

REPUBLIC OF THE PHILIPPINES

Senate

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SESSION NO. 36

Wednesday, November 17, 2004

THIRTEENTH CONGRESS FIRST REGULAR SESSION

SESSION No. 36 Wednesday, November 17, 2004

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CALL TO ORDER

At 3:25 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

PRAYER

Sen. Manuel "Lito" M. Lapid led the prayer, to wit:

Mahal na Panginoon, kami Po ay nagpapasalamat sa patuloy na paggabay sa aming bansa at sa aming mga kababayan.

Bilang mga pinuno ng bansa, patnubayan Mo Po kami, bigyan ng lakas at karagdagan na kaalaman upang magampanan namin nang wasto ang aming tungkulin at mga responsibilidad.

Itinataas Po naming lahat ng ito sa Inyo, Mahal na Panginoon.

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:

| Arroyo, J. P. | Lacson, P. M. |
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| Defensor Santiago, M. | Lapid, M. L. M. |
| Drilon, F. M. | Lim, A. S. |
| Ejercito Estrada, J. | Madrigal, M. A |
| Ejercito Estrada, L. L. P. | Pangilinan, F. N. |
| Enrile, J. P. | Pimentel Jr., A. Q. |
| Flavier, J. M. | |

With 13 senators present, the Chair declared the presence of a quorum.

Senators Angara, Biazon, Cayetano, Gordon, Osmeña, Recto, Roxas and Villar arrived after the roll call. Senator Magsaysay was on official mission.

Senator Revilla was absent.

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. 35 and considered it approved.

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. 1855, entitled

AN ACT ALLOCATING TO THE AFP MODERNIZATION ACT TRUST FUND THE COLLECTION FROM CAPITAL GAINS TAX AND VALUE-ADDED TAX ON THE SALE OF REAL PROPERTY AND THE SHARE OF THE NATIONAL GOVERNMENT ON ALL TAXES. ROYALTIES AND CHARGES COLLECTED FROM THE MALAMPAYA NATURAL GAS PROJECT

Introduced by Senator Luisa "Loi" P. Ejercito Estrada

To the Committees on Ways and Means; National Defense and Security; and Finance

Senate Bill No. 1856, entitled

AN ACT PROVIDING FOR AN AUTOMATIC PAY INCREASE TO

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ANY MEMBER OF THE ARMED FORCES WHO IS DEPLOYED AWAY FROM THE MEMBER'S PERMANENT STATION OR, IN THE CASE OF A MEMBER OF A RESERVE COMPONENT OF THE ARMED FORCES, THE MEMBER'S HOME OF RECORD, ONCE THE DEPLOYMENT PERIOD EXCEEDS 180 DAYS OF CONTINUOUS DUTY

Introduced by Senator Luisa "Loi" P. Ejercito Estrada

To the Committee on National Defense and Security

Senate Bill No. 1857, entitled

- AN ACT DIRECTING THE PHILIPPINE COMMISSION SPORTS TO ESTABLISH A PROGRAM TO SUPPORT RESEARCH AND TRAINING IN METHODS OF THE DETECTING USE OF PERFORMANCE-ENHANCING DRUGS BY ATHLETES, AND FOR OTHER PURPOSES
- Introduced by Senator Luisa "Loi" P. Ejercito Estrada

To the Committees on Games, Amusement and Sports; and Finance

Senate Bill No. 1858, entitled

AN ACT CREATING THE RANK OF FIRST CHIEF MASTER SERGEANT/ FIRST MASTER CHIEF PETTY OFFICER IN THE ENLISTED RANKS OF THE ARMED FORCES OF THE PHILIPPINES (AFP), APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator Luisa "Loi" P. Ejercito Estrada

To the Committees on National Defense and Security; and Finance

RESOLUTION

Proposed Senate Resolution No. 131, entitled

RESOLUTION URGING THE ENERGY REGULATORY COMMISSION TO APPROVE AN ECONOMIC DEVELOPMENT INCENTIVE RATE THAT WOULD APPLY TO ELECTRONICS AND SEMICONDUCTOR EXPORTERS OPERATING IN THE PHILIPPINES

Introduced by Senator Magsaysay Jr.

To the Committee on Energy

COMMITTEE REPORT

- Committee Report No. 5, prepared and submitted by the Committee on Ways and Means on Senate Bill No. 1854, with Senators Enrile and Recto as authors thereof, entitled
 - AN ACT INCREASING THE EXCISE TAX RATES IMPOSED ON ALCOHOL AND TOBACCO PRODUCTS, AMENDING FOR THE PURPOSE SECTION 141, 142, 143, 144, 145 AND 288 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED,

recommending its approval in substitution of Senate Bill No. 1815, taking into consideration House Bill No. 3174

Sponsor: Senator Recto

At this juncture, Senator Enrile objected to the referral of Committee Report No. 5 to the Calendar for Ordinary Business on the ground that it would violate the Rules of the Senate.

As a member of the Committee on Ways and Means, Senator Enrile demanded that a formal committee meeting be held in order to discuss and decide on the context and substance of the committee report in compliance with Section 24, Rule XI of the Rules of the Senate. Thereafter, Senator Enrile moved that the matter be submitted to a vote.

SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

It was 3:31 p.m.

RESUMPTION OF SESSION

At 3:37 p.m., the session was resumed.

The Chair stated that before the suspension of session, it was about to refer Committee Report No. 5 to the Calendar for Ordinary Business when Senator Enrile raised an objection, citing the Rules of the Senate.

Senator Enrile posited that there is no committee report to be referred to the Calendar for Ordinary Business. He argued that under Section 24. Rule XI, the committees, after they have heard the parties in a matter referred to them, must convene formally and discuss the issues, decide and submit a report. In this particular case, he stressed, the Body must comply with the Rules because a very important revenue measure is involved. He said that he never received notice of any meeting to take up a committee report: he has no knowledge of who prepared the report nor is he aware of its contents. He demanded that the report be reverted to the committee and a formal meeting be held.

Senator Pangilinan argued that there was a substantial compliance with Section 24 of the Rules which provides, "The committees shall hold meetings to discuss, decide and submit a report on all matters transmitted to them. The report must be approved by majority of the regular and *ex*officio members thereof." He informed the Body that the Committee on Ways and Means held meetings and public hearings and decided to submit a report as reflected therein that the majority of the members, including Minority Senators Pimentel and Osmeña, signed it.

REMARKS OF SENATOR DEFENSOR SANTIAGO

Senator Defensor Santiago stated that she perceived what developed as a waiver or an amendment of the Rules as she cited a Supreme Court ruling that the Senate may, by any form or action, amend its Rules at any time. She posited that for the past decades, the Senate in fact has observed the custom, if not the tradition, of waiving Section 24.

In all her six years in the Senate, she said, she could not recall an instance when a committee, to which she belonged, held a meeting for the purpose of discussing a committee report. She pointed out that the practice has always been that after the committee members have agreed to terminate the hearings, the chairman drafts the committee report which is then routed for the signature of the members; thereafter, the chairman delivers a sponsorship speech on the floor.

She further cited the 1998 Supreme Court decision on the *Defensor Santiago vs. Guingona J.* case which ruled that "legislative rules, unlike statutory laws, do not have the imprints of permanence and obligatoriness during their effectivity. In fact, they are subject to revocation, modification or waiver at the pleasure of the Body adopting them. Being merely matters of procedure, their observance are of no concern to the courts for said rules may be waived or disregarded by the legislative body at will upon the concurrence of a majority."

Senator Defensor Santiago expressed the view that based on the Supreme Court decision, the Body, at any time, may waive or disregard a Rule. In this instance, she said, the committee acted in a certain way that can be interpreted to mean that it has waived or disregarded Section 24. Therefore, she believed that a motion to suspend Section 24 need not be filed. She submitted that the committee report, which had been circulated, had already received the signatures of a majority of the committee members.

REMARKS OF SENATOR PIMENTEL

Senator Pimentel admitted that he signed the Committee Report. Despite the explanation of Senator Defensor Santiago, however, he believed that any waiver of the Rules would be binding only if there is no objection to it. He conceded that without an objection, the committee report could be passed upon directly by the Body without going through the preliminaries demanded by Senator Enrile. But with the categorical objection raised by Senator Enrile, he said that the Body should act on the matter accordingly. As a compromise, he proposed that the Body take a break so the committee members could tackle the issue among themselves.

REMARKS OF THE CHAIR

The Chair stated that it had discussed the matter with Senator Enrile who had asked for a vote. It stated that the Body should proceed with the vote.

Thereafter, Senator Pangilinan asked for a division of the House on the referral of the measure to the Calendar for Ordinary Business.

VOTING BY RAISING OF HAND

Thereupon, the Chair asked those in favor of the referral of the committee report to the Calendar for Ordinary Business to raise their hands and, thereafter, asked those against it to do the same.

With 11 senators voting in favor and eight against, the committee report was referred to the Calendar for Ordinary Business.

EXPLANATIONS OF VOTES

By Senator Angara

Senator Angara believed that the Body should abide by Section 24 that the Committee should call a meeting to deliberate on the committee report. He pointed out that there is no grave danger in the Senate tradition of passing around committee reports which the Members almost automatically sign, but he maintained that there are still certain matters that should be left to the judgment of either the committee chair or to the Members. The committee report, he said, is one of those matters.

Senator Angara said that while there is a sense of urgency to act on the measure because everyone, including international creditors, is awaiting the congressional action thereon, the Body could have followed the practical suggestion of Senator Pimentel to call a recess of the session so that the committee members could withdraw to a room and discuss the committee report. He believed that such a move would have met the sense of urgency of the measure and it would have satisfied compliance with the Rules. He pointed out that, precisely, he voted against the motion because he knew that there was a practical solution to the matter.

The Chair, however, stated that it had discussed the matter with Senator Enrile who had requested a vote, which left It with no choice.

By Senator Enrile

In explaining his negative vote, Senator Enrile stated that he did not wish to obstruct the proceedings but simply to stress that it would be in the best interest of the country for the Senate to follow its own Rules. He stated that he was objecting to the practice of not following the Rules because it could become a very dangerous precedent as the Senate might do the same even with the General Appropriations Bill or with bills that authorize borrowings.

By Senator Recto

Explaining his affirmative vote, Senator Recto said that in his experience in the last three years in the Senate and nine years in the House, it has been the practice and tradition of both Chambers for the committee chair to come out with a committee report that is routed to all the committee members for their concurrence or objection. Moreover, he pointed out that the committee report was signed by a majority of the Members.

As Chair of the Committee on Ways and Means, he clarified that it was not his intention to curtail the rights of the Minority to express their own concerns about the measure. It would serve the Body even better if it proceeds to deliberate on the substantive features of the bill, he stressed.

He said that he could not find in the records of the Committee on Ways and Means and even of the Committee on Appropriations that committee reports on revenue and even appropriation measures, including the bill sponsored by Senator Enrile in 1997, were deliberated on by the committees.

He expressed hope that he would be able to sponsor the measure on the floor within the day.

By Senator Arroyo

Noting that every decision of the Body becomes a precedent, Senator Arroyo wondered where the complaints emanated. He pointed out that only four out of 18 members had attended the hearings on the revenue measure. He said that those who did not attend signed the report because they were willing to do so; thus, given the record of attendance, he saw no need to reconvene the committee to discuss the matter again. Further, even as tradition has permitted the practice of the chairman preparing a committee report, he believed that a committee report would have difficulty in getting the required number of signatures if it is not acceptable to the Members. He voted yes.

By Senator Ejercito Estrada (J)

Reacting to the comment of Senator Arroyo, Senator Ejercito Estrada (J) stated that he had regularly attended the hearings of the Committee on Ways and Means.

At this point, he manifested his desire to withdraw his signature on the report.

INSTRUCTION OF THE CHAIR

The Chair directed the Secretariat to reflect in the record the withdrawal by Senator Ejercito Estrada (J) of his signature on the committee report.

PRIVILEGE SPEECH OF SENATOR ARROYO

Availing himself of the privilege hour, Senator Arroyo delivered the following speech:

Distorted Priorities

When the railway disaster occurred in Pagbilao, Quezon last week where eight died and a hundred others were injured, there were requests for a congressional investigation. Having chaired various investigations of air, land, and sea disasters as Chair of the Committee on Public Services, and the committee recommendations thereon were hardly implemented by the Executive department, I decided to embark on a different approach, namely, trace the root cause of why the accident happened, probe the history rather than probe the consequences.

In the State of the Nation Address of the President on July 26th this year, nowhere did she mention anything on railroads, whether northbound to the Ilocos or southbound to the Bicol Region, or in Mindanao.

In the Medium-Term Philippine Development Plan (MTPDP) 2001-2004 of the President, the concentration was on Metro Manila rail transport and how it could be harnessed to decongest Metro Manila.

In respect to PNR, the development plan has this to say about rail transport outside of Metro Manila, Chapter 6, pages 90-91:

...long distance transport of large volumes of cargo where they are generally more cost-effective than road transport. New rail projects shall be pursued taking into consideration conditions of economic viability and risksharing with private capital.

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The current private sector initiatives on railway projects provide the government opportunities to modernize rail tracks, build a critical mass of rail resources using common technical standards, phase out inefficient, outdated and unsafe operations, and configure the rail lines for seamless transfer of users and maximum system patronage. Therefore, the government shall take steps to temper, harmonize, and manage these efforts towards a safe and integrated public transport system.

What had happened to this MTPDP for 2001-2004?

The President's development plan for 2001-2004 had come and gone and nothing was done in respect to what is stated in the 2001-2004 plan.

Comes now the MTPDP 2004-2010. What are its plans on our railroads? Here is what appears, in Chapter 6, pp. 80-82:

Decongestion of Metro Manila:

The Northrail Project will provide efficient transport service between Metro Manila and Central and Northern Luzon thus providing a solution to the metro traffic problem and encouraging the urban settlement outside the Metro Manila area. The entire Northrail project, when completed, is expected to encourage the dispersal of Metro Manila population towards Central Luzon, and potentially, Northern Luzon.

Again, the thrust was on decongesting Metro Manila, which is not a bad idea. The Northrail Project is mentioned for the first time. It will lead to Clark Field. So under the development plan 2004-2010, or throughout the term of the President, no railway project is envisioned for the Bicol Region or Mindanao.

It is thus clear that in the case of the Southrail that leads to the Bicol Region, there are really no sincere plans for its rehabilitation. The maintenance of 600 km. Tutuban to Legaspi railroad tracks had been abandoned little by little over the years. Considering the dilapidated and unusable state of the South railroad tracks, the crime of the government was to allow PNR to run trains all the way from Tutuban to Legaspi knowing that it was only a matter of time before the devil would catch up on it.

When the accident happened, cries for an investigation, why the derailment took place, overlooking the root cause, namely, that the railroad tracks are no longer safe and usable. Thus, P135 million a year for its maintenance was budgeted, a measly 1.3% of the P9,999,000.00 annual budget of the DOTC.

The Bicolanos were made to believe that someday, the Bicol Express, the principal means of transportation to the Bicol Region in its golden years, would be revived when in fact there is no such plan at all. There lies the grand deception.

It is no coincidence that in the MTPDP 2004-2010, there is this subheading: "Bicol: the poorest region after Mindanao." And these are the two places where no railroad tracks are programmed throughout the term of the President.

The Executive and the DOTC can conduct all the investigations they want to do for show, but more important than that — NEDA must be made to explain the following:

- 1. Why is the Bicol Region and Mindanao not included in the MTPDP of the President for 2004 to 2010?
- 2. In the rail infrastructure, why is there a total concentration and priority of the Northrail to service the provinces north of Manila

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when they do not need it as much as Southern Luzon and Mindanao?

3. Why the gross and unconscionable disparity—P28 billion (\$502 M) loan to put up a 32-km. railroad line from Caloocan to Malolos while a measly P135 million is appropriated for a 600-km. railroad track from Tutuban to Legaspi?

That means P875 million for one kilometer for the Northrail, as Senator Osmeña has explained, while only P225 thousand for one kilometer for the South tracks. Why the grave disparity?

These questions must be answered by NEDA and DOTC.

PRIVILEGE SPEECH OF SENATOR EJERCITO ESTRADA (J)

Also availing himself of the privilege hour, Senator Ejercito Estrada (J) delivered the following speech:

IN DEFENSE OF THE RIGHT TO FREE ASSEMBLY OF OUR WORKERS

Yesterday, at least seven people were killed and scores of others were hurt and wounded in the dispersal operations of a combined Philippine National Police and military contingent at the Hacienda Luisita in Tarlac.

I take this opportunity to convey my condolences and sympathy to the loved ones of these victims whose only fault was to express their grievances against their employer.

Ipinaaabot ko ang aking taospusong pakikiramay sa ating mga kababayang manggagawa ng Hacienda Luisita na ngayon ay mga panibagong biktima ng karahasan at kamay na bakal mula sa gobyernong ito.

Sila ay kabilang na ngayon sa humahabang listahan ng karahasan laban sa ating mamamayan ng isang pamahalaang mabigat ang kamay sa mga karaniwang manggagawa.

I also take this opportunity today to join the chorus of voices from our labor sector and from all freedom-loving Filipinos in condemning this brutal and brazen display of ruthless violence by the PNP and the military.

I condemn this senseless and unnecessary act of violence in Hacienda Luisita perpetuated by those who, in the first place, are supposed to protect the rights of our people. In doing so, they have inflicted another wrinkle in our human rights record.

Inaamin ko sa pagkakataong ito na hindi ko pa po alam ang puno't-dulo ng welga sa Hacienda Luisita.

Wala pa ho akong pagkakataon upang siyasatin ang kanilang mga hinaing, at ano ang panig ng mga namamahala sa Hacienda Luisita.

Nguni't hindi po ito ang aking punto. Hindi ang panig ng mga welgista o ng mga nagmamay-ari ng Hacienda Luisita. Ang alam ko ay may karahasan na naganap sa dispersal operations at marami ang namatay, nasugatan at nasaktan. At hindi ito dapat mangyari.

Wala na po bang puwang at lugar ang ating mga pulis at militar, ang ating gobyerno, ang mga kapitalista, para sa isang tahimik at mapayapang. negosasyon?

Wala na po bang panahon ngayon para sa isang maayos, matino at mahinahong usapan at kailangang gamitan pa ng dahas ang isang grupo ng manggagawa na nagpoprotesta lamang upang igiit ang kanilang karapatan?

Kailangan pa ba ang isang combined police and military contingent

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para buwagin lamang ang isang grupo ng manggagawa na humihingi lamang ng katarungan?

Just last August 30, 2004, on the historic commemoration of the Battle of Pinaglabanan, I delivered a privilege speech before this assembly calling our attention to the growing suppression of rights to free assembly by our people.

I cited numerous incidents and asked for a review of Batas Pambansa Bilang 880 or the Public Assembly Act of 1985.

I reiterate this plea today in the light of this incident because if we do not act today with a deep sense of urgency, many more will die and will be hurt.

We must act today to restrain the growing violence of this government against its own people, especially when it is done in defense of a privileged elite.

We must act accordingly to remind this government and its police and military officials that our Constitution guarantees the right to free assembly and that maximum tolerance must be the policy at all cost.

We cannot allow our democracy to turn into a police or garrison state where the freedom of expression and of assembly are systematically suppressed in favor of a privileged few.

Ang listahan at ang mga insidenteng marahas at malupit na pagsupil sa karapatan ng ating mga kababayan na katulad nito ay lalong humahaba ngayon.

At higit pang dadami iyan kung hindi natin bibigyan ng direksiyon at patakaran ang pagtatanggol sa karapatan ng malayang pagtitipuntipon ng ating mga kababayan.

Nagbabalik sa ating alaala ngayon ang maraming insidente ng karahasan l**aban sa karani**wang mamamayan, mula sa Mendiola hanggang sa Hacienda Luisita.

Ilang Mendiola pa ang hihintayin natin ngayon bago tayo kumilos? Ilang Hacienda Luisita pa ba ang kailangang mangyari upang magising tayo?

Huwag na po nating hintayin ang galit at karahasan ng karaniwang manggagawa, ng karaniwang mamamayan, ng sambayanan na nagtatanggol lamang ng kanilang karapatan na itinatadhana ng ating saligang-batas.

Today, as I close, I ask this august Body and my distinguished colleagues to join me in extending our condolences to the loved ones of the victims and our sympathies to those who have been hurt or wounded, whether from the ranks of the workers or of the authorities.

I also ask you to join me in condemning this act of violence and defend the rights of our workers and all of our people to free assembly.

MOTION OF SENATOR ENRILE

Senator Enrile stated that he was disturbed by the information that the military participated in the dispersal operation upon the request of the Secretary of Labor and Employment. He pointed out that Section 18, Article VII of the Constitution provides that only the President of the Philippines as the commander-in-chief can call upon the armed forces prevent or suppress lawless violence. He to stated that to his recollection, such an incident never happened when he was secretary of National Defense or even during martial law. He said that he was also disturbed by the information that 14, not seven people, were killed, including two children, and one was hanged. In view thereof, he moved that a thorough inquiry be conducted jointly by the Committees on Labor and Employment; National Defense and Security; and Agrarian Reform.

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Senator Enrile recalled that the Comprehensive Agrarian Reform Law was intended to cover every big landed estate in the country but an exception was given to Hacienda Luisita. He informed the Body that the Cojuangcos borrowed US\$13 million to buy the *hacienda* at the time the country was under strict foreign control. He disclosed that then President Garcia lifted the Central Bank restrictions for the Cojuangcos on condition that, after 5 years, the *hacienda* would be turned over to the tenants but the owners did not comply.

Senator Enrile said that this noncompliance prompted the tenants to file a case against the *hacienda* owners and they won. He stated that the case was appealed to the Court of Appeals and eventually, it was dismissed upon motion by the Solicitor General under the Aquino administration.

Senator Enrile expressed the view that it was time the Body looked into the events that happened in Hacienda Luisita if Congress were to be serious in enforcing the land reform program.

REMARKS OF SENATOR DEFENSOR SANTIAGO

Senator Defensor Santiago seconded the motion of Senator Enrile, noting that the issue involves the interpretation of the Constitution. In the Hacienda Luisita case, she said, the Secretary of Labor and Employment acted outside her authority because the Constitution excludes any person other than the President from calling the armed forces in cases of lawless violence.

REMARKS OF SENATOR BIAZON

Senator Biazon likewise seconded the motion of Senator Enrile.

Adverting to a DOLE order dated November 16 issued by the Secretary of Labor and Employment, he said that he was also disturbed that the Northern Luzon Command was deputized to reinforce the PNP Region III personnel in enforcing the Department's return-to-work order. He informed the Body that the Department order was issued on the basis of Article 263(g) of Presidential Decree No. 442. He said that he was glad that the issue had been raised so that the constitutionality of deploying the AFP to address a police matter could be determined.

On the other hand, Senator Biazon asked why some of the demonstrators possessed deadly weapons like guns, molotov bombs, bolos and scythes, and why the picketers included people from as far as Nueva Ecija, Isabela, Bataan and Bacolod. He believed that a Senate inquiry would be fair to both sides.

Senator Pangilinan did not object to the motion; however, he pointed out that under the Rules, a referral to a third committee should first be submitted to the Committee on Rules for consideration.

INQUIRY OF SENATOR ROXAS

Senator Roxas asked whether it would also be appropriate to refer the speech to the Committee on Public Order and Illegal Drugs since the events involved crowd dispersal and police action.

REFERRAL OF SPEECH TO COMMITTEES

Upon motion of Senator Enrile, as modified by Senator Pangilinan, there being no objection, the Chair referred the speech of Senator Ejercito Estrada (J) to the Committees on Labor and Employment; National Defense and Security; and Rules.

SPECIAL ORDER

Upon motion of Senator Pangilinan, there being no objection, the Body approved the transfer of Committee Report No. 5 on Senate Bill No. 1854 to the Calendar for Special Orders.

COMMITTEE REPORT NO. 5 ON SENATE BILL NO. 1854

Upon motion of Senator Pangilinan, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1854 (Committee Report NO. 5), entitled

AN ACT INCREASING THE EXCISE TAX RATES IMPOSED ON ALCOHOL AND TOBACCO PRODUCTS, AMENDING FOR THE PURPOSE SECTION 141, 142, 143, 144, 145 AND 288 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Pangilinan, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

The Chair recognized Senator Recto for the sponsorship.

REMARKS OF SENATOR ENRILE

Senator Enrile stated that he did not have the chance to object to the transfer of Committee Report No. 5 to the Calendar for Special Orders. Noting that there was an evident rush to pass the measure, he nonetheless yielded to the discretion of the Body.

SUSPENSION OF SESSION

Upon motion of Senator Recto, the session was suspended.

It was 4:28 p.m.

RESUMPTION OF SESSION

At 4:36 p.m., the session was resumed.

SPONSORSHIP SPEECH OF SENATOR RECTO

In sponsoring Senate Bill No. 1854, Senator Recto delivered the following speech:

Two of the hardest things a Senate can do is to vote for war and vote for new taxes. Both are so dreadful that none of those who had sat in this Chamber ran on a promise to seek one or the other. Otherwise, none of them, none of us, would have made it here.

Sending men to fight wars poses the same moral predicament as ordering the

taxmen to invade the people's pockets. It is because while paying taxes may be the first duty of citizenship, ordering more of it should be Congress' last.

Today, we are called to fight a different war. Though we are not asking the people to shed blood, we are asking for their sacrifices so the lifeblood of their government -- taxes -- may continue flowing.

To overcome our fiscal problems before they overrun us, new taxes have been proposed. The Senate is being asked to approve them.

It is a duty we will carry out, not with relish, but with reluctance, but carry it out nonetheless, because we have insisted that new taxes will not be the first option but the last.

No legislature is a bulwark of taxation. This Senate has never been. To every executive overture of a new tax, its reply has never been of ratification but of restraint. The Senate role has always been to temper, not top, executive proposals. Legislators must not see taxation as an auction where they must outbid the executive.

Yes, we must serve as tripwires to new taxes. But there are times that we let them pass. This is one of those few times. The stakes are high. If new taxes are not passed, the economy may collapse.

Is there a fiscal crisis or not is *not* the question. Quibbling over labels will not help. Semantics would not make our fiscal blues go away.

The fact is that we are in a debt and deficit spiral. Years of deficit, of living outside our means and spending more than we can collect in taxes, has made our debt shoot through the roof.

It has reached a point where our public sector debt is bigger than the value of all the grain we can grow, all the fish we can catch, all the text messages we can make, all the houses we can build, all the goods we can buy from all the stores all over the country, all the money that OFWs can send us, and all money that workers can earn here in a year. In fact, *kulang pa*.

We have come to this because tax evasion remains a national sport; corruption, a culture; and smuggling, a waterfront pastime. Compared to our neighbors, tax collecting RP-style is *perde gana*.

Populism also took its toll when politics, not economics, dictated power rates. And when the supposed dictates of economic growth were invoked, we gave away fiscal incentives like free candies in a confectioners' convention.

Fat cats in government corporations also account for a lion's share of the blame. Their debts migrated to the public debt, their deficit became ours. Now, when we add the GOCC deficit to the NG deficit, and the NG debt to GOCC debt, what do we get? The sum of all our fears: A consolidated public sector deficit of P312 billion this year and a public sector debt of P6 trillion.

To bring us out of the woods, the administration vowed to cut expenses and raise income. It has sent to Congress eight tax measures which the House views as the Eight Commandments which we in the Senate treat as the Eight Suggestions.

I may not recommend obedience to all. Some of the measures smell of money, like sin taxes; some smell of danger, like the fuel tax; and some don't smell at all, like the amnesty bill. *

The dangerous ones, if we ram them down on our people, may lead the very people we have mobilized to defeat the fiscal wars to revolt. Taxes, like wine, must be imbibed with moderation. But the call on Congress to raise P80 billion from new taxes is not an edict written in stone. It is also a lopsided way of allocating the solutions to the fiscal problems.

I submit that the fairer way is for the Executive to match in revenue effort every peso Congress will raise in new taxes. In short, we raise P40 billion from new taxes, the executive collects P40 billion from old ones. Victory over the fiscal crisis should not be premised on the surrender of P80 billion of the people's money through higher taxes.

Today, we take the first step to fiscal salvation by hiking the tax on alcohol and tobacco. This is the opening scene in a play with eight acts. And we have chosen no better piece than this bill if our objective is to guarantee that our journey would be off to a good start.

If "the art of taxation consists in so plucking the goose as to obtain the largest amount of feathers with the least amount of noise," then this measure fits the bill. For all their boisterousness, drinkers would not raise a ruckus against this bill. And shunned as they are now in public places, smokers are not expected to complain either.

We have the silence of the lambs in these two, but that doesn't give us the license to include their skin when we shear their wools off.

In drafting this measure, the committee took a panoramic view of the interests of all the stakeholders. Contrary to the myth, this is not between a couple of taipans, a foreign tobacco colossus, on the one hand; and the BIR, on the other, or of smokers and nonsmokers. The alcohol and tobacco industries are more textured than meets the eyes. There are the consumers, the farmers, the workers, the LGUs in between, and a national

^{*}As corrected by Senator Pangilinan on November 22, 2004

government at the end of the line, ready with its loot bag.

We used the following guideposts.

A steady and buoyant revenue stream for the government. A tax rate which would not give a competitive advantage to any of the players. A tax burden rightly apportioned among the producers. A tax increase proportionate to the value of the product. A tax hike that factors in the purchasing power of those who buy.

Any one, like this government, who is dazed looking for money may find some sobering ideas in alcohol data. We are a . nation of drinkers.

In gin consumption, for example, we are not just a barangay ginebra, but a republika. Iba rin ang pinagsamahan ng Pinoy at ang kanyang serbesa.

In 2003, we gulped down P38.4 billion worth of beer, not counting *tuba*, and sipped our way to P34.8 billion worth of gin, rum, brandy, whiskey and other distilled spirits.

Unfortunately, this government, like a waterfront drunk, has no memory, no record of how much wine we did consume last year.

Our love for drink is matched only by the government's affection for alcohol taxes. Last year, it was able to collect P14.6 billion in excise tax alone from this sector, or P11.4 billion from fermented liquor and P3 billion from distilled spirits, and P200 million from wine.

The tax code classifies alcohol products into three: Distilled spirits such as brandy, whiskey, rum, gin, vodka; wines, such as sparkling wine, champagne, still wine, fortified wine; and fermented liquor such as lager beer, pale pilsen, porter, *tuba*, *basi*, *tapuy*. Any queries related to the nuances of each, including wine tasting, should be addressed to our in-house expert Joker Arroyo. Let me show the current tax on each category.

Applied to products, the following drinks we see in store shelves carry this much of a tax per bottle:

- * Ginebra San Miguel 250 ml P2.24.
- * Tanduay Rhum 65 375 ml P3.36.
- * White Castle 5 Years 375 ml P3.36.
- * Gilbey's Gin 375 ml P3.36.

As to beer :

- * San Miguel Pale Pilsen 320 ml P3.28.
- * Red Horse 330 ml P2.27.
- * Beer na Beer 320 ml P2.20.
- * San Miguel Super Dry 330 ml P3.38.

Let me walk the Body through the tax incidence for each category. For every P100 sale of fermented liquor, an average P29.61 goes to excise taxes. In distilled spirits, it is P13.00.

But if you factor in VAT, tax incidence rises to P22.00 per P100 gross sale in distilled spirits and P39 for beer or fermented liquor. This computation, however, does not include corporate and local taxes paid.

The House has proposed to increase the excise tax by 20% across-theboard, effective 2005, and by three percent in the next two years.

Your committee finds it too low and too short. Let me tell you why. While fermented liquor accounted for 60% of the value of total alcohol sales, it paid almost 80% of excise tax on alcohol.

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Distilled spirits, on the other hand, ran away with 38% of market sales, but accounted only for 38% of excise tax paid.

Based on this disparity, let me propose a toast to a higher tax on alcohol. The committee proposes: For distilled spirits, 30% and 50%; index by 8% every two years until 2011. For fermented liquor, it is 20%; index by 8% every two years until 2011.

As a result of a higher tax and a longer implementation period -- mas mahaba ang tama -- the revenue yield will be higher.

On the incremental revenue for distilled spirits and the community revenue for distilled spirits -- comparing it to the House, the Senate version is much, much higher. For fermented liquor, incremental revenue and the community revenue will be as follows: Combining both, definitely the Senate version will have a higher incremental and community revenue than the House when it comes to alcohol products.

Our committee has decided to bring up the proposed tax increase on alcohol nearer to the proposed hike on tobacco taxes in the belief that if fiscal salvation is the joint venture of sinners, then the acts of contrition must be the same for the two.

If we apply the sin test to alcohol, for purposes of computing how much it should pay in tax as punishment, then I believe the degree of badness that separates the two is not that wide.

As I have said nobody has run over a pedestrian due to excessive cigarette smoking. Wife-beating is not triggered by nicotine.

As to social effects, excessive drinking addles the brain. There is behavioral

change, bordering on temporary insanity. Just look at how alcohol has made warbling "My Way" dangerous to one's health.

Now let us go to tobacco. Because the current excise tax debate has generated more light than heat, tobacco data has been enveloped in smoke.

But the facts are: 88 billion sticks were sold last year; 23 million Filipinos smoke.

Each smoker, on the average, consumes 10.5 sticks a day; 65% of sales are by *tingi*.

Smokers "coughed up" P19.7 billion in excise tax on tobacco and an additional P4.5 billion in value-added tax. Corporate tax and duties paid by tobacco firms not included.

Yosi is kadiri, no question about it. It is a vice. But from a fiscal point of view, cigarette smoking becomes a virtue because it brings needed revenues to the government.

We hate second-hand smoke, but we welcome tobacco tax.

Cigarette smoking, like a cigarette butt, should be crushed. But what can we do? We have a government that is addicted to cigarette tax. It needs the latter the way a smoker craves for his nicotinefix. If we ban cigarettes, this government will die from lack of cigarette taxes. That would be the real fiscal shock.

Eventually, cigarettes must go. But in the meantime, a government in debt has no choice but to let the people bite the bullet, or more precisely to bite a cigarette or chomp a cigar, because we need taxes on the product, no matter how despicable it is.

For natives, low, medium, high and premium brands, there are five categories.

The current excise tax rates are: For cigarettes packed by hand or native, 40 centavos per pack of 30. For cigarettes packed by machine, there are four tiers:

- * "Low "at P1.12 per pack;
- * "Medium" at P5.60 per pack;
- * "High" at P8.96 per pack; and
- * "Premium" at P13.44 per pack. Cigars have an excise tax of P1.00 per stick.

As to volume, "low" brands account for 48% or 2.1 billion of packs sold in 2003. "Medium", 23% or 898 million packs. "High", for 30% of the removals or at the market, 1.3 billon packs. "Premium", for .14%; and "native", 1%.

But do not let the sliver-thin market share of premium fool you. It is a huge player in the smuggled cigarretes department. How much value, we do not know.

In terms of total excise tax payments of P19.8 billion, the "low" accounts for 13% (P2.596 billion); "medium", 26% (P5.147 billion); "high", 60% (P11.938 billion); and the rest make up for premium and native cigarettes.

Total gross revenues of the industry in 2003 was P49.6 billion. Fortune with gross sales of P27 billion bagged 54.3% of the market. Philip Morris has 36% of the pie on sales of P17.8 billion. La Suerte is third with 6.2% on sales of P3 billion. Three manufacturers share the rest.

Of the total excise tax payments in 2003, Fortune paid 56% or a total of P11 billion, while Philip Morris paid 39% or P7.7 billion. The two accounted for 95% of tobacco excise tax paid. The rest chipped in with a 4.8% share.

From the above data, we note the parity between sales and taxes paid. For example, Fortune, with 54% of industry sales, paid 57% of the total industry excise tax. Philip Morris, with 36% of industry sales, paid 39% of total excise taxes.

Combined, the VAT and excise tax imposed on the tobacco industry result in a tax burden of 49%, among the highest, if not the highest, of all industries. Put simply, 50 centavos of every peso you give the *yosi* boy finds its way to government coffers.

Compared to other countries, our industry tax incidence of 49% is more or less on the same plane as Thailand's 50%, Japan's 56%, Singapore's 59%, and Australia's 59%. Ours is higher than Indonesia's, Vietnam's, Korea's, Taiwan's, and Malaysia.

The committee was in receipt of two proposals to increase the excise tax on cigarettes: the approved House bill and the Senate Bill No. 1815. Hearing expert opinions and the views of stakeholders, your committee tempered the extremes propounded by each, weighed the pros and cons, and after adhering to guidelines enumerated earlier, is pleased to submit its proposal, which we believe strikes a balance among all concerned.

In percentage terms, the tale of the tapes would appear as follows:

For the first year, please take note that the House has a 20% across-the-board increase; Senate Bill No. 1815 has 50% for Native; Low, a 435.71% increase; for Medium, a 7.14%; for High, 6%; for Premium, 0.45%.

Your Committee on Ways and Means proposes 112% for Native; 47% for Low; 19% for Medium; 16% for High; and 30% for Premium.

By 2011, this would be how the percentages would look like.

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The House, across-the-board 27%, more or less; the Senate Bill, Native increases to 65%; the Low of 50% of the market of sales will increase by a thousand—100%; Medium as 141%; High, 50%.

Your committee proposes the following: Native – 260%; Low – 108%; Medium – 41%; High – 35%; Premium – 55%.

| | Current | House | Sb 1815 | Committee |
|---------|---------|-------|---------|-----------|
| Native | Php0.40 | 20% | 50% | 112.50% |
| Low | 1.12 | 20% | 435.71% | 47.71% |
| Medium | 5.60 | 20% | 7.14% | 19.14% |
| High | 8.96 | 20% | 6.03% | 16.46% |
| Premium | 13.44 | 20% | 0.45% | 30% |

Translated to actual amounts, the increases would result in the following rates in 2005 to 2011. This is how the road ahead looks like, as far as the Senate Committee on Ways and Means is concerned. We will provide all the Members with this data for the interpellation period.

Unlike the House's version, we did not put a stop light to increases three years hence, but laid out a schedule that stretches up to 2011, conscious of the medium-term fiscal plan of the President.

The tax yield is taxation's proof of the pudding. It is the bottom line. But computing the latter is not a question of straight arithmetic. Impact on sales must be factored in. Elasticity will have to be reckoned with. Sales are never impervious to tax upheavals. One small step forward in taxes can bring a giant leap backward in sales. The history of the local tobacco industry offers a treasure trove of brands which taxes killed. From such experiences, we can predict the market behavior of brands if they would be levied a higher tax. Aware of these, we have calculated rates that would achieve the primary objective of this bill: raise money for the government.

Let me give our committee's simulation, and from thereon, our computation of the tax yield.

For cigarettes, the incremental revenues for the House, Senate Bill No. 1815 and the Committee on Ways and Means. Cumulative, the House version, in six years will generate P19 billion; Senate Bill No. 1815, Medium rate – P15 billion, the Committee will generate P66 billion.

Collectively, alcohol and tobacco -- the two usual suspects government loves to round up when it finds itself in a fiscal fix -- will pay an additional P10 billion next year.

These industries, let me add, have said they would willingly pay whatever the government will reasonably bill them. No vacillation, no hesitation, unlike sanctimonious types who preach corporate responsibility.

In the midst of the crisis, corporate Philippines was asked for its contribution, and all, save two, balked at the thought. When the hat was passed around for pledges, all plunked in pamphlets on fiscal crisis, save for two that pledged real money.

Tobacco and alcohol account for a measly 2% of household spending, and this share has been on a decline, displaced by the new vice of texting.

Motorolas and Nokias have replaced Marlboros in the people's pockets. People now fiddle with cellphone keys than cigarette sticks. But if we look at tax payments of telecoms and other industries, and compare them to the sin industries, we see the big difference.

There are many things that this bill is not, and let me put forward the following disclaimers:

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This bill will not deter smoking. This is not a nicotine patch for the masses. Taxes have not been proven to kill the habit. The deterrence lies in the strict implementation of Manong Johnny Flavier's brilliant Tobacco Control Act.

One of the provisions of the Flavier Law is the complete phaseout of tobacco advertising on TV, cable, radio by 2007, to which I agree. But let me point out the irony that we want to wring higher taxes out of a product whose marketing is now being suppressed.

The ways to stamp out smoking are already in the law: Cigarette logos banished from the face of the earth, don't-smokeif-you-are-not-18 rule, out with tobacco commercials in telenovelas, no smoking in public places, and the use of "fear factor" in gruesome warnings on cigarette packs.

This bill is not the magic pill that will cure the deficit either.

Other industries must do their share. Solving the fiscal sins of the past should not be put on the shoulders of sin industries alone and their consumers.

But for the affected industries, we have calculated the rate hikes in a way that will not kill them.

They are designed to cause least displacement in allied industries. At a time of rising joblessness, it is heartless to ban tobacco and in the process drive 150,000 factory workers and processors and 90,000 farmers out of work.

The beer industry alone employs 50,000; 300,000 *sari-sari* stores rely on beer, gin, and rum sales.

Eventually, tobacco must go, either by edict of the government or choice of consumers. But no Philippine government has prepared a transition plan or studied the impact of a shift to other crops. Can camote tops, for example, yield as much revenue as tobacco leaves?

If we push taxes up too much, it may reach the point of diminishing tax returns. As in any product, a higher tax rate does not automatically result in higher collections.

We can, for example, peg a P50 tax per pack of cigarettes, or a P100 tax on a bottle of beer and the simple math would show: "Presto, our deficit is gone!" But that won't be because such a tax would impose a *de facto* prohibition on cigarettes leading to less sales and lesser taxes.

Moreover, under a regime of superhigh sin taxes, the local players will be taxed to extinction, or elbowed out of the market by foreign-made tobacco and alcohol products. The void will be filled by importers and smugglers.

Already, an estimated P7.5 billion is lost to smuggling of cigarettes and alcohol a year. If we lose these two industries, are we prepared to shell out \$2.5 billion for our alcohol and tobacco needs a year? Are we willing to outsource even the creation of sin to distant lands?

When it comes to manufacturing, China is one big sucking sound. Amid the carcasses of factories dotting our landscape, our local cigarette and liquor makers are bravely making the stand. We should not allow taxation to be the cause of their migration.

The tax rates in this bill were also designed in a way that they would not provide undue advantage to any of the players in each branch of the sin industry. In my opinion, it is not the duty of Congress to play God, on what company lives and what company dies as a result of a skewed tax rate. And because the element of fairness is present in this bill,

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none of the players is going to town crying "murder".

When it comes to taxes, legislature ought to temper the proposals of the executive. We do not outbid them as if taxation were an auction. Taxation is not always a higher-is-better game. If taxation were a doberman, our duty is to keep it on a short leash. A bigger tax bite can kill.

There is also reason why temperance should be the rule here. We are not taxing corporations here but people. And this is a people already burdened with indirect taxes, 52% in all, a tell-tale sign of an iniquitous tax system.

As I said earlier, this is the opening scene of a play with eight acts. Conceived in the executive, each bill has a long gestation period. We are about to birth one. Seven pregnancies to go.

Fortunately, this sin tax bill has offered us a template on how to go about the rest. One that is forged in consensus, passes the revenue test, and let me add, in a style of "getting the eggs from underneath a goose without causing it to hiss in protest and without killing it."

ANNOUNCEMENT OF SENATOR PANGILINAN

Senator Pangilinan announced that Senators Defensor Santiago, Cayetano, Osmeña, Lacson, Madrigal, Roxas, Villar, Lim, Pimentel and Enrile in that order, have expressed their desire to interpellate on the bill but would like to go over some documents.

He stated that Senator Defensor Santiago and Cayetano would interpellate on Monday, November 22; and Senator Enrile had requested to be the last one to interpellate while the rest did not specify any date.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1854

Thereafter, upon motion of Senator Pangilinan, there being no objection, the Body suspended consideration of the bill.

COMMITTEE REPORT NO. 4 ON SENATE BILL NO. 1745 (Continuation)

Upon motion of Senator Pangilinan, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1745 (Committee Report No. 4), entitled

ACT PROVIDING FOR AN COMPENSATION TO THE VICTIMS OF HUMAN RIGHTS VIOLATIONS DURING THE **REGIME OF FORMER PRESIDENT** FERDINAND MARCOS. DOCUMENTATION OF SAID VIOLATIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES.

Senator Pangilinan stated that the period of interpellations had been terminated; however, Senator Ejercito Estrada (L) had a reservation to interpellate.

RECONSIDERATION OF THE TERMINATION OF THE PERIOD OF INTERPELLATIONS

Upon motion of Senator Pangilinan, there being no objection, the Body reconsidered the termination of the period of interpellations.

Thereupon, the Chair recognized Senator Pimentel, Sponsor of the measure, and Senator Ejercito Estrada (L) for her interpellation.

INTERPELLATION OF SENATOR EJERCITO ESTRADA (L)

Initially, Senator Ejercito Estrada (L) asked why the courts should not be allowed to decide issues

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concerning compensation for victims of human rights violations under the Marcos regime considering that it is the function of the judiciary. Senator Pimentel replied that while all litigations involving rights of parties are decided by the courts, the Constitution created the Commission on Human Rights and vested it with the duty to compensate victims of human rights violations. He pointed out that the measure is anchored on that constitutional provision to ensure that the victims of the Marcos regime are expeditiously paid what is due them.

Asked what safeguards were put in place to make sure that the board shall discharge its functions honestly and efficiently, Senator Pimentel stated that there is a strict guideline for choosing the members of the board as well as a points system to calibrate the amounts that may be awarded by the board to the claimants. He explained that a bigger amount shall be awarded to a victim who was killed than to a victim who was tortured. The idea, he said, is to remove too much discretion on the part of the board members in determining the amount of compensation.

On the matter of transparency in the processing of claims, Senator Ejercito Estrada (L) queried if the bill could include a penal provision to deter any board member or official of the concerned agencies from using the measure for pecuniary purpose. She noted that in many instances, heads of agencies that are tasked to disburse funds end up pocketing the money. Senator Pimentel remarked that although there are existing laws that penalize the misuse of funds by public officials, there is nothing wrong with providing for specific penalties in the bill, adding that the suggestion may be accommodated at the proper time.

Anent the composition of the board, asked on the minimum criteria for the selection of the public sector representatives, Senator Pimentel informed the Body that the basic criteria are dependability, credibility and integrity of the representative.

Finally, Senator Ejercito Estrada (L) observed that the measure does not provide for any criteria in the selection of the board members as she suggested that the bill specify the guidelines to guarantee that the appointed persons are qualified. Senator Pimentel agreed.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

There being no other interpellation, upon motion of Senator Pangilinan, there being no objection, the Body closed the period of interpellations.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1745

Upon motion of Senator Pangilinan, there being no objection, the Body suspended consideration of the bill.

ADDITIONAL REFERENCE OF BUSINESS

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

BILL ON FIRST READING

Senate Bill No. 1859, entitled

AN ACT REQUIRING AUDITED FINANCIAL **STATEMENTS SUBMITTED** TO TAX AUTHORITIES AS MINIMUM SECURITY REQUIREMENTS FOR BANK LOANS, AMENDING FOR THE PURPOSE SECTION 40 OF REPUBLIC ACT NO. 8791, OTHERWISE KNOWN AS THE **GENERAL BANKING ACT OF 2000**

Introduced by Senator Drilon

To the Committees on Banks, Financial Institutions and Currencies; and Ways and Means

RESOLUTION

Proposed Senate Resolution No. 132, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON LABOR, EMPLOYMENT AND HUMAN

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RESOURCES DEVELOPMENT APPROPRIATE AND OTHER STANDING SENATE COMMITTEES TO INVESTIGATE, IN AID OF LEGISLATION, ON THE LABOR DISPUTE BETWEEN THE LABOR UNIONS OF HACIENDA LUISITA AND ITS MANAGEMENT WHICH INTO THE RESULTED UNFORTUNATE DEATHS AND INJURIES OF SCORES OF FARM WORKERS

Introduced by Senator Jinggoy Ejercito Estrada

To the Committees on Labor, Employment and Human Resources Development; and National Defense and Security

REMINDER

Senator Pangilinan reminded the Members of the caucus to adopt the legislative agenda, at 12:00 noon of the following day at the Office of the Senate President.

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 Monday, November 22, 2004.

It was 5:18 p.m.

I hereby certify to the correctness of the foregoing.

OSCAR G. Secretary of the Senate ß

Approved on November 22, 2004