

RECORD OF THE SENATE

TUESDAY, OCTOBER 16, 2001

OPENING OF THE SESSION

At 3:52 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

The President. The 32nd session of the First Regular Session of the Twelfth Congress is hereby called to order.

Let us all stand for the opening prayer to be led by Sen. Renato L. Compañero Cayetano.

Everybody rose for the prayer.

PRAYER

Senator Cayetano. Let us bow our heads in the presence of the Lord. This prayer is taken almost verbatim from "Prayers That Avail Much" by Germaine Copeland, entitled "The People of Our Land."

Father, in the Name of Jesus, we come before You to claim Your promise in 2 Chronicles, 7:14:

"If My people, who are called by My Name, shall humble themselves, pray, seek, crave, and require of necessity My face and turn from their wicked ways, then will I hear from heaven, forgive their sin, and heal their land."

We are Your people, called by Your Name. Thank You for hearing our prayers and moving by Your Spirit in our land. There are famines, earthquakes, floods, natural disasters, and violence occurring. Men's hearts are failing because of fear.

Lord, Your Son Jesus spoke of discerning the signs of the times. With the Holy Spirit as our helper, we are watching and praying.

We desire to humble ourselves before You, asking that a spirit of humility be released in us. Thank You for a quiet and meek spirit, for we know that the meek shall inherit the earth.

Search us, O God, and know our hearts; try us, and know our thoughts today. See if there be any wicked way in us, and lead us in the way everlasting.

Forgive us our sins of judging inappropriately, complaining about and criticizing our leaders. Cleanse

us with hyssop, and we will be clean; wash us, and we will be whiter than snow. Touch our lips with coals from Your altar that we may pray prayers that avail much for all men and women everywhere.

Lord, we desire to release rivers of living water for the healing of the nations, particularly our own, as we celebrate the 85th Founding Anniversary of the Senate.

In the Name of Jesus, Amen.

ROLL CALL

The President. The Secretary will please call the roll.

The Secretary, reading:

- Senator Edgardo J. Angara Present
Senator Teresa Aquino-Oreta Present
Senator Joker P. Arroyo Present
Senator Robert Z. Barbers Present
Senator Rodolfo G. Biazon Present
Senator Renato L. Compañero Cayetano Present
Senator Noli "Kabayan" De Castro Present
Senator Luisa "Loi" P. Ejercito Estrada Present
Senator Juan M. Flavier Present
Senator Gregorio B. Honasan Present
Senator Robert S. "JAWO" Jaworski Present
Senator Panfilo M. Lacson Present
Senator Loren B. Legarda Leviste Present
Senator Ramon B. Magsaysay Jr. Present
Senator Blas F. Ople Present
Senator John Henry R. Osmeña Present
Senator Sergio R. Osmeña III Present
Senator Francis N. Pangilinan Present
Senator Aquilino Q. Pimentel Jr. Present
Senator Ralph G. Recto Present
Senator Ramon B. Revilla Present
Senator Vicente C. Sotto III Present
Senator Manuel B. Villar Jr. Present
The President Present

The President. With 23 senators present, the Chair declares the presence of a quorum.

The Majority Leader is recognized.

THE JOURNAL

Senator Legarda Leviste. Mr. President, I move that we dispense with the reading of the Journal of the previous session and consider it approved.

* On official mission

hailed the so-called green revolution which enabled them to achieve record harvests of food and grain with the massive application of fertilizers and irrigation. In the Philippines, for example, programs like the "Masagana 99" led to bumper crops and significant increases in rice production. Since then, productivity gains have waned in many countries, largely offset by the effects of environmental damage and declining hectareage available to agriculture.

The increase in the productivity or per hectare yield of palay in the Philippines, for example, has virtually ground to a halt at an average annual growth of a mere one percent in the 1990s from an average increase of 2.7 percent annually in the 1970s and 2.8 percent annually in the 1980s. Mean yields per hectare for sugar have risen at an appreciably slower rate of 0.8 percent while for coconut, average yields per hectare have actually been falling at an average rate of two percent in the 1990s.

Overall, the recent performance of Philippine agriculture reflects its increasing vulnerability to weather changes. Per capita Gross Value Added in Agriculture at constant prices took a worrying downturn from P2,088 in 1997 to P1,875 in 1998 as a result of the El Niño phenomenon, and achieved only a slight recovery to P1,972 in 1999.

All of the above are signals that one way or another confirm the widespread concern that the productivity gains from the green revolution may have reached its limits. Experts all over the world urge that agriculture must now turn to new technological innovations if food production is to cope with the requirements of an increasing population.

Without PVP, Research and Development (R&D) on new plant varieties in the Philippines has hitherto been limited to publicly funded institutions like the IRRI, PhilRice and the Institute of Plant Breeding in UP Los Baños. These are clearly not enough to stimulate the needed productivity increases in our farming sector. Without a PVP system in place, even the efforts of existing publicly funded institutions are hamstrung by the limited set of genetic traits available. Elite varieties are needed to serve as the basis for the development of new improved varieties. Elite varieties which are already available in other countries are not available to Philippine researchers and farmers unless we have a PVP system that will assure foreign researchers and seed companies of their intellectual property rights.

Conclusion

Mr. President, one of the biggest challenges of the new millennium confronts us today. Burdened with the effects of environmental degradation, and severely constrained by the reduced hectareage available, agriculture will be hard put to cope

with the increasing food requirements of a growing population. Unless we take bold measures, the specter of food shortages may stalk us in the not-too-distant future. Even now, poverty, deprivation, and poor access to real, effective choices mark the lot of many of our farmers in the countryside. How dare we dream of global competitiveness when technological backwardness persists in our farms from our sheer neglect to provide the appropriate stimuli?

We live today in the knowledge era, where knowledge has replaced physical assets as the major source of income and wealth. If we must dream of a better future for our people, we should have the foresight and the courage now, in the present, to invest in systems and mechanisms that will ensure just rewards for efforts in innovation, inventiveness and the pursuit of new knowledge.

PVP is an investment in the potentials of our people to generate new knowledge that would propel significant productivity advances in agriculture. We have a wealth of bright young scientists and innovative researchers—valuable human resources in our universities and academic centers. Lamentably, many of them end up migrating to the United States in search of better opportunities. We must put an end to the brain drain, keep them at home and harness their talents for the domestic economy. In order to do so, we need to create vigorous and robust markets for their talents right here. A PVP system will create such market.

Ultimately, the beneficiaries of this measure will be our farm sector and our farmers. Let us make this indispensable investment for their future. Let us all lend our unanimous support to the passage of this bill.

Thank you, Mr. President and distinguished colleagues.

The President. The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF S. NO. 967

Senator Legarda Leviste. Mr. President, I move that we suspend consideration of Senate Bill No. 967 under Committee Report No. 4 to enable our colleagues to prepare for their interpellations.

The President. Is there any objection? [*Silence*] There being none, the motion is approved.

BILL ON SECOND READING S. No. 1824—Optional Reserved Officers Training Corps Program (Continuation)

Senator Legarda Leviste. At this point, I move that we

resume consideration of Senate Bill No. 1824, as reported out under Committee Report No. 3, Mr. President.

The President. Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 1824 is now in order.

Senator Legarda Leviste. I ask that the sponsor of the measure, Sen. Renato L. *Compañero* Cayetano, be recognized.

The President. Senator Cayetano is recognized.

Senator Legarda Leviste. For the interpellation, I ask that Sen. Teresa Aquino-Oreta be recognized.

The President. Senator Aquino-Oreta is recognized for the interpellation.

Senator Cayetano. Thank you, Mr. President.

With the permission of the lady senator from Malabon and the Philippines, I wish to advise that as a result of the interpellation of Senator Biazon, my good *kapitbahay* in Muntinlupa City, we have invited Secretary Angelo Reyes and the Chief of Staff, Gen. Diomedio Villanueva, to provide us this information that Senator Biazon wishes to seek.

Basically, I recall, Mr. President, during the interpellation yesterday by the distinguished gentleman, Senator Biazon, that he wants to find out if and when this Chamber would provide very attractive incentives to ensure that even if the ROTC program would be on an optional basis, there would be no number that might exceed the so-called standing reserve force as a result of an attractive incentive to take ROTC even if it was optional.

Since this sponsor, as well as my other cosponsors were not ready to provide that answer, we promised Senator Biazon that we would invite resource persons and they are here, Mr. President. And with the permission of Senator Aquino-Oreta, let me just provide an information to Senator Biazon that the information we gathered is that the required reserve force is anywhere from 22,000 to 25,000 a year, and basically, this comes from the ROTC—those who graduate from the basic ROTC.

The President. May the Chair suggest, with the permission of Senator Aquino-Oreta. Maybe, we can avail ourselves of the presence of the officials of the Executive department and finish the queries, satisfy the queries of Senator Biazon before we proceed with the interpellation of Senator Aquino-Oreta, if that is all right with Senator Aquino-Oreta.

Senator Aquino-Oreta. Yes, Mr. President.

The President. All right. May I then suggest that Senator Biazon proceed with his interpellation, if that is in order.

Senator Legarda Leviste. Yes, Mr. President, Senator Aquino-Oreta acceded to that request.

I move that Senator Biazon be recognized for his interpellations.

The President. Senator Biazon is recognized.

Senator Biazon. Thank you, Mr. President.

As a backgrounder for the need to pursue the questions raised yesterday, there were certain fundamentals that were established in yesterday's interpellations by this representation, Mr. President.

The first question that I would like to pursue, Mr. President, is: What kind or what size of mobilizable reserve force should the country maintain because of the fact that if approved, certain proposals under the bills now being considered would require Congress to support the conduct of the reserve officers training programs? Therefore, we must know the basis of this support.

So the first question, Mr. President, if I may, is: What size of the mobilizable reserve force would we like to maintain? Because in addition to the support to be provided the ROTC program, there are other questions I would like to raise like: If we have determined the mobilizable reserve force, what kind of armory on standby or arsenal on standby would the country also maintain?

So, Mr. President, as a review, Commonwealth Act No. 1 or the National Defense Act of 1935 did require the training and maintenance of a mobilizable reserve as a response to the war clouds then gathering over the Pacific.

May we know what is the size of the mobilizable reserve that we are to maintain right now?

Senator Cayetano. Mr. President, the mobilizable reserve force that we need for 2001 is 177,624. This is on the basis of the 15-year development program of the AFP reserve force buildup. These 177,624 would come from the so-called ready reserve, meaning based on RA No. 7077, ages 18 to 35, the standby reserve ages 36 to 51 and...

Senator Biazon. The third reserve.

Senator Cayetano. That is it. Which would amount to a yearly total of 22,692. So for the year 2001, Mr. President, the reserve force that could be mobilized is supposed to be 177,624. By the end of

the 15-year period, if Senator Biazon would wish to find out, the program for 2011 would require 403,758.

Senator Biazon. Let us explore this, Mr. President, if I may. We have three different levels or three different categories of reserves. The first is the ready reserve for ages 18 to 35, then the standby reserve for ages 35—

Senator Cayetano. Ages 36 to 51.

Senator Biazon. —36 to 51, and then the third reserve. I think I belong to that.

Senator Cayetano. The retired reserves who are infrequently called upon.

Senator Biazon. Yes. It could be very remote that this last category could be mobilized. But I belong to that. That is why I am even asking the officers of the Armed Forces of the Philippines that should I be mobilized, what kind of rank they are going to give me. Of course that is a very remote possibility.

Now, Mr. President, we are looking at the first category, ages 18 to 35, the category that we expect to be mobilized in terms of national emergency, whether it be of a widespread rebellion or in case of an invasion.

I would like to ask: What would be the strength that would compose the 18 to 35 or the ready reserve? Do we have the number, as it was in the case of the Second World War? I think there was a number mentioned and targeted which was 300,000 to half a million.

So the question is: What is the strength that we would like to maintain for the ready reserve?

Senator Cayetano. Under RA No. 7898, I have been informed, Mr. President, that the most ideal number will be... That is the first reserve.

Senator Biazon. Yes, Mr. President.

Senator Cayetano. The ready reserve—18 to 35 years old—is 400,000, Mr. President. And that is taken by the numbers that are available for the ready reserve times four.

Senator Biazon. Mr. President, may I clarify myself.

By mobilizable reserve, I am not only referring to the commissioned officers or the noncommissioned officers but also to the rank and file. So, what is our target number? Is it 400,000?

Senator Cayetano. Yes, Mr. President.

Senator Biazon. May I be given the benefits of what is the basis of 400,000?

Senator Cayetano. The basis of the 400,000 is the AFP Modernization Act known as Republic Act No. 7898, Mr. President.

Senator Biazon. This law prescribes 400,000?

Senator Cayetano. Under this law, it should be four times the regular force, Mr. President. So, if we have a standing force of 100,000, multiply it by four, that would be about 400,000.

Senator Biazon. So, when I entered the Armed Forces of the Philippines in 1961 as a 2nd Lieutenant after graduating from the Philippine Military Academy, the strength of the armed forces was 45,000. What happens if we go back to that strength—45,000?

The gentleman will remember, Mr. President, that under the AFP Modernization Law, we are supposed to downscale the strength of the Philippine Army.

Senator Cayetano. Mr. President, according to information that has been provided by our resource person, it will be the same. Because the AFP Modernization Act, Republic Act No. 7898, precisely requires a regular force on a ratio of 4:1—four reserve to one regular force.

Senator Biazon. Yes. That is the case. But the question I am raising is: Do we have a fixed number or strength of the base force or the regular force? Do we have a fixed strength of the regular force?

SUSPENSION OF SESSION

Senator Cayetano. May I move that we suspend the session for one minute.

The President. The session is suspended for one minute, if there is no objection. *[There was none.]*

It was 4:33 p.m.

RESUMPTION OF SESSION

At 4:34 p.m., the session was resumed.

The President. The session is resumed. Sen. Renato L. Compañero Cayetano is recognized.

Senator Cayetano. Mr. President, I understand, as a result of

the Congressional Joint Resolution No. 28, by virtue of Republic Act No. 7898, the Armed Forces of the Philippines was asked precisely to provide a 15-year development program. Joint Resolution No. 28 requires precisely the AFP to submit to Congress its program. And in the program, the number of standing regular force will be at 100,000.

Senator Biazon. Which means the minimum strength?

Senator Cayetano. Yes, Mr. President. That is how they computed it. And as far as the reserve force is concerned, as I said, after the 15-year period it would be 403,000. I understand that this is very much achievable.

Senator Biazon. Meaning, the mobilizable reserve.

Senator Cayetano. Yes, Mr. President.

Senator Biazon. So, altogether, if we have a declared national emergency, if there is full mobilization, we are looking at an armed force of half a million?

Senator Cayetano. That is right, Mr. President, consisting of a regular force of 100,000 and 403,000 reserve force.

Senator Biazon. All right then. In the development of the mobilizable reserve, Mr. President, what then will be the annual rate of requirement?

Let me change the question. If we have a mobilizable reserve of 400,000, how many of the 400,000 mobilizable reserve will be composed of officers? How many would be officers, the officer complement?

Senator Cayetano. Mr. President, per computation of our resource staff, for the 18-year-old to 35, 400,000 will be divided by 18. That is the 18-year gap, between 18 and 35, more or less. And the figure will be at 22,000 reserve force, and about 10 percent of this will be members of the officer corps.

Senator Biazon. So, we need 2,200 reserve officers every year?

Senator Cayetano. Every year, yes, Mr. President.

Senator Biazon. Assuming that 100 percent of them will be called to active duty. Is that right?

Senator Cayetano. That is right, Mr. President.

Senator Biazon. So, we provide a little bit excess for purposes of allowances. What is the figure that we are using therefore?

Senator Cayetano. The figure being used is 10 percent of the reserve force, Mr. President.

Senator Biazon. No, the number in excess of the 2,200 to allow for casualties—not battle casualties but casualties from the list. Drop off, for example.

Senator Cayetano. I understand, Mr. President, that it will also be computed at 10 percent. So, here, it will be about 200.

Senator Biazon. It will be 2,000 something.

Senator Cayetano. Yes, 2,200.

Senator Biazon. Meaning, we must have an arbitrary number. We must produce a yearly graduate of 2,500 reserve officers.

Senator Cayetano. Yes, Mr. President, more or less, 2,400 actually.

Senator Biazon. Now, those are graduates from the advanced ROTC.

Senator Cayetano. Yes, from advanced ROTC.

Senator Biazon. How do we translate that to the basic ROTC? Definitely, we will not be saying that 2,500 enrolling in the first year of the basic ROTC will be the same number that will reach or will be graduating from advanced ROTC.

Senator Cayetano. As we know, Mr. President, the two-year basic ROTC, all of them, as reserve force, will only be enlisted men. Only the advanced ROTC—

Senator Biazon. Yes, Mr. President.

Senator Cayetano. —will be the source of the officer corps.

Senator Biazon. I agree, Mr. President. But I think we need to know these numbers because Congress must be prepared in order to ensure that the ROTC program will not die when we make it optional by making it attractive. And the proposal is that, one, they should be provided free uniforms; two, they should not be charged for training materials; three, if the concept developed is they should conduct summer training instead of the once-a-week drills, then we must provide for their subsistence allowance. Therefore, we must know how much Congress is expected to come up in support of the program.

Now, the fourth proposal, of course, in making this attractive is to stop the payment of the tuition fee.

Senator Cayetano. Yes, Mr. President. I have the figure here which probably might enlighten myself as well as my good colleague and everyone. In 1999-2000 school year, basic ROTC graduates number 131,862. Out of that only 2,108 went to advanced ROTC.

Senator Biazon. Yes, Mr. President.

Senator Cayetano. For the school year 2000-2001, the basic ROTC enrollees number 132,158, a slight movement but basically almost the same. The advanced ROTC program only elicited 2,098 students.

Senator Biazon. The basic ROTC graduates are supposed to be the noncommissioned officers in the event of a mobilization.

Senator Cayetano. That is right, Mr. President.

Senator Biazon. Yes. So that we really need to put a number. What is the ratio of noncommissioned officers to officers, Mr. President?

Senator Cayetano. Let me see. *[Pause]*

Senator Biazon. By noncommissioned officer, the gentleman is referring to buck sergeant, beginning from buck sergeant up. These are the ROTC graduates from basic course. So, what is the ratio of officers to noncommissioned officers? If we require an infusion of 2,500 officers a year, then we must have a corresponding number that we must graduate from basic ROTC. What is the number?

Senator Cayetano. Mr. President, if we look at the figure I gave the gentleman, for instance, in 1999-2000 school year, the basic ROTC graduated 131,000. Only 2,108 went to advanced ROTC.

Senator Biazon. Yes, Mr. President, but this does not reflect the need. For example, let us look at a platoon. A platoon has one officer, then we have the platoon sergeant and three squad leaders. So for that one officer, we need four or five, including the assistant platoon sergeant. And, of course, that is as far as the infantry is concerned.

But what about the technical services of the Philippine Navy and the Philippine Air Force? What is the ratio of noncommissioned officers to commissioned officers?

SUSPENSION OF SESSION

Senator Cayetano. Mr. President, I move that we suspend the session for one minute, as I confer with my resource person.

The President. Is there any objection? *[Silence]* There being none, the session is suspended for one minute.

It was 4:45 p.m.

RESUMPTION OF SESSION

At 4:46 p.m., the session was resumed.

The President. The session is resumed. Senator Cayetano is recognized.

Senator Cayetano. In reply to Senator Biazon's question, I have been provided here by my resource group, Mr. President, that for every 100 enlisted personnel, we would need 10 officers, and out of the 100 enlisted personnel we have a noncommissioned officer of about 40.

Senator Biazon. Starting from buck sergeant?

Senator Cayetano. Yes, Mr. President.

Senator Biazon. I cannot see that as an accurate reflection of the need. However, I will defer pursuing this. The question that I am raising is this. We need to graduate 2,500 every year from advanced ROTC. How many do we need to graduate yearly as far as the basic ROTC is concerned? Because if we get this number, then we can get an estimate of how much Congress will have to provide in its General Appropriations Act every year so that we may be able to determine what kind of support we can put in the law, like uniform, mess allowance during summer training.

What about the issue, Mr. President, that I raised yesterday, about the tuition fee that is being paid by the ROTC cadet to school? Are we going to provide in the law that this should continue or should we cut it to make the ROTC program a little bit more attractive? These are the reasons I am asking this. I am not going to pursue this to the detail because this can be taken care of by the implementing rules and regulations.

So, may I now ask the last question. The question yesterday was, the ROTC cadets pay tuition fee for those units corresponding to the ROTC. Is this correct, Mr. President?

Senator Cayetano. That is right, Mr. President.

Senator Biazon. And in order to make the program more attractive, should we include in the law that this should already be stopped?

Senator Cayetano. Well, Mr. President, first of all, let me rectify the record from yesterday. I have now the official documents

on the distribution of the collected ROTC fee. As I mentioned yesterday, the average ROTC fee ranges from a low of P300 to a high of P1,000. According to the Commission on Higher Education Memorandum No. 20, Series of 1999, 70 percent of these collected ROTC fees are considered as "trust fund" and given to the Armed Forces of the Philippines.

Let me correct that again, Mr. President. The 70 percent is kept by the school separately as trust fund to be remitted to the commandant, as requested, and the 30 percent goes to the school. I just want to clear that record.

Now, in reply to the question, Mr. President, the answer is yes. If we consider ROTC as a free curriculum or part of the curricula of every university and college for a college student, definitely, that will be a great incentive because right now the parents or the cadets themselves pay for this ROTC fee. So eliminating the fee totally or for that matter decreasing it to a level that we could agree upon, we really make ROTC program—even though it is optional—"very attractive," to use the word of the gentleman.

Senator Biazon. On record, Mr. President, if I may, how much of the 70 percent retained by the school go to the commandant?

Senator Cayetano. I understand that this is available to the commandant at his request.

Senator Biazon. Yes, Mr. President.

Senator Cayetano. And it is used for various purposes. In fact, there is a long list, Mr. President, of the utilization of ROTC trust fund. And for the record, I would like to read this in fairness to the ROTC commandant:

1. Suitable and well-secured armories for the storage of arms, equipment, supplies, and ammunition;
2. Clerks and other personnel to receive, store, maintain, issue, account, or otherwise, to attend to administrative matters pertaining to AFP properties loaned to DMST for their use;
3. Cleaning materials and supplies necessary for the upkeep and preservation of arms and equipment;
4. Adequate office spaces for the DMSTs;
5. Sufficient office equipment and supplies for the efficient maintenance and operation of DMSTs;

6. Rent or manufacture of training aids;
7. Hiring of additional instructors;
8. Special uniforms for the ROTC band and model company at the option of the institution concerned;
9. National and institutional color and guidons;
10. Transportation allowances for assigned military personnel and cadets at the option of the institution concerned;
11. Rental of facilities or equipment for the conduct of ROTC training;
12. Reception during presentation of sponsors, graduation, and other important occasions;
13. Subsidy and incentives to advanced ROTC and top cadet officer; and
14. Miscellaneous expenditures like payment for the manufacture of certificate of completion of the basic-advanced ROTC cadets and other purposes and contingencies.

That is how the ROTC trust fund is spent, Mr. President.

Senator Biazon. Anyway, Mr. President, to cut this interpellation short, I will defer further questions. But may I be given the permission to consult with the Department of National Defense for my purposes because I am now crafting the proposed amendments to the bill that would touch on this issue.

Senator Cayetano. I do not know if I am supposed to give that consent, but if my good friend is asking me, by all means. After all, these officers are public servants, and they are most willing to assist the gentleman in preparing his very important bill at any time convenient to them, Mr. President.

Senator Biazon. In that case, Mr. President, I would like to thank the sponsor and the resource persons.

Thank you, Mr. President.

Senator Cayetano. Thank you, Mr. President. After these very technical interpellations by Senator Biazon, I am now willing to take over the chairmanship of the Defense Committee. *[Laughter]*

The President. The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF S. NO. 1824

Senator Legarda Leviste. Mr. President, we thank the distinguished sponsor for his answers. There are a lot of our colleagues who wish to interpellate Senator Cayetano on this bill. However, many of them are not on the floor now, and because of our schedule for today, I move that we suspend consideration of Senate Bill No. 1824.

The President. Is there any objection? [*Silence*] There being none, consideration of Senate Bill No. 1824 is suspended.

Senator Legarda Leviste. Mr. President, for the Privilege Hour, I move that we recognize Sen. Ramon B. Magsaysay Jr. for his privilege speech.

The President. Sen. Ramon B. Magsaysay Jr. is recognized.

PRIVILEGE SPEECH OF SENATOR MAGSAYSAY
(**Graft and Corruption: Crime Against the Poor
and Hungry**)

Senator Magsaysay. Thank you, Mr. President.

Mr. President, this is a very short and concise topic. The title of this speech is "Graft and Corruption: Crime Against the Poor and Hungry."

Mr. President, my fellow senators:

At the outset, allow me to highlight this speech by illustrating a parallelism in the manner we regard a disease and our seeming indifference towards graft and corruption.

Upon knowledge of malignant cells within the body, we acknowledge that something is wrong, yet we deny that it is there, tearing within our physical makeup, slowly eating away the very fiber that is life.

The same is true with graft and corruption. We are aware it exists, that little by little, our social moral fabric is weakened, and yet we allow it to permeate our system.

As I speak, the First Global Corruption Report 2001 was released by Transparency International (T-I), the Berlin-based nongovernment organization fighting corruption.

The 2001 Corruption Perceptions Index or CPI earlier released ranks the Philippines 65th among 91 countries in the world (or 25th slot above the lowest which is Bangladesh) with the highest levels of corruption.

The Index was culled from 14 surveys conducted by seven

independent institutions and reflects the perceptions of business, the academe and analysts.

Peter Eigen, chairman of Transparency International, is alarmed of a "worldwide corruption crisis" which is the clear message of the report.

Eigen stressed, "The world's poorest are the greatest victims of corruption" and "Vast amounts of public funds are being wasted and stolen by corrupt officials."

As early as 1939, John Steinbeck has established this reality in his book *Grapes of Wrath*, a novel of social protest where the charity of the poor was effectively contrasted with the greed of the rich.

The Index revealed that some of the most well-off countries in the world, namely: (1) Finland, (2) Denmark, (3) New Zealand, (4) Iceland, and (5) Singapore yielded extremely low levels of perceived corruption. However, 55 countries which are among the world's poorest, indicated high levels of corruption in government.

Social imbalance does not look more pronounced than in the Philippines. Here, those in power are getting richer and the poor find themselves in deeper social and financial quagmire.

Mr. President, the Mindanao Business Council estimated the losses to corruption at no less than P609 billion over the last five years, or an amount slightly lower than the proposed 2002 national budget of P780 billion.

The United States Agency for International Development (USAID) placed losses to corruption in the annual national budget at about 20 percent at least.

What Is Needed?

According to Procurement Watch, a nongovernment organization headed by Edgar Campos, a conservative P95 billion will be lost this year due to corruption from government procurement allotment of P476 billion.

While we watch very closely corruption in our tax collection system, we must at the same time be vigilant about the massive corruption in the government procurement system.

Government procurement, up to now, is shrouded in secrecy despite the presence of bodies such as the Commission on Audit.

Greater transparency in all areas of government practice is probably the best single way to fight corruption.