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PRIVILEGE SPEECH OF SENATE PRESIDENT ENRILE

Availing himself of the privilege hour, Senate President Enrile recalled that in his State of the Nation Address, Pres. Benigno Aquino III called on Congress to help in augmenting the revenues of government to meet public needs, particularly in developing agriculture in the country so that there would be no more need to import food, especially rice, the cultivation of which is the main source of living for the poorest sector in the Philippines. He added that President Aquino hoped that the country could also export rice in the future.

Relative thereto, Senate President Enrile adverted to a news report published in the *Philippine Daily Inquirer* earlier that morning regarding the illegal entry of some 21,500 tons of rice into the Port of Subic originating from India, as well as 50 container vans of rice originating from Vietnam. He disclosed that these were not the only instances of smuggling in said port as there were earlier reports of illegal importations of rice also from Vietnam and India consisting of 90 and about 1,000 container vans, respectively, which had already managed to penetrate the local markets.

Senate President Enrile said that the report came as a shock to him because the rampant smuggling continued despite the earnest efforts of President Aquino and the Senate to find ways in augmenting the revenues of the country with the goal of providing food using the country's own produce and hopefully

exporting them in the future. He lamented that said goal could not be realized because the importations were done illegally but they also compete with the country's domestic products which are placed at a disadvantage because imported food products are not being subjected to any tax.

Senate President Enrile said that he rarely speaks on the floor about these matters but was astounded by what he found out. He believed that it is impossible for importations of such quantity to go unnoticed, and that it only proves that the importer had the backing of someone so powerful as to give him an ample sense of security that he could pull out his goods with ease from the port. He pointed out that the recent shipment from India was estimated to be worth half a billion pesos and that the container vans remain unclaimed in various ware-houses in Subic.

Immediately after the matter was published in the newspaper, he said that he gathered more information and learned that the cargoes, indeed, originated from a supplier in India, were packaged in sacks, and were falsely labelled either as fertilizers or construction materials. He said that a certain Danny Ngo has filed several import entries in his capacity as broker for the clever and rich importers of said shipment which were, however, disapproved by the Customs police in Subic after finding out that the cargoes were misdeclared. He stated, however, it is a mystery why customs authorities eventually allowed the withdrawal of the import entry declarations upon request of the broker.

At this point, Senate President Enrile asked how such huge quantity of shipment which was unloaded by stevedores at the Subic port could have passed undetected by x-ray machines that were bought by the government for US\$140 million. He pointed out that a tariff of 40% on the declared value of the rice importations is imposed in order to protect the agriculture industry since rice farming is the major source of income of many of the country's farmers. That 40% tariff, he said, does not form part of the government's coffers but goes directly to the Agricultural Competitive Enhancement Fund (ACEF) which was created by Congress to aid the farmers.

Senate President Enrile said that it was claimed later on that the cargoes were erroneously shipped to the Philippines because they were actually bound for Indonesia, which, he said, was a very lame excuse on the part of the importers because in the research

he made, it was shown that Indonesia is geographically nearer to India as against the Philippines which is 1,600 miles away. He said that it was being made to appear that the shipment travelled 1,600 miles from India to the Subic Port, only to travel another 1,600 miles to go to Indonesia. He also pointed out that it was not even stated who the consignee was, or in which part of Indonesia it is destined.

Senate President Enrile expressed the belief that the shipment was not bound for Indonesia but was really intended to penetrate the Philippine market because the grains were already packaged in sacks. As further proof, he said that he was told the brand "Mango" carried by the shipment has previously penetrated the local market. He said that he wanted to expose the identities of the persons behind the smuggling activities who were so bold, greedy, and zealous to attempt to smuggle a huge quantity of cargo into the country and thereby help solve the country's problem of illegal importations.

Aside from rice, Senate President Enrile said that agricultural products such as pork, chicken, onion, garlic, ginger, among others are also illegally imported into the country. If illegal importation cannot be curbed, he asked what would be the basis of imposing additional taxes on the people. He said that the taxes that were not paid by the smugglers could have been used to augment the revenues of the government which, in turn, could have alleviated the tax burden of the people.

Senate President Enrile also stated that half a billion peso worth of smuggled goods is too huge a deal to conceal, hence, it is not impossible to find out the identities of the persons behind the illegal importations as well as their backers. He believed that a local bank facilitated the transfer of the funds, thus, an investigation should be conducted to find out who the people behind the smuggling activity are, which bank was used to facilitate the transaction, and, from what source the smugglers acquired the money, which might possibly be from *jueteng*, illegal drugs, or kidnapping activities.

He recalled an incident involving a shipment of 2,000 to 5,000 container vans that was transited from Manila to Batangas which suddenly got lost and its whereabouts remain unknown up to now. He stated that there are similar incidents that were left unsolved. He asserted that the issue of smuggling should not be set aside; rather, it should be investigated, and the

smugglers, their backers and financiers should be identified so as to put a stop to their activities. This way, he asserted, President Aquino's mission to grow the economy can be supported.

He cautioned that this is a test case on the resolve of the government to put an end to corruption. He stated that precisely, his privilege speech focused on illegal smuggling so that the concerned Senate committees, i.e. Blue Ribbon, Trade and Commerce, Ways and Means, etc. could look into it so that the big fish — the smugglers, their backers and financiers — will desist from pursuing their illegal activities and be punished accordingly.