2004 tax measures are inadequate to service the expenditure program under the reenacted 2003 budget. He asked what the measurement of the need of the government is to justify the tax measures to be imposed on the people since there is no new budget for 2004. He said that a special budget should be presented to Congress because the government cannot exceed the amount authorized under that 2003 budget.

Senator Roxas noted that the government's budgetary requirement is about P220 billion more than what is collected this year. The figure,

he said, is the budget deficit of the national government.

Senator Enrile pointed out that there is an existing budget and the authority of government to spend is contained therein; it cannot be exceeded. He said that this is something that should be first presented by the administration before it can ask money from the people through new taxes. He stressed that before the Executive goes to Congress to ask for authority to raise taxes, it must first present to Congress a special budget to be funded by the proposed tax laws.

#### INTERPELLATION OF SENATOR OSMEÑA

At the outset, Senator Osmeña noted that Senator Enrile in his speech mentioned the need for the Senate to cooperate in coming up with radical solutions to the fiscal problems of the country and that entrenched privileges long enjoyed by certain sectors and individuals in society should be removed.

Asked if he has heard the President brag that the economy was doing well, Senator Enrile replied that some say that the growth rate is between 4.5 % to 5%. Assuming there really was growth, he asked who enjoyed the growth, who got the bigger share, how much of it went to the affluent and how much went to the deprived.

Senator Osmeña said that one of the international and investment banks operating in the country projected a drop of 2.4 % in the country's GDP growth in 2005. Senator Enrile replied that if this is the reality, he is tempted to believe that the country is on the very brink of a major financial trouble.

On the observation that the Philippines has the second lowest growth rate in Asia, next to Indonesia, Senator Enrile said that he heard reports that the country is at the tail end.

Asked if he ever heard the President explain to the public that a serious fiscal problem is facing the country, Senator Enrile replied that academicians and practicing economists have reported to him that the debt stock grew tremendously over the last three years.

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Senator Osmeña agreed to this observation as he added that under the Estrada Administration, the total national budget deficit was pegged at P300 billion while in the last four years, under the current administration, the consolidated public sector deficit reached P1 trillion.

Senator Osmeña stated that the foreign exchange rate under the current administration dropped from P49 to US\$1 to P56 to US\$1, an average of about P2 drop yearly. Senator Enrile stated this is about 15% devaluation of the currency.

Noting that the Philippines has a positive growth rate and the US\$8 billion yearly remittance from the OFWs goes into the economy to satisfy various demands, Senator Osmeña said he was reminded of a parent who uses his credit card to make his children happy and when bills arrive, he could not pay. Senator Enrile explained that one could not borrow and live luxuriously beyond his means without encountering the reality of paying his debts at some time in the future.

Senator Osmeña observed that when government says that there is a P200 billion budget deficit this year, it has not presented the true picture since the obligations of the government for government-owned and controlled corporations (GOCCs), particularly Napocor, had not been taken into consideration.

Asked if he was aware that Napocor's projected operating loss for 2003 is P113 billion, Senator Enrile replied in the affirmative.

Senator Osmeña mentioned the other obligations of Napocor like the capacity fees, unused gas from Malampaya, the sinking debt for their bonds that rose to about P175 billion cash requirement. He disclosed that Shell did not agree to build a pipeline from Malampaya unless the government and other corporations agreed to pay for the gas.

On the matter of gas pricing, Senator Osmeña stated that this is dependent on a certain formula that takes into consideration the CPI of Japan and the U.S., the price of gas at the different market spots. Consequently, he said, if the gas price goes up, the Filipino consumers suffer since they have to pay for the increase even for gas

from Malampaya. Further, he said that this is part of the Purchase Power Cost Adjustment (PPCA) and that it would be much cheaper to buy liquefied natural gas from Indonesia than from Malampaya.

Senator Enrile agreed as he said that he raised the issues regarding power to enjoin the administration to join hands with the Opposition to correct the inequity.

Senator Osmeña informed the Body that the National Tax Research Center had reported an estimated nominal income tax gap of P85 billion on the average annually, from 1998 to 2002.

Senator Enrile stated there must be a basis to make a comparison between the budgeted collection and actual collection, the difference of which is the gap. He pointed out, however, there is a possibility that the economic slowdown triggered the gap.

Senator Osmeña argued that the economy continues to grow. He noted that there was an expansion of corporate and personal income and the basis for E-VAT collections but these were not collected.

Citing the National Tax Research Center report, Senator Osmeña disclosed that there was a funding gap of P41.6 billion for the Value-Added Tax for the same period. He concluded that between the E-VAT and the VAT, the total funding gap was P127 billion.

As regards the deficiency in tax collections, Senator Osmeña said that the collection rate dropped from 17% in 1997 to 12% in 2003. He inquired if this was indicative of the absolute fiscal mismanagement on the part of the administration. Senator Enrile replied it would be the case, assuming the economy was growing as shown by government statistics.

Senator Osmeña said that the GDP has been continuously growing except during the time of the Asian financial crisis. Senator Enrile stated that if the economy is indeed growing and the unused capacities are being utilized because of growing activities, the cost of electricity should be dropping instead of increasing. He stated that if this situation is correlated to the data

Senator Osmeña presented, his conclusion is that the government's presentation of the economic picture is rather distorted.

Senator Osmeña adverted to a prediction that by 2008, Luzon would run short of power. He stated that historically, the growth in power demand has been a multiplier in the GDP growth. He averred that the electric charge has been increasing because the Energy Regulatory Commission (ERC) never approved the true cost of power rates; in fact, the President in a move to gain popularity, dropped the power rates of Napocor by P0.85 two years ago. The Napocor, he revealed, now owes P1.2 trillion because it had to absorb all the losses. He added that before the May 2004 elections, there was a P2.20 drop per kilowatt hour in the charge but two weeks after the proclamation of the president, Napocor announced that it was asking for a P1.87 per kilowatt rate increase. He alleged that the administration has been consistently deceiving the Filipino consumers.

As regards the EPIRA, Senator Osmeña mentioned that in order to bring down the debt of government, Napocor would sell TRANSCO and all power plants that it owned but he noted that the government has been unable to sell a single Napocor plant for the past three years.

Senator Enrile agreed as he added that there was a transfer of all assets of Napocor to PSALM except for certain functions, but it is evident until now that all generating assets are still under the operational control of Napocor.

Senator Osmeña said that PSALM is just a device for Napocor to use as a holding pen for the sale of its assets so that Napocor itself would not be sold. He added that Napocor would continue to undertake those operations so it would not be attractive to the private sector.

Adverting to the P200 billion national budget deficit and the President's 8-package proposal, Senator Osmeña disclosed that the administration took advantage of a provision in the National Internal Revenue Code which allows the President to increase tariff rates on fuel. He inquired if Senator Enrile was aware of the proposed 25 centavos per liter average tax on gasoline.

Senator Enrile replied that a 36 centavos increase on the pump price is expected because of the proposed tax. Senator Osmeña posited that the 36 centavos is just a downpayment and the real target is to increase the tax by P2.00.

Assuming that the government could impose the P2.00 per liter tax, Senator Enrile said the question is whether this could be considered a recurrent income that would guarantee a solution to the financial troubles of the country. He referred to a mechanism where if the price of gasoline in the world market goes down, then the P2.00 tax would go into effect and if the price goes up, the P2.00 would not go into effect.

To the observation that income predictability is not there and the country is at the mercy of the world market fuel price, Senator Enrile stated that a study of the tax proposals shows these would not be recurring sources of income; however, there are other tax measures like indexing the sin taxes.

Noting that the sin taxes were passed in 1996 but were indexed only in 2000, Senator Osmeña suggested the inclusion of a periodic indexation into the law. Senator Enrile agreed but stated that the amount would be minuscule. He admitted the possibility of a constitutional challenge because, in effect, the Congress would be delegating the power to establish rates to a government functionary.

Senator Osmeña recalled that nobody challenged the indexation of the sin taxes in 2000. However, Senator Enrile pointed out it was a one-time indexation accompanied by a reclassification. Senator Osmeña added that the reclassification was done in 1996 when the country switched from *ad valorem* tax to specific tax.

As regards the proposal to switch from E-VAT to sales tax, Senator Enrile stressed that this would be a burden for the people as the tax would cascade from the producer to the wholesaler, from the distributor to the retailer before reaching the consumer. Senator Osmeña said that the Members could always vote against the proposal.

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As regards the proposal to switch to gross income taxation, Senator Enrile observed that Hong Kong is the only one country in the world using the system, but only for individuals. In the U.S., he said, it is only applied to public utilities, principally for railroads.

Senator Osmeña remarked that the administration has claimed that if all tax measures are passed, it would be able to cut government cost by P100 billion. He added that the President was talking about efficiencies in government and revenue enhancement measures that would raise an additional P80 billion.

Asked why the budget could not be balanced until the year 2010. Senator Enrile replied that realistically, some of the proposals cannot be passed like the tax on text messages. He also mentioned the tax amnesty plan which would be only a one-time windfall for the government, and the petroleum tax that would only be seasonal; all these are not predictable sources of revenue for the government. He stated that the sin taxes would only be minimal, thus, there is no way the government could raise P100 billion.

Senator Osmeña asked if there is a chance that a balanced budget could be attained if the government can cut expenses by P100 billion by implementing efficiencies in government operations. Senator Enrile replied that no government has aimed for that.

Adverting to President Macapagal-Arroyo's statement that her administration would raise about P180 billion in fresh money through reforms and new tax measures, Senator Osmeña conceded that such would reduce the budget deficit which is now between P200 billion and P220 billion. He recalled that the President told the business community that these steps would help her reach her target of balancing the budget by 2010, although at the same time the consolidated public sector deficit would only be reduced by 50%. He observed that the President's plan to reduce the CPSD to 3% of the Gross Domestic Product in six years would still result in a huge funding gap as in effect it assumed that the national budget would be balanced but the government-owned and controlled corporations would not be fixed by 2010. He agreed with

Senator Enrile that GOCCs would have sunk the economy by then because all their contingent liabilities never appear in the national budget and are revealed only when the government assumes the debts accumulated by the Napocor or other corporations whose loans the government guaranteed.

To Senator Enrile's suggestion that the administration present a special budget request so the Senate could measure the revenue-raising plans against the authorized expenditure program, Senator Osmeña agreed. He suggested that Senator Villar as chairman of the Senate finance committee request the DBM to update the Senate on how the reenacted 2003 budget had so far been spent.


Senator Enrile suggested that the budget secretary appear during a Question Hour to explain why the administration wants to raise revenues through taxation without a commensurate special budget request and under what authorization of Congress did government incur a large deficit. He pointed out that the Constitution mandates that no public money shall be paid out of the Treasury without an appropriation by law.

At this juncture, Senator Villar assured Senators Enrile and Osmeña that the Senate could invite the budget secretary to an advanced committee hearing to explain the 2005 budget as well as answer questions on the 2004 expenditures.

Senator Enrile noted that this would be like putting the cart before the horse as the budget should first be presented before the DBM could ask Congress for financial support. He noted that there was a gap in the budget for 2004 with the government operating under the 2003 budget.

Considering the legislative calendar, Senator Villar pointed out that discussing a separate budget before tackling the tax measures would be impractical. He suggested that the Body first ask the budget secretary to explain.

On the assumption that Congress would pass the proposed tax measures, Senator Enrile noted that the government could not spend the revenues without a budget which is the measurement of the capacity of the nation and the government





to spend, otherwise, the people in government would all go to jail for spending people's money without authorization from Congress. Senator Villar expressed doubt whether any tax measure passed this year would take effect this year or the next which was why such matter could be taken care of by the 2005 budget which hopefully would be discussed in September.

At this juncture, Senator Angara agreed with Senator Enrile that the Body first examine the government's budget of expenditure, so he could explain to his constituents his reason for supporting a particular tax. He would also want to be assured that the budget of expenditure is a wise and prudent one. On the abolition of 35 commissions under the Office of the President, he said he would wish to examine each department's budget in order to see whether the money was wisely appropriated.

Senator Villar, however, noted that it is practically August and by September or October, the Body would have a chance to look at the proposed 2005 budget as well as review the expenditures for 2004. He doubted whether the Body would have enough time to tackle tax measures in addition to tackling a special budget along with the budget for next year.

Senator Osmeña clarified that all that he wanted to know was how the government had spent the 2004 budget so far. After six months, he believed that the DBM should be able to give the Senate finance committee a report on how the reenacted budget had been utilized. Senator Villar reiterated that he would ask the budget secretary to give the Body a report on the expenditures made in the first half of 2004.

Asked by Senator Osmeña whether he knew if the 60 agencies closed down by President Arroyo included the one that hired the street sweepers used in the last campaign, Senator Enrile replied in the negative.

He wondered how much the government had saved when it closed down 68 agencies, how many people were affected by the closure, what were the budgets of the concerned agencies and what was their congressional authorization. Senator Osmeña observed that members of the Senate usually start getting petitions of assistance

from employees about to be retired or laid off by agencies facing closure but he expressed amazement that he had not yet received a single letter from any of the affected employees.

Moreover, Senator Osmeña suggested that the Body also look into the appropriations for the numerous undersecretaries and presidential advisers in the current administration. He opined that any individual whom the President owes some kind of debt is appointed presidential adviser with cabinet rank. Senator Enrile agreed that the Body had to look at the structure of government in order to reduce the number of undersecretaries, assistant secretaries, consultants, ambassadorial and other cabinet rank so as to cut down expenses for transportation, representation, travel and the like.

At this juncture, Senator Biazon said that a notable feature of the President's SONA was her determination to address the deficit through new tax measures. He asked whether it would be possible to call the Secretary of Finance and the DBM before the Chamber constituted as a Committee of the Whole to explain the rationale behind the budget expenditures so the Body would be better equipped to address the issue of individual tax proposals. He inquired whether a resolution was necessary to this effect.

#### SUSPENSION OF SESSION

Upon motion of Senator Villar, the session was suspended.

*It was 5:54 p.m.*

#### RESUMPTION OF SESSION

At 5:56 p.m., the session was resumed.

Senator Biazon withdrew his proposal. He said that he would leave to the Chairman of the Committee on Finance to provide a substitute proposal that would educate the Members on the fiscal situation of the country.

Senator Villar assured Senator Biazon that if ever he would be elected chairman of the finance committee, the first thing he would do is to invite the finance and budget secretaries and

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the NEDA to brief the senators on the expenditures for the first half of the year.

Resuming his interpellation, Senator Osmeña noted that in her speech, President Macapagal-Arroyo pledged to collect taxes mandated by law. Senator Enrile expressed faith in what the President said, hoping that indeed, she would step on the heads of sacred cows in the country.

Senator Osmeña pointed out that the National Tax Research Center Report had revealed that there was a tax gap of about P127 billion every year from 1998 to 2002, excluding 2003 and 2004. He said that if the President can only collect 50% of what is owed the government for this year, she could already generate an income of P70 to P80 billion or even more. He wondered why the President, in spite of having a mine load of taxes to collect, still came up with policies on new tax proposals that would surely hurt the poor.

Senator Enrile agreed as he believed that the government, if it needed more funding, should be able to find sources which would not affect the poorer members of society.

Senator Osmeña pointed out that the government had exhausted all possible sources like selling Fort Bonifacio and other government assets even the Roppongi property in Japan. He recalled that the privatization of Fort Bonifacio during the Ramos administration had generated an income of P33 billion, part of which went to the modernization of the armed forces and to the national budget. Despite that, he noted that the government is down to almost nothing which is why it has to increase taxes, duties and tariffs which he finds objectionable simply because there are still uncollected taxes.

In a situation where an individual has been religiously paying a tax rate of 20% and two others are supposed to fall under the 20% bracket but are not paying it, Senator Osmeña asked if it would be fair to implement a higher tax rate, say 30%, only because the government is short on revenues. He said that the poor fellow who used to pay 20% would now pay 30% tax while those who do not pay anything could not care less because they still would not pay anything. Senator Enrile replied that for a country that believes in

tax justice, it would be unfair for one who has been paying the 20% tax.

Senator Osmeña observed that there are sources in government, like the PAGCOR and the PCSO, that have never been caught in the budgetary net. He stressed the need to first capture their income and eventually put them in the national budget. Senator Enrile said that this was precisely why he suggested that entrenched privileges be discarded, and all the people involved in the tax credit scam be made to account.

Senator Osmeña noted that the President had mentioned in her speech that the Napocor plants would be privatized but not at fire sale prices. Relative thereto, he stated that the SSS, which is guaranteed by the government similar to the GSIS, has been under investigation since January for the fire sale of its shares in Equitable Bank last December for a book loss of about P7.4 billion. Had the shares been sold today by bidding, he said, government would only have lost about P3.5 billion.

Senator Enrile disclosed that he wanted to buy the investment of SSS in Equitable Bank under the condition of "pay-as-you receive dividends." For instance, he said he wanted to borrow P1 billion and own dividends in the meantime. Senator Osmeña stated that the coupon rate is only 9.5%. It is surprising, he said, that the SSS can lend money to someone in the private sector at a rate of 9.5% when it could have gotten the cash and put it in ROP bonds which are yielding 11.1%.

Senator Enrile said that at the proper time, the Senate should request the DOF and the DBM to give a consolidated balance sheet position of all the government corporations including a listing of investments of government in private corporations and the surpluses in the books of these companies so these can be taken into account in the government's effort to raise money. If indeed there are surpluses in the books of these government corporations, he opined that these should be brought into the general fund and used instead of letting them lie in the hold of these GOCCs. Senator Osmeña pointed out that these surpluses do not only lie; they are spent, for instance, in the purchase by the Transco of a brand new

Kingair 350 at \$6 million. What is needed, he stated, is an oversight committee which shall have a wider scope of work to be able to scrutinize these GOCCs which, when they make money, never pay out the dividends or the maximum 50% to the next level of holding. At that level, he said, the GOCCs can withhold 50% of the 50% so what ends up with the national government is only 25%. He observed that this is an abuse that has been going on in the PNOC and other GOCCs.

Senator Enrile stated that the oversight committee should be able to determine the capital investments, the returns the government gets from these investments, the surpluses, and reasons why they lie idle.

Senator Osmeña agreed as he expressed the hope that the Majority and the Minority would work together in this effort and ensure that many of the safeguards are brought in place before the Senate starts considering the administration's new tax measures.

#### **INTERPELLATION OF SENATOR ESTRADA (J)**

Senator Estrada (J) noted that the President mentioned in her speech that the state of affairs of the country—the economy, fiscal management, the employment rate—have already been controlled, addressed and managed under her administration, while the speech of Senator Enrile state otherwise. He asked whether the President is oblivious to the true state of affairs of the nation.

Senator Enrile replied that he grants the President good faith. While the President perceives she has improved the economy and the financial condition of the country although many problems are cropping up, he believed otherwise. He said that he presented his perception of the national condition based on his own studies, and reasonable men may agree or disagree and may evaluate his perception depending on the validity of the presented facts.

To Senator Estrada's suggestion that there should be a tradition that the President's SONA should give both sides of the picture, Senator Enrile replied that it is only a matter of style; the

Constitution provides that the President must address Congress every year on the fourth Monday of July and present the condition of the country currently as he/she sees it. Transparency and candidness are addressed through the goodness and wisdom of the Chief Executive, he said.

On another matter, Senator Estrada asked the basis of Senator Enrile's statement that the Senate, in effect, has lost its effectiveness. Senator Enrile replied that he was speaking of the Senate as it had been known during the time of Ninoy Aquino, Pepe Diokno, Soc Rodrigo, Ferdinand Marcos, Camilo Osias, Manuel L. Quezon and the others. He opined that the present Members were not wanting in those qualities, only they must be encouraged to equal, if not better, the performance of their illustrious predecessors.

Asked what necessary measures should be taken to bring back the glory of the Senate, Senator Enrile replied it is the presence of young people like Senators Estrada, Roxas, Gordon, Pangilinan, Lacson, Revilla, Cayetano, Madrigal, Recto and the likes of Senator Flavier, to name a few. He reiterated that he was only calling the attention of the Members to endeavor to equal, if not better, the performance of their predecessors.

With the permission of Senator Enrile, the Body suspended the interpellations.

#### **REFERENCE OF BUSINESS**

The Secretary of the Senate read the following matters and the Chair made the corresponding referrals:

#### **BILLS ON FIRST READING**

Senate Bill No. 1, entitled

**AN ACT PRESCRIBING SPECIAL  
MEASURES TO LOWER THE  
COST OF MEDICINES AND FOR  
OTHER PURPOSES**

Introduced by Senator Flavier

**To the Committees on Health and  
Demography; and Trade and Commerce**

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## Senate Bill No. 2, entitled

AN ACT CALLING FOR A CONSTITUTIONAL CONVENTION TO STUDY AND APPROVE PROPOSED AMENDMENTS TO, OR REVISIONS OF, THE 1987 CONSTITUTION, PROVIDING FOR PROPORTIONAL REPRESENTATION THEREIN AND OTHER DETAILS RELATING TO THE HOLDING OF THE CONVENTION, SETTING THE DATE OF ELECTION OF DELEGATES, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Constitutional Amendments, Revision of Codes and Laws; and Finance**

**SUSPENSION OF SESSION**

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

*It was 6:20 p.m.*

**RESUMPTION OF SESSION**

At 6:20 p.m., the session was resumed with Senate President Pro Tempore Flavier presiding.

## Senate Bill No. 3, entitled

AN ACT DECLARING THE RIGHTS AND OBLIGATIONS OF PATIENTS AND ESTABLISHING A GRIEVANCE MECHANISM FOR VIOLATIONS THEREOF AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Health and Demography; and Social Justice, Welfare and Rural Development**

## Senate Bill No. 4, entitled

AN ACT ESTABLISHING A NATIONAL HEALTH PROMOTION INSTITUTE TO MAINSTREAM HEALTH PROMOTION IN THE PHILIPPINE HEALTH CARE SYSTEM, PROVIDING FOR A HEALTH PROMOTION FUND AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Government Corporations and Public Enterprises; Health and Demography; Ways and Means; and Finance**

## Senate Bill No. 5, entitled

AN ACT INCREASING THE ALLOWABLE PERSONAL ADDITIONAL EXEMPTIONS OF INDIVIDUAL TAX-PAYERS, AMENDING FOR THE PURPOSE SECTION 35 (A) AND (B) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

Introduced by Senator Flavier

**To the Committee on Ways and Means**

## Senate Bill No. 6, entitled

AN ACT ACCELERATING THE DEVELOPMENT OF A NATIONAL RAILWAY SYSTEM, CREATING FOR THE PURPOSE THE NATIONAL RAILWAY AUTHORITY, PRESCRIBING ITS POWERS, FUNCTIONS AND DUTIES

Introduced by Senator Flavier

**To the Committees on Government Corporations and Public Enterprises; and Public Services**

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Senate Bill No. 7, entitled

AN ACT INSTITUTING A NATIONAL LAND USE POLICY, PROVIDING THE IMPLEMENTING MECHANISMS THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Environment and Natural Resources; Urban Planning, Housing and Resettlement; and Finance**

Senate Bill No. 8, entitled

AN ACT ORDAINING THE DEVELOPMENT OF THE DOWNSTREAM NATURAL GAS INDUSTRY AND CONSOLIDATING FOR THAT PURPOSE ALL LAWS RELATING TO THE TRANSMISSION, DISTRIBUTION AND SUPPLY OF NATURAL GAS AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Energy; Public Services; and Ways and Means**

Senate Bill No. 9, entitled

AN ACT ESTABLISHING A NATIONAL NON-CONVENTIONAL ENERGY PROGRAM, PROVIDING INCENTIVES FOR DEVELOPING, MANUFACTURING AND USING OF NON-CONVENTIONAL ENERGY SYSTEMS, AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Energy; Ways and Means; and Finance**

Senate Bill No. 10, entitled

AN ACT ENSURING SECURITY OF TENURE FOR AGRARIAN REFORM BENEFICIARIES OVER LANDS

AWARDED TO THEM UNDER PRESIDENTIAL DECREE SENATE BILL NO. 27 (EMANCIPATION OF TENANTS) AND REPUBLIC ACT SENATE BILL NO. 6657 (COMPREHENSIVE AGRARIAN REFORM LAW OF 1988), PROVIDING GUIDELINES FOR THE CANCELLATION OF EMANCIPATION PATENTS AND CERTIFICATES OF LAND OWNERSHIP AWARDS ON THE GROUNDS OF EXEMPTION AND EXCLUSION, RETENTION OR NON-QUALIFICATION, DEFINING PENALTIES FOR VIOLATIONS THEREOF, AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committee on Agrarian Reform**

Senate Bill No. 11, entitled

REVISED PUBLIC LAND ACT OF THE PHILIPPINES

Introduced by Senator Flavier

**To the Committees on Constitutional Amendments, Revision of Codes and Laws; Environment and Natural Resources; and Ways and Means**

Senate Bill No. 12, entitled

AN ACT PROHIBITING THE ESTABLISHMENT OF POLITICAL DYNASTIES

Introduced by Senator Flavier

**To the Committee on Constitutional Amendments, Revision of Codes and Laws**

Senate Bill No. 13, entitled

AN ACT ALLOWING MARRIED OR LEGALLY SEPARATED WOMEN TO USE THEIR MAIDEN FIRST NAME AND SURNAME,

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AMENDING FOR THE PURPOSE ARTICLES THREE HUNDRED SEVENTY AND THREE HUNDRED SEVENTY-TWO OF REPUBLIC ACT NUMBERED THREE HUNDRED EIGHTY-SIX, AS AMENDED, OTHERWISE KNOWN AS THE CIVIL CODE OF THE PHILIPPINES

Introduced by Senator Flavier

**To the Committees on Youth, Women and Family Relations; and Constitutional Amendments, Revision of Codes and Laws**

Senate Bill No. 14, entitled

AN ACT ESTABLISHING THE GENERAL GUIDELINES FOR THE PHILIPPINE HALAL SYSTEM, CREATING FOR THE PURPOSE THE PHILIPPINE HALAL EXECUTIVE COUNCIL AND CONVERTING THE SAME INTO A BOARD AFTER THE TRANSITION PERIOD, AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Agriculture and Food; Trade and Commerce; and Finance**

Senate Bill No. 15, entitled

AN ACT GRANTING TO RESIDENTS OF THE REGION WHERE A GEOTHERMAL ENERGY PLANT IS LOCATED A THIRTY PERCENT (30%) DISCOUNT ON THEIR POWER RATE CONSUMPTION

Introduced by Senator Flavier

**To the Committees on Energy; and Public Enterprises**

Senate Bill No. 16, entitled

AN ACT DEREGULATING CERTAIN PUBLIC SERVICES, AMENDING

FOR THE PURPOSE COMMONWEALTH ACT SENATE BILL NO. 146 AS AMENDED, AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committee on Public Services**

Senate Bill No. 17, entitled

AN ACT PROVIDING FOR THE PHILIPPINE NATIONAL POLICE MODERNIZATION PROGRAM, AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Public Order and Illegal Drugs; Local Government; and Finance**

Senate Bill No. 18, entitled

AN ACT GRANTING ADDITIONAL BENEFITS TO OVERSEAS FILIPINO WORKERS (OFWs) AND THEIR FAMILIES THROUGH VALUE ADDED TAX (VAT)-FREE PURCHASES OF CONSUMER GOODS IN ALL LEADING STORE OUTLETS NATIONWIDE, AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Ways and Means; and Labor, Employment and Human Resources Development**

Senate Bill No. 19, entitled

AN ACT CREATING THE PHILIPPINE ENVIRONMENTAL PROTECTION AUTHORITY, DEFINING ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Environment and Natural Resources; Local Government; Ways and Means; and Finance**

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## Senate Bill No. 20, entitled

AN ACT AMENDING PRESIDENTIAL DECREE SENATE BILL NO. 717, OTHERWISE KNOWN AS THE AGRI-AGRA LAW, TO MAXIMIZE THE USAGE OF THE AGRI-AGRA FUND, WITH STRICT EMPHASIS ON RURAL CREDIT FOCUSING ON SMALL FARMERS, FISHERMEN AND ENTERPRISES WITH CAPITALIZATIONS NOT EXCEEDING 500,000 PESOS

Introduced by Senator Flavier

**To the Committees on Banks, Financial Institutions and Currencies; and Agriculture and Food**

## Senate Bill No. 21, entitled

AN ACT ESTABLISHING THE MOVEMENT TO HELP ERADICATE RAPE AND OTHER FEMALE ABUSES (MOTHER), MANDATING THE COMPULSORY TEACHING OF SELF-DEFENSE TO ALL FEMALE CONSTITUENTS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Youth, Women and Family Relations; and Finance**

## Senate Bill No. 22, entitled

AN ACT CREATING THE MINDANAO RAILWAYS CORPORATION PRESCRIBING ITS POWERS, FUNCTIONS AND DUTIES, AND PROVIDING FOR THE NECESSARY FUNDS FOR ITS OPERATION

Introduced by Senator Flavier

**To the Committees on Government Corporations and Public Enterprises; Public Services; Ways and Means; and Finance**

## Senate Bill No. 23, entitled

AN ACT PROHIBITING THE SERVICE OF WARRANTS OF ARRESTS IN CERTAIN CASES AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF

Introduced by Senator Flavier

**To the Committee on Justice and Human Rights**

## Senate Bill No. 24, entitled

AN ACT ACCORDING OFFICIAL STATUS AND LEGAL RECOGNITION TO TRIBAL PEACE PACT HOLDERS IN THE PROVINCE OF KALINGA AND OTHER AREAS WITH SIMILAR PRACTICE AS PERSONS IN AUTHORITY IN THEIR OWN TRIBAL JURISDICTIONS, AMENDING FOR THE PURPOSE ARTICLE ONE HUNDRED AND FIFTY-TWO OF ACT NUMBERED THIRTY-EIGHT HUNDRED AND FIFTEEN AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Cultural Communities; and Constitutional Amendments, Revision of Codes and Laws**

## Senate Bill No. 25, entitled

THE BUDGET IMPOUNDMENT CONTROL ACT

Introduced by Senator Flavier

**To the Committee on Finance**

## Senate Bill No. 26, entitled

AN ACT PROVIDING FOR THE IMPROVEMENT AND STRENGTHENING OF THE

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NATIONAL HISTORICAL  
INSTITUTE

Introduced by Senator Flavier

**To the Committees on Education, Arts  
and Culture; and Ways and Means**

Senate Bill No. 27, entitled

AN ACT CREATING THE OFFICE OF  
TANODBATA AND PROVIDING  
FUNDS THEREFOR

Introduced by Senator Flavier

**To the Committees on Youth, Women  
and Family Relations; and Finance**

Senate Bill No. 28, entitled

AN ACT PROHIBITING GOVERNMENT  
OFFICIALS AND EMPLOYEES  
FROM PLAYING IN CASINOS  
AND OTHER ESTABLISHMENTS  
OPERATED BY THE PHILIPPINE  
AMUSEMENT AND GAMING  
CORPORATION, OR BY OTHER  
SIMILAR GOVERNMENT-OWNED  
OR CONTROLLED CORPO-  
RATIONS AND THEIR FRANCHISE  
HOLDERS, AND PROVIDING  
PENALTIES FOR VIOLATION  
THEREOF

Introduced by Senator Flavier

**To the Committee on Civil Service  
and Government Reorganization**

Senate Bill No. 29, entitled

AN ACT TO EXPAND AND REVITALIZE  
THE SPECIAL EDUCATION  
PROGRAM FOR GIFTED AND  
HANDICAPPED CHILDREN AND  
YOUTH IN THE PHILIPPINES

Introduced by Senator Flavier

**To the Committees on Education, Arts  
and Culture; Youth, Women and Family  
Relations; Ways and Means; and Finance**

Senate Bill No. 30, entitled

AN ACT DEVELOPING GLOBALLY  
COMPETITIVE SCIENCE AND  
MATHEMATICS TEACHERS

Introduced by Senator Flavier

**To the Committees on Education, Arts  
and Culture; Science and Technology; and  
Finance**

Senate Bill No. 31, entitled

AN ACT DISQUALIFYING BROKERS,  
DEALERS AND SELLERS OF  
SECURITIES FROM BECOMING  
DIRECTORS, TRUSTEES OR  
OFFICERS OF ANY PUBLICLY  
LISTED CORPORATION,  
AMENDING FOR THE PURPOSE  
SECTION 27 OF BATAS PAMBANSA  
BILANG 68, OTHERWISE KNOWN  
AS THE CORPORATION CODE  
OF THE PHILIPPINES

Introduced by Senator Flavier

**To the Committee on Trade and Commerce**

Senate Bill No. 32, entitled

AN ACT GOVERNING THE  
OPERATIONS OF HEALTH  
MAINTENANCE ORGANIZATIONS,  
REGULATING THEIR ACTIVITIES,  
AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Health and  
Demography; and Finance**

Senate Bill No. 33, entitled

AN ACT PROVIDING FOR THE  
REGULATION AND DISPOSAL  
OF BIO-MEDICAL WASTES,  
DECLARING CERTAIN ACTS  
UNLAWFUL, PRESCRIBING  
PENALTIES THERETO, AND FOR  
OTHER PURPOSES

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Introduced by Senator Flavier

**To the Committees on Health and Demography; Local Government; and Finance**

Senate Bill No. 34, entitled

AN ACT GRANTING OTHER PRIVILEGES AND INCENTIVES TO PERSONS WITH DISABILITY, AMENDING FOR THE PURPOSE, THE MAGNA CARTA FOR DISABLED PERSONS

Introduced by Senator Flavier

**To the Committees on Social Justice, Welfare and Rural Development; Constitutional Amendments, Revision of Codes and Laws; and Ways and Means**

Senate Bill No. 35, entitled

AN ACT PROVIDING FOR THE ESTABLISHMENT OF A SYSTEM OF COMMUNITY INTELLECTUAL RIGHTS PROTECTION

Introduced by Senator Flavier

**To the Committees on Trade and Commerce; and Agriculture and Food**

Senate Bill No. 36, entitled

AN ACT TO PREVENT AND CONTROL MARINE POLLUTION FROM SHIPS AND FIXED AND FLOATING DRILLING RIGS AND OTHER PLATFORMS, PROVIDE PENALTIES THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Environment and Natural Resources; Public Services; and Finance**

Senate Bill No. 37, entitled

AN ACT PROVIDING FOR A GRANT OF REWARD TO INFORMERS OF

VIOLATIONS OF REPUBLIC ACT SENATE BILL NO. 7080 AND/OR REPUBLIC ACT SENATE BILL NO. 1379 AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committee on Justice and Human Rights**

Senate Bill No. 38, entitled

AN ACT PROTECTING INCUMBENT AND FORMER GOVERNMENT EMPLOYEES AND APPLICANTS FOR GOVERNMENT EMPLOYMENT FROM REPRISAL OR HARASSMENT FOR MAKING DISCLOSURES IN THE PUBLIC INTEREST AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF

Introduced by Senator Flavier

**To the Committee on Civil Service and Government Reorganization**

Senate Bill No. 39, entitled

AN ACT PROVIDING FOR EDUCATIONAL BENEFITS FOR THE MINOR CHILDREN OF LAW ENFORCEMENT OFFICERS WHO ARE KILLED BY INSURGENTS OR SLAIN IN THE LINE OF DUTY, AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Public Order and Illegal Drugs; National Defense and Security; and Finance**

Senate Bill No. 40, entitled

AN ACT REGULATING THE REGISTRATION, LICENSURE AND PRACTICE OF OCCUPATIONAL THERAPY, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Civil Service and Government Reorganization; Constitutional Amendments, Revision of Codes and Laws; and Finance**

Senate Bill No. 41, entitled

AN ACT REGULATING THE USE OF HAND HELD CELL PHONES BY MOTORISTS

Introduced by Senator Flavier

**To the Committee on Public Services**

Senate Bill No. 42, entitled

AN ACT PROVIDING FOR BICYCLE LANES IN ALL MAIN ROADS AND HIGHWAYS THROUGHOUT THE COUNTRY, PROVIDING PENALTIES FOR VIOLATION THEREOF, AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Public Works; and Finance**

Senate Bill No. 43, entitled

AN ACT PROHIBITING ELECTED OR APPOINTED NATIONAL OR LOCAL OFFICIALS FROM ISSUING RECOMMENDATION LETTERS FOR THE APPOINTMENT, HIRING OF AN EMPLOYEE OR OFFICIAL IN GOVERNMENT AGENCIES INCLUDING GOVERNMENT OWNED OR CONTROLLED CORPORATIONS AND PRIVATE COMPANIES FROM REQUIRING THE SAME

Introduced by Senator Flavier

**To the Committees on Civil Service and Government Reorganization; and Labor, Employment and Human Resources Development**

Senate Bill No. 44, entitled

AN ACT AMENDING SECTION 31 OF P.D. SENATE BILL NO. 1177, SECTION 26 BOOK VI OF E.O. SENATE BILL NO. 292 AND REPEALING PROVISIONS OF LAW AUTHORIZING AUTOMATIC APPROPRIATIONS"

Introduced by Senator Flavier

**To the Committees on Finance; and Economic Affairs**

Senate Bill No. 45, entitled

AN ACT TO ALLOW PERSONS WHO HAVE SUCCESSFULLY PASSED ANY GOVERNMENT LICENSURE EXAMINATIONS BUT WHO ARE BELOW TWENTY-ONE YEARS OF AGE TO TAKE THEIR OATH AND PRACTISE THEIR PROFESSION

Introduced by Senator Flavier

**To the Committee on Civil Service and Government Reorganization**

Senate Bill No. 46, entitled

AN ACT TO PREVENT GRAFT AND CORRUPTION AND IMPROVE GOVERNMENT SERVICES TO THE PEOPLE BY CUTTING GOVERNMENT BUREAUCRATIC RED TAPE

Introduced by Senator Flavier .

**To the Committee on Civil Service and Government Reorganization**

Senate Bill No. 47, entitled

AN ACT PROVIDING FOR THE IMPLEMENTATION OF THE PROVISIONS OF THE 1992 INTERNATIONAL CONVENTION ON CIVIL LIABILITY FOR OIL

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POLLUTION DAMAGE AND THE 1992 INTERNATIONAL CONVENTION ON THE ESTABLISHMENT OF AN INTERNATIONAL FUND FOR COMPENSATION FOR OIL POLLUTION DAMAGE, PROVIDING PENALTIES FOR VIOLATIONS THEREOF, AND FOR OTHER PURPOSES"

Introduced by Senator Flavier

**To the Committees on Environment and Natural Resources; and Finance**

Senate Bill No. 48, entitled

AN ACT STRENGTHENING THE PENAL PROVISIONS WITH RESPECT TO DELINQUENT PARENTS, AMENDING FOR THE PURPOSE ARTICLES 276, 277 AND 278 OF THE REVISED PENAL CODE, AS AMENDED

Introduced by Senator Flavier

**To the Committees on Constitutional Amendments, Revision of Codes and Laws; and Youth, Women and Family Relations**

Senate Bill No. 49, entitled

THE EQUAL EMPLOYMENT OPPORTUNITY ACT

Introduced by Senator Flavier

**To the Committees on Labor, Employment and Human Resources Development; and Social Justice, Welfare and Rural Development**

Senate Bill No. 50, entitled

THE NATIONAL LAND TRANSPORTATION AUTHORITY ACT OF 2004

Introduced by Senator Flavier

**To the Committees on Civil Service and Government Reorganization; Public Services; Ways and Means; and Finance**

Senate Bill No. 51, entitled

AN ACT PROHIBITING THE PRESENTATION TO THE PRESS OR PUBLIC OF SUSPECTS IN CRIMINAL INVESTIGATIONS BEFORE CASES ARE FORMALLY FILED AGAINST THE SUSPECT

Introduced by Senator Flavier

**To the Committees on Justice and Human Rights; and Public Order and Illegal Drugs**

Senate Bill No. 52, entitled

AN ACT REQUIRING THE MANDATORY LABELING OF FOOD AND FOOD PRODUCTS CONTAINING GENETICALLY-MODIFIED ORGANISMS, INCLUDING THOSE PRODUCED BY GENETIC ENGINEERING TECHNOLOGIES, AMENDING FOR THE PURPOSE REPUBLIC ACT THREE THOUSAND SEVEN HUNDRED AND TWENTY, OTHERWISE KNOWN AS THE FOOD, DRUGS AND COSMETICS ACT AND REPUBLIC ACT SEVEN THOUSAND AND THREE HUNDRED NINETY FOUR, OTHERWISE KNOWN AS THE CONSUMER'S ACT OF THE PHILIPPINES AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Trade and Commerce; and Health and Demography**

Senate Bill No. 53, entitled

AN ACT PROVIDING FOR THE MODERNIZATION OF THE HEALTH CARE DELIVERY SYSTEM, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Flavier

**To the Committees on Health and Demography; Local Government; and Finance**

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Senate Bill No. 54, entitled

AN ACT PROVIDING FOR THE PROTECTION AND PRESERVATION OF PHILIPPINE CULTURAL HERITAGE AND FOR OTHER PURPOSES

Introduced by Senator Flavier

To the Committees on Education, Arts and Culture; Local Government; Ways and Means; and Finance

Senate Bill No. 55, entitled

AN ACT RATIONALIZING THE OBSERVANCE OF REGULAR AND LOCAL SPECIAL HOLIDAYS IN THE PHILIPPINES AND DECLARING ALL SUCH HOLIDAYS TO FALL ON A MONDAY

Introduced by Senator Flavier

To the Committee on Constitutional Amendments, Revision of Codes and Laws

Senate Bill No. 56, entitled

AN ACT REQUIRING ALL NATIONAL, REGIONAL AND PROVINCIAL GOVERNMENT HOSPITALS TO ESTABLISH, OPERATE AND MAINTAIN A DIALYSIS WARD OR UNIT IN THEIR RESPECTIVE HOSPITAL AND PROVIDING FREE DIALYSIS TREATMENT TO INDIGENT PATIENTS

Introduced by Senator Luisa "Loi" P. Ejercito Estrada

To the Committees on Health and Demography; Social Justice, Welfare and Rural Development; and Finance

Senate Bill No. 57, entitled

AN ACT ESTABLISHING A NATIONAL PLAN FOR TUBERCULOSIS PREVENTION, TREATMENT AND

CONTROL AND PROVIDING RELIABLE DRUGS SUPPLY AND FREE LABORATORY MONITORING SERVICE TO TB PATIENTS

Introduced by Senator Luisa "Loi" P. Ejercito Estrada

To the Committees on Health and Demography; and Finance

Senate Bill No. 58, entitled

AN ACT TO STRENGTHEN AND PROPAGATE FOSTER CARE FOR ABANDONED AND NEGLECTED CHILDREN AND OTHER CHILDREN WITH SPECIAL NEEDS, PROVIDING APPROPRIATIONS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Luisa "Loi" P. Ejercito Estrada

To the Committees on Youth, Women and Family Relations; Social Justice, Welfare and Rural Development; Ways and Means; and Finance

Senate Bill No. 59, entitled

AN ACT TO PROVIDE FOR A NATIONAL FOLIC ACID EDUCATION PROGRAM TO PREVENT BIRTH DEFECTS

Introduced by Senator Luisa "Loi" P. Ejercito Estrada

To the Committees on Health and Demography; and Finance

Senate Bill No. 60, entitled

AN ACT TO REDUCE HEALTH CARE COSTS BY REQUIRING TERTIARY AND SPECIALIZED HOSPITALS TO SHARE CERTAIN SERVICES AND EQUIPMENT

*[Handwritten marks]*

Introduced by Senator Luisa "Loi" P.  
Ejercito Estrada

**To the Committees on Health and  
Demography; Ways and Means; and Finance**

Senate Bill No. 61, entitled

AN ACT CREATING THE NATIONAL  
DISASTER MANAGEMENT  
COMMISSION, DEFINING ITS  
POWERS AND FUNCTIONS,  
PROVIDING FUNDS THEREFOR  
AND FOR OTHER PURPOSES

Introduced by Senator Luisa "Loi" P.  
Ejercito Estrada

**To the Committees on National Defense  
and Security; and Finance**

Senate Bill No. 62, entitled

AN ACT PROTECTING THE  
WELFARE OF THE FILIPINO  
FAMILY THROUGH THE  
ESTABLISHMENT OF A NATIONAL  
FAMILY WELFARE PROGRAM,  
CREATION OF THE NATIONAL  
FAMILY WELFARE COMMISSION  
AND FOR OTHER PURPOSES

Introduced by Senator Luisa "Loi" P.  
Ejercito Estrada

**To the Committees on Youth, Women  
and Family Relations; Health and Demography;  
and Finance**

Senate Bill No. 63, entitled

AN ACT ACCELERATING THE  
DEVELOPMENT OF A NATIONAL  
RAILWAY SYSTEM, CREATING  
FOR THE PURPOSE THE  
NATIONAL RAILWAY AUTHORITY,  
PRESCRIBING ITS POWERS,  
FUNCTIONS AND DUTIES

Introduced by Senator Luisa "Loi" P.  
Ejercito Estrada

**To the Committees on Government  
Corporations and Public Enterprises; and  
Public Services**

Senate Bill No. 64, entitled

AN ACT PROVIDING FOR REASON-  
ABLE COMPENSATION AND  
BENEFITS FOR THE LOSS OF  
LIVES, INJURIES AND DAMAGES  
TO PROPERTY SUFFERED BY  
NON-COMBATANT INDIVIDUALS  
IN THE COURSE OF OPERATIONS  
BY THE MILITARY, POLICE AND/  
OR OTHER LAW ENFORCEMENT  
AGENCIES AND FOR OTHER  
PURPOSES

Introduced by Senator Luisa "Loi" P.  
Ejercito Estrada

**To the Committees on Justice and Human  
Rights; National Defense and Security; and  
Finance**

Senate Bill No. 65, entitled

AN ACT TO FURTHER STRENGTHEN  
THE YOUTH DEVELOPMENT  
PROGRAM BY CREATING  
LOCAL YOUTH DEVELOPMENT  
COUNCILS IN EVERY CITY AND  
MUNICIPALITY AND APPRO-  
PRIATING FUNDS THEREFOR

Introduced by Senator Luisa "Loi" P.  
Ejercito Estrada

**To the Committees on Youth, Women  
and Family Relations; Ways and Means; and  
Finance**

Senate Bill No. 66, entitled

AN ACT TO FURTHER PROMOTE  
ENTREPRENEURSHIP AND  
SUPPORT THE DEVELOPMENT  
OF SMALL AND MEDIUM  
ENTERPRISES, AMENDING FOR  
THE PURPOSE REPUBLIC ACT  
SENATE BILL NO. 6977, AS

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**AMENDED, OTHERWISE KNOWN  
AS THE MAGNA CARTA FOR  
SMALL ENTERPRISES**

Introduced by Senator Luisa "Loi" P.  
Ejercito Estrada

**To the Committees on Economic Affairs;  
Banks, Financial Institutions and Currencies;  
and Finance**

Senate Bill No. 67, entitled

AN ACT AMENDING SECTION  
NINE (9) OF REPUBLIC ACT TWO  
HUNDRED NINETY-ONE (291) SO  
AS TO PROVIDE THAT NO  
OFFICER SHALL BE APPOINTED  
CHIEF OF STAFF IF SAID OFFICER  
HAS LESS THAN A YEAR  
REMAINING IN THE ACTIVE  
SERVICE

Introduced by Senator Luisa "Loi" P.  
Ejercito Estrada

**To the Committee on National Defense  
and Security**

**DEFERMENT OF THE  
REFERENCE OF BUSINESS**


Upon motion of Senator Pangilinan, there  
being no objection, the Body deferred the  
Reference of Business until the following day.

**ADJOURNMENT OF SESSION**

Upon motion of Senator Pangilinan, there being  
no objection, the Chair declared the session  
adjourned until three o'clock in the afternoon of  
the following day.

*It was 6:40 p.m.*

I hereby certify to the correctness of the  
foregoing.

  
OSCAR G. YABES  
Secretary of the Senate  
*7/28/04*

Approved on July 28, 2004