

REFORM, CHANGE AND GROWTH

**State of the Nation Address
of His Excellency Fidel V. Ramos
President of the Philippines
July 27, 1992**

MR. SENATE PRESIDENT,

MR. SPEAKER,

LADIES AND GENTLEMEN OF CONGRESS,

MGA MAHAL KONG KABABAYAN;

TODAY WE BEGIN OUR JOINT AND COMPLEMENTARY EFFORTS TO DISCHARGE GOVERNMENT'S SWORN DUTY TO OUR PEOPLE AND OUR COUNTRY.

ORDINARILY, THIS OCCASION HAS FOR ITS TIME-FRAME THE YEAR JUST PAST AND THE YEAR UNFOLDING.

BUT FOR US, THIS GATHERING HAS A MORE TRANSCENDENT MEANING. FOR IT ALSO BEGINS OUR TERMS OF OFFICE. AND THAT CANNOT BUT ENLARGE OUR HORIZON AS WE SURVEY THE STATE OF OUR NATION.

I STAND HERE TO ASK FOR THE SUPPORT OF CONGRESS AND TO OFFER MY HAND IN A PARTNERSHIP OF PATRIOTISM AND PROGRESS BETWEEN THE EXECUTIVE AND THE LEGISLATIVE. OUR CONSTITUTION SPECIFIES SEPARATE POWERS AND RESPONSIBILITIES FOR CONGRESS AND THE PRESIDENCY -- AS DISTINCT AND CO-EQUAL BRANCHES OF GOVERNMENT. YET OUR CHARTER ALSO REMINDS US WE ARE NOT RIVALS FOR POWER, BUT PARTNERS IN SERVING THE NATIONAL INTEREST.

THOUGH THERE ARE TASKS THAT ONLY THE EXECUTIVE OR THE LEGISLATURE MAY CARRY OUT, WE ARE BOTH TRUSTEES OF A COMMON HERITAGE, A COMMON INTEREST, A COMMON PURPOSE.

WE STAND ON THE THRESHOLD OF DESTINY. THE END OF MY TERM WILL COINCIDE WITH THE CENTENNIAL OF OUR DECLARATION OF INDEPENDENCE. SIX YEARS HENCE, THE GOVERNMENTS THIS NATION HAS ENDURED WILL PASS IN REVIEW AND RECEIVE THE JUDGMENT OF HISTORY. THEY WILL BE ASKED WHAT THEY DID WITH THE COUNTRY'S INDEPENDENCE. MY ADMINISTRATION WILL BE THE LAST BEFORE THE CENTENNIAL. THAT IS MY LUCK, FOR IT WILL NATURALLY RECEIVE THE CLOSEST SCRUTINY.

IT IS NOT ONLY THE SPIRIT OF INDEPENDENCE THAT WILL DEMAND A RECKONING. IN THE NEXT SIX YEARS, THE NATION WILL COMMEMORATE OTHER GREAT CENTENNIALS: THE CRY OF PUGAD LAWIN, THE BATTLE OF PINAGLABANAN, THE EXECUTION OF RIZAL. ONE HUNDRED YEARS OF SACRIFICE AND STRUGGLE, THE GHOSTS OF A GENERATION OF FOUNDING HEROES SHALL STEP FROM THEIR MONUMENTS TO DEMAND AN ACCOUNTING OF THE LEGACY THEY LEFT BEHIND.

IN THIS SPIRIT, I COME HERE TODAY TO REPORT TO YOU ON THE STATE OF THE NATION; AND TO TELL YOU OF THE COURSE I PROPOSE WE FOLLOW IN MEETING OUR SHARED RESPONSIBILITY.

TWENTY-EIGHT DAYS AGO, I ENTERED INTO THE PRESIDENCY. SINCE THEN, MY PRINCIPAL OBJECT HAS BEEN TO KNOW ALL THAT ONE CAN POSSIBLY KNOW -- IN THAT BRIEF TIME -- OF THE PROBLEMS FACING THE NATION, THE OPPORTUNITIES OPEN TO US, AND THE SUPPORT WE CAN COUNT ON FROM OUR PEOPLE AND FROM OUR FRIENDS IN THE WORLD.

I SHALL NOT PRETEND THAT MY ADMINISTRATION NOW KNOWS ALL THE ANSWERS. NOR THAT WE NOW HAVE ALL THE REQUISITES TO MEET EVERY PROBLEM AND EVERY CONTINGENCY.

BUT THIS MUCH IS CLEAR TO ME: THOUGH OUR PROBLEMS ARE GRAVE, WE ARE MUCH BETTER PLACED TO ADDRESS THEM THAN OUR PREDECESSORS WERE, A YEAR OR SO AGO.

THOUGH OBSTACLES MAY SHADOW OUR LABORS, WE HAVE THE CRUCIAL REQUISITE FOR SURMOUNTING THEM: AND THAT IS THE COMBINED RESOLVE OF OUR PEOPLE AND THEIR ELECTED REPRESENTATIVES TO JOIN TOGETHER AND FACE ALL PROBLEMS AND ALL DANGERS.

HIGHLIGHTS OF THE YEAR

I SEE OUR TASK NOT IN TERMS OF ANY SPECIFIC PROBLEM BUT IN THE LIGHT OF THE PURPOSES OF UNION ENSHRINED IN THE PREAMBLE TO OUR CONSTITUTION:

"TO BUILD A JUST AND HUMANE SOCIETY AND ESTABLISH A GOVERNMENT THAT SHALL EMBODY OUR IDEALS AND ASPIRATIONS, PROMOTE THE COMMON GOOD, CONSERVE AND DEVELOP OUR PATRIMONY, AND SECURE TO OURSELVES AND OUR POSTERITY THE BLESSINGS OF INDEPENDENCE AND DEMOCRACY UNDER THE RULE OF LAW AND A REGIME OF TRUTH, JUSTICE, FREEDOM, LOVE, EQUALITY AND PEACE. "

SOME OF THESE HOPES HAVE ATTAINED A MEASURE OF FULFILLMENT UNDER THE PAST ADMINISTRATION AND THE LAST CONGRESS.

CERTAINLY WE ARE TODAY A NATION CONFIRMED IN OUR CONSTITUTIONAL DEMOCRACY: STRENGTHENED BY THE TRIALS WE HAVE WEATHERED.

CONSIDERABLE STABILITY HAS BEEN ATTAINED IN THE ECONOMY -- AS EFFORTS AT STABILIZATION, RESTRUCTURING AND REFORM OVER THE LAST SIX YEARS HAVE BORNE FRUIT.

BUT OUR PEOPLE STILL LIVE UNDER THE WEIGHT OF MANY PROBLEMS. THE INDICATORS OF NATIONAL LIFE TELL US JUST HOW HEAVY IS THIS BURDEN:

THE TOP 20 PERCENT OF FILIPINO FAMILIES RECEIVES 50 PERCENT OF OUR COUNTRY'S TOTAL HOUSEHOLD INCOME; THE LOWEST 20 PERCENT RECEIVES ONLY 5 PERCENT. AT LEAST 5.8 MILLION FAMILIES -- OVER HALF OF ALL OUR HOUSEHOLDS -- DO NOT EARN ENOUGH TO MEET THEIR BASIC NEEDS.

IN 1991, SOME 2.3 MILLION OF OUR WORKERS WERE JOBLESS; AND 7.6 MILLION OF THOSE WHO HAD JOBS WERE WORKING LESS THAN 40 HOURS A WEEK.

MEANWHILE, 860,000 YOUNG PEOPLE JOIN THE LABOR FORCE EVERY YEAR.

THESE SEVERITIES OF ECONOMIC LIFE TRANSLATE INTO GRAVE PROBLEMS IN POLITICS AND SOCIAL LIFE.

TODAY WE ARE ONE OF A FEW COUNTRIES BURDENED WITH THE COMBINED WEIGHT OF COMMUNIST INSURGENCY AND OTHER REBELLIONS.

CRIME MAKES OUR STREETS UNSAFE, AND THREATENS OUR CITIZENS IN THEIR HOMES.

SOCIAL SERVICES HAVE LAGGED BADLY BEHIND THE RISE OF POPULATION AND THE MASS MIGRATION TO OUR CITIES OF POOR RURAL PEOPLE. NEIGHBORHOODS ARE DETERIORATING AND TOO MANY FAMILIES ARE WITHOUT ADEQUATE HOUSING. OUR EDUCATION AND HEALTH SERVICES ARE UNDER UNBEARABLE STRAIN.

AND EVERY DAY THAT WE DELAY MEETING THESE PROBLEMS, THEY GROW MORE INTRACTABLE.

THE TEST IS WHETHER WE CAN ACT WITH DISPATCH TO ANSWER THESE CHALLENGES -- NOT TOMORROW BUT TODAY.

PEACE AND SECURITY

PEACE AND SECURITY ARE THE FIRST URGENT PROBLEM. FOR AS LONG AS INSTABILITY AND UNCERTAINTY CHARACTERIZE OUR COMMON LIFE, WE SHALL NOT MAKE ANY HEADWAY.

THIS IS WHY IN MY INAUGURAL ADDRESS I IMMEDIATELY RAISED THE ISSUE OF AMNESTY TO ENABLE ALL REBELS TO RE-ENTER CIVIL SOCIETY AS LAW-ABIDING CITIZENS.

OUR GOAL MUST BE TO ATTAIN A JUST, COMPREHENSIVE, PEACEFUL AND LASTING RESOLUTION OF THE INTERNAL ARMED CONFLICT THAT HAS COST THE NATION AND OUR PEOPLE SO DEARLY.

THIS EFFORT MUST GO HAND IN HAND WITH THE THRUST OF MY GOVERNMENT TO INSTITUTE BASIC REFORMS TO ROOT OUT THE CAUSES OF REBELLION.

AFTER LENGTHY CONSULTATIONS WITHIN THE GOVERNMENT AND THE PRIVATE SECTOR, I AM NOW PREPARED TO TAKE THE FOLLOWING STEPS.

FIRST, I AM SUBMITTING TO CONGRESS TODAY AN AMNESTY PROCLAMATION THAT WILL COVER SOME 4,500 FORMER REBELS -- 2,100 FORMER MEMBERS OF THE CPP/NPA AND 2,400 FORMER MEMBERS OF THE MNLF -- WHO HAVE ALREADY APPLIED FOR AMNESTY UNDER EXECUTIVE ORDER NO. 350, PROMULGATED ON MARCH 13, 1989, AS WELL AS THOSE WHO MAY STILL WISH TO APPLY FOR AMNESTY UNDER THIS EXECUTIVE ORDER. I ASK FOR IMMEDIATE CONGRESSIONAL CONCURRENCE.

THIS GRANT OF AMNESTY IS THE INITIAL STEP IN A COMPREHENSIVE PEACE AND UNIFICATION PROCESS THAT SHALL ADDRESS THE PROBLEM OF BRINGING BACK ALL OTHER REBELS TO THE FOLD OF THE LAW. I THEREFORE INVITE BOTH CHAMBERS OF CONGRESS TO JOIN THE EXECUTIVE IN CONSTITUTING A NATIONAL UNIFICATION COMMISSION, THAT WILL INCLUDE REPRESENTATIVES OF THE PRIVATE SECTOR. THIS COMMISSION WILL UNDERTAKE EXTENSIVE CONSULTATIONS WITH CONCERNED SECTORS OF SOCIETY, INCLUDING REBEL GROUPS, IN ORDER TO FORMULATE A VIABLE AMNESTY PROGRAM AND THE PROCESS THAT WILL LEAD TO A JUST, COMPREHENSIVE AND LASTING PEACE.

THE COMMITTEE MUST SUBMIT ITS FINDINGS AND RECOMMENDATIONS WITHIN 90 DAYS.

I HAVE ALSO DIRECTED THE SECRETARIES OF JUSTICE, DEFENSE AND INTERIOR AND LOCAL GOVERNMENT TO REVIEW THE CASES OF SO-CALLED REBELS UNDER DETENTION OR SERVING SENTENCE AND TO RECOMMEND AS SOON AS POSSIBLE WHO CAN BE RELEASED THROUGH ADMINISTRATIVE ACTION, GRANTED EXECUTIVE CLEMENCY, OR RECOMMENDED FOR RELEASE UNDER BAIL, WITH THE END IN VIEW OF FURTHER CREATING A FAVORABLE CLIMATE FOR NATIONAL UNITY.

FINALLY, I ASK CONGRESS TO REPEAL REPUBLIC ACT NO. 1700, AS AMENDED, SO THAT THE COMMUNIST PARTY OF THE PHILIPPINES AND SIMILAR ORGANIZATIONS WILL NO LONGER BE OUTLAWED BUT ALLOWED TO COMPETE FREELY, OPENLY AND PEACEFULLY IN THE POLITICAL, ECONOMIC AND SOCIAL ARENA INSTEAD OF THEIR FOLLOWING THE PATH OF THE ARMED STRUGGLE.

PEACE IS A PROCESS. AND WE MUST ALL JOIN HANDS TO BIND AND HEAL THE CONFLICTS THAT HAVE SO LONG DIVIDED AND HELD US BACK.

CRIME AND PUBLIC ORDER

CRIME IS THE OTHER PROBLEM THAT ENDANGERS OUR PEACE.

WHEN PUBLIC ORDER BREAKS DOWN; WHEN MEN, WOMEN AND CHILDREN FEAR FOR THEIR SAFETY IN THE STREETS AND IN THEIR HOMES; WHEN CONTEMPT AND MISTRUST CHARACTERIZE CITIZENS' ATTITUDES TOWARD LAWFUL AUTHORITY, THEN WE ALL -- YOUNG AND OLD, RICH AND POOR -- ARE VICTIMIZED.

THESE PAST 28 DAYS SHOW US WHAT CAN BE DONE ONCE THE WILL IS THERE. THE CREATION OF THE PRESIDENTIAL ANTI-CRIME COMMISSION IS ONLY THE BEGINNING. MORE IS REQUIRED TO ERADICATE THIS PLAGUE ON OUR SOCIETY.

FIRST, I ASK CONGRESS TO RESTORE THE DEATH PENALTY TO COVER HEINOUS CRIMES, WHICH OF LATE HAVE ENJOYED A RESURGENCE -- ENCOURAGED, NO DOUBT, BY THE WEAKNESS OF OUR DETERRENTS.

SECOND, LET US DEAL DECISIVELY WITH THE SCALAWAGS IN UNIFORM BY DOUBLING THE PENALTIES FOR LAW ENFORCERS AND MILITARY PERSONNEL WHO COMMIT CRIMINAL ACTS. AND LET US IN THE SAME MEASURE PROVIDE INCENTIVES AND REWARDS FOR PUBLIC SERVANTS IN UNIFORM WHO SHOW DEDICATION AND SKILL.

THIRD, LET US IMPROVE OUR INSTITUTIONAL AND PROFESSIONAL CAPABILITY FOR CRIME PREVENTION AND CRIME SUPPRESSION AT BOTH NATIONAL AND LOCAL LEVELS. THESE MEASURES SHOULD INCLUDE A STRICTER FIREARMS CONTROL LAW AND MORE EFFECTIVE ACTIONS BY OUR PEACE AND ORDER COUNCILS.

SIX-YEAR DEVELOPMENT PLAN

IN THE ECONOMY, WE MUST MOVE FORWARD FROM STABILIZATION AND RESTRUCTURING TO MEASURES AND POLICIES DESIGNED FOR GROWTH.

ONE STEP ABOVE ALL IS ESSENTIAL: THE FORMULATION OF A NATIONAL MID-TERM DEVELOPMENT PLAN FOR THE SIX YEARS FROM 1993 TO 1998.

IN THE FRAMING OF THIS PLAN, I INVITE THE PARTICIPATION OF CONGRESS; AND THIS CAN BE FACILITATED BY THE SPEEDY CREATION OF A LEGISLATIVE-EXECUTIVE

DEVELOPMENT COUNCIL, WHICH I RECOMMEND TO YOU.

I SHALL SOON SUBMIT TO CONGRESS THE PROPOSED NATIONAL BUDGET FOR FISCAL YEAR 1993.

THROUGH THE BUDGET, WE SHALL PUMP-PRIME THE ECONOMY; STIMULATE GROWTH BY FOCUSING PUBLIC INVESTMENTS ON PROGRAMS WITH THE HIGHEST PRODUCTIVE AND ECONOMIC RETURNS; AND PROVIDE SOCIAL SERVICES AND PRODUCTIVITY PROGRAMS THAT WILL EMPOWER THE MAJORITY AMONG US WHO ARE NOW WITHOUT THE MEANS TO LEAD DECENT AND USEFUL LIVES, PARTICULARLY THE FARMING, FISHING AND LABOR SECTORS.

INFRASTRUCTURE DEVELOPMENT

INFRASTRUCTURE-BUILDING WE MUST PUSH AGGRESSIVELY. THIS WILL NOT ONLY CREATE JOBS IN THE COUNTRYSIDE. IT WILL ALSO GIVE INVESTORS PROOF OF OUR RESOLVE TO PROVIDE GROWTH A SOLID FOUNDATION FOR SUSTAINABLE DEVELOPMENT.

OUR PRIORITIES ARE COMMUNICATIONS, ARTERIAL HIGHWAYS, LOCAL AND NATIONAL ROADS, MAJOR BRIDGES, URBAN HIGHWAYS, AND MAJOR WATER CONSERVATION AND FLOOD CONTROL PROJECTS.

FOR EFFICIENCY AND CONTINUITY, ALL THESE SHOULD BE PROVIDED MULTI-YEAR FUNDING.

WE SHALL ALSO TAP PRIVATE RESOURCES UNDER THE BUILD-OPERATE-AND-TRANSFER AND SIMILAR SCHEMES. TO LIBERALIZE THE PRIVATE SECTOR'S ENTRY INTO THE TRANSPORT INDUSTRY, IT WILL BE NECESSARY TO AMEND THE 50-YEAR OLD PUBLIC SERVICE LAW.

PUBLIC FINANCE

TO FINANCE THIS INFRASTRUCTURE PROGRAM, WE SHALL BE UNRELENTING IN COLLECTING WHAT IS DUE THE GOVERNMENT IN TAXES, DUTIES AND OTHER REVENUES.

THIS CAN BE ATTAINED PRIMARILY BY CRACKING DOWN ON TAX EVADERS. TAX EVASION CAN BE CURBED IF WE CAN SHOW THAT EVADERS -- WHOEVER THEY MAY BE - - WILL NOT GO UNDETECTED AND UNPUNISHED.

BUT LET ME ALSO TELL YOU NOW THAT WE CANNOT MAKE DO WITH OUR PRESENT REVENUE BASE. DEVELOPMENT HAS A PRICE THAT MUST BE PAID.

WE SHALL SUBMIT TO YOU A SET OF REVENUE PROPOSALS THAT WILL ENABLE US TO PAY THIS PRICE EQUITABLY.

DEBT MANAGEMENT

ON DEBT MANAGEMENT, WE ARE ADOPTING A GROWTH-ORIENTED STRATEGY, TO CONTAIN OUR OBLIGATORY BURDEN OF DEBT-SERVICING.

I ASSURE YOU WE SHALL ALSO BE MUCH MORE ASSERTIVE IN NEGOTIATING WITH OUR CREDITORS TO GAIN BETTER TERMS.

SOME MEMBERS OF CONGRESS HAVE EXPRESSED ANXIETY ABOUT MY DECISION

TO SIGN THE NEW RESTRUCTURING AGREEMENT THAT THE PAST ADMINISTRATION HAD REACHED WITH PRIVATE CREDITORS. BUT TO FOREGO THIS AGREEMENT WOULD HAVE MEANT STALLING OUR FORWARD MOVEMENT AND GOING BACK TO SQUARE ONE -- WITHOUT ANY ASSURANCE THAT WE CAN RENEGOTIATE -- LET ALONE GET -- BETTER TERMS.

MONETARY PROGRAM

TO MAINTAIN ECONOMIC STABILITY, WE NEED CONTINUED FISCAL AND MONETARY DISCIPLINE. WE INTEND TO KEEP THE BUDGET DEFICIT WITHIN MANAGEABLE AND ALLOWABLE LEVELS.

BY ADHERING TO THIS AUSTERE MONETARY PROGRAM, WE SHOULD BE ABLE TO KEEP DOWN INFLATION TO A SINGLE DIGIT THROUGHOUT THE REST OF THE YEAR AND BEYOND.

ALONGSIDE THE MONETARY PROGRAM, WE NEED TO IMPROVE THE FINANCIAL POSITION OF THE CENTRAL BANK.

THESE MEASURES WILL SET THE STAGE FOR STRENGTHENING THE FINANCIAL SYSTEM -- AND BRING DOWN THE REGIME OF HIGH INTEREST RATES.

WE SHOULD THEN BE ABLE TO MOBILIZE DEVELOPMENT FINANCING FOR BOTH AGRICULTURE AND INDUSTRY -- NOT JUST THROUGH GOVERNMENT FINANCIAL INSTITUTIONS BUT PRIMARILY THROUGH THE PRIVATE BANKING SYSTEM, WHOSE BUSINESS THAT OUGHT TO BE.

ENERGY

IN ENERGY, WE HAVE MOVED WITH SPEED TO MODERATE THE CRISIS. BUT A NEW DEPARTMENT OF ENERGY IS STILL IMPERATIVE -- TO MAKE SURE OUR EXPERIENCE OF LONG BROWNOUTS DURING THE PAST SEVERAL MONTHS IS NEVER REPEATED AND OUR LONG-TERM ENERGY NEEDS ARE MET.

THIS NEW DEPARTMENT WILL PLAN, IMPLEMENT, COORDINATE AND SUPERVISE ALL POLICIES AND PROGRAMS ON ENERGY. THE LAW WE PROPOSE WILL ALSO ESTABLISH AN ENERGY DEVELOPMENT FUND TO BE SOURCED FROM THE OIL PRICE STABILIZATION FUND.

TRADE

IN TRADE, WE EXPECT A RISE IN EXPORT DEMAND AS OUR MAJOR MARKETS RETURN TO GROWTH. YOU CAN COUNT ON THE EXECUTIVE TO DO ALL WE CAN TO MAKE OUR INDUSTRIES WORLD-COMPETITIVE.

THIS MEANS GRADUALLY ABOLISHING ALL REMAINING QUANTITATIVE RESTRICTIONS ON TRADE, LIBERALIZING THE FOREIGN EXCHANGE MARKET AND ADOPTING A MORE REALISTIC FOREIGN EXCHANGE RATE.

INVESTMENTS

IN SUPPORT OF THE FOREIGN INVESTMENTS ACT, I ASK CONGRESS TO AMEND THE CONDOMINIUM LAW AND LIBERALIZE NATIONALITY REQUIREMENTS IN THE OMNIBUS INVESTMENT CODE. THE OBJECTIVE IS TO MAKE FOREIGN COMPANIES SECURE IN THE POSSESSION OF THEIR PLANT SITES IN INDUSTRIAL ESTATES.

WE SHALL ALSO REVIEW THE PRESENT SYSTEM OF INCENTIVES TO MAKE IT MORE ATTRACTIVE AND ENCOURAGE THE FLOW OF INVESTMENTS INTO THE ECONOMY.

THE ENVIRONMENT

ALL OUR POLICIES FOR GROWTH WILL HAVE A DEEP CONCERN FOR PROTECTING OUR ENVIRONMENT. OUR NATURAL SURROUNDINGS MUST BE THE BENEFICIARY OF MODERNIZATION, NOT ITS VICTIM.

I URGE THIS CONGRESS TO TAKE UP ANEW THE BAN ON LOGGING WHICH SHOULD, HOWEVER, CONSIDER THE POSSIBILITY OF IDENTIFYING THE AREAS WHERE LOGGING CAN BE PERMITTED UNDER THE CONCEPT OF SUSTAINABLE DEVELOPMENT.

I AM ALSO SUBMITTING FOR YOUR URGENT ACTION AN ENVIRONMENT PROTECTION CODE AND A NEW FORESTRY CODE TO INSTITUTIONALIZE THE CONTROL BY LOCAL COMMUNITIES OVER FORESTS WITHIN THEIR TERRITORIES.

THE WAR ON POVERTY

THESE MEASURES WILL IN TIME MOVE THE ECONOMY BACK TO GROWTH. BUT LET US NOT IMAGINE THAT GROWTH BY ITSELF WILL SUFFICE TO BRING THE POOR MAJORITY OF OUR COUNTRYMEN AND COMMUNITIES INTO THE MAINSTREAM OF DEVELOPMENT.

IF WE ARE TO SUBSTANTIALLY REDUCE POVERTY IN THE PHILIPPINES, ECONOMIC POLICY IN THE LARGE MUST BECOME SENSITIVE TO THE WELL-BEING OF THE MAJORITY AMONG US WHO ARE WITHOUT THE MEANS TO ENJOY DECENT AND USEFUL LIVES.

WITHIN THE WEEK, I WILL SIGN AN EXECUTIVE ORDER CREATING A PRESIDENT'S COMMISSION TO FIGHT POVERTY, WHICH SHALL GATHER UNDER ONE UMBRELLA ALL GOVERNMENT ACTIVITIES DESIGNED TO HELP OUR POOR HOUSEHOLDS AND COMMUNITIES CATCH UP WITH THE MORE PROGRESSIVE ONES.

WE SHALL UNDERTAKE THREE MAIN TYPES OF INTERVENTION AGAINST POVERTY:

THE FIRST IS TO ENSURE THE DELIVERY OF BASIC SOCIAL SERVICES TO THE POOREST COMMUNITIES AND TO MAKE SURE THAT EVERY POOR FAMILY HAS A DECENT MINIMUM OF HEALTH, NUTRITION, HOUSING AND EDUCATION.

THE SECOND IS TO SEE TO IT THAT THE POOR GAIN ACCESS TO AGRARIAN REFORM, SKILLS-TRAINING AND EXTENSION SERVICES THAT WILL OPEN UP LIVELIHOOD OPPORTUNITIES AND JOBS TO THEM.

AND THE THIRD IS TO HELP POOR COMMUNITIES ORGANIZE COOPERATIVELY -- TO EMPOWER THEM TO PLAY A GREATER ROLE IN THEIR OWN DEVELOPMENT AND TO MAKE THEIR VOICES HEARD IN THE MAKING OF PUBLIC POLICY.

WE MUST, IN SUM, DEPART FROM THE "TRICKLE-DOWN" POLICIES OF THE PAST, WHICH HAD ONLY LEFT OUR POOR FARTHER BEHIND -- AND MOVE INTO A POLICY OF "POSITIVE DISCRIMINATION" TO LIFT THEM UP AND EQUIP THEM WITH THE HUMANITIES OF LIFE.

GOVERNMENT WILL SET ITSELF NOT JUST THEORETICAL BUT MEASURABLE STANDARDS FOR GAUGING ITS SUCCESS IN EASING POVERTY YEAR AFTER YEAR.

INVESTMENT IN PEOPLE

TO ACT IN THIS WAY FOR OUR POOR IS TO ASSERT THE TIMELESS PRINCIPLE THAT IF WE ARE TO DEVELOP, WE MUST INVEST IN OUR PEOPLE.

FOR OUR NATION CAN RISE ONLY TO THE LEVEL OF OUR PEOPLE'S COMPETENCE.

THE MOST PROFITABLE HUMAN INVESTMENT IS IN BASIC EDUCATION.

I URGE CONGRESS TO PASS A BILL ON ELEMENTARY EDUCATION FOR THE PURPOSE OF INSURING UNIVERSAL AND HIGHER QUALITY ELEMENTARY EDUCATION TO THE END THAT EVERY FILIPINO CHILD HAS ACCESS TO A QUALITY, PUBLIC ELEMENTARY SCHOOL. IT WILL ALSO ENSURE EXPOSURE OF OUR YOUNG TO TECHNICAL AND SCIENTIFIC KNOWLEDGE. THERE ARE STILL THOUSANDS OF BARANGAYS TODAY THAT DO NOT HAVE ELEMENTARY SCHOOLS.

IN ADDITION, WE MUST UPGRADE THE QUALITY OF INSTRUCTION, TEXTBOOKS, AND SCHOOL FACILITIES.

IN SUM, WE MUST GIVE THE HIGHEST PRIORITY TO ELEMENTARY EDUCATION IN OUR SPENDING PROGRAM.

TO STRESS THIS IS NOT TO IGNORE THE REQUIREMENTS OF PUBLIC SECONDARY AND HIGHER EDUCATION. THESE ALSO MERIT OUR ATTENTION.

BUT WE MUST RECOGNIZE THAT TO BRING OUR EDUCATIONAL SYSTEM INTO THE MAINSTREAM OF NATIONAL RENEWAL, WE MUST BEGIN AT THE BEGINNING -- BY MAKING SURE THAT EVERY FILIPINO CHILD HAS AN ELEMENTARY SCHOOL WITHIN EASY REACH AND THAT OUR YOUNG PEOPLE ARE EXPOSED TO TECHNICAL AND SCIENTIFIC LEARNING.

WE HAVE TO LEARN TO TALK OF GROWTH NOT IN TERMS OF STATISTICS, BUT IN TERMS OF PEOPLE: IN THE CHILD WE SAVE FROM HUNGER AND RAISE TO KNOWLEDGE, IN THE CITIZEN WE RAISE TO A LIFE OF DIGNITY AND WELL-BEING, IN THE WOMAN WE RAISE TO HER TRUE PLACE IN OUR SOCIETY, IN THE COMMUNITY THAT WE TRANSFORM FROM DISTRESS INTO A NET CONTRIBUTOR TO NATIONAL VITALITY, AND IN A NATIONAL CULTURE THAT TRULY REFLECTS AND APPRECIATES THE NATIVE TALENT AND RESOURCEFULNESS OF THE FILIPINO.

IT HAS BECOME A CLICHE, BUT IT IS NONETHELESS TRUE: REAL DEVELOPMENT HAS A HUMAN FACE.

GOVERNMENT REORGANIZATION

WE HAVE MISSED PERHAPS THIS HUMAN DIMENSION IN OUR LABORS BECAUSE GOVERNMENT HAS BECOME TOO BIG AND HAS SPREAD ITSELF TOO THIN.

OVER THE LAST 28 DAYS, ONE THING HAS BECOME PLAIN TO ME. FOR US TO GET ANYWHERE, WE NEED TO REMODEL THE VERY MACHINERY OF GOVERNMENT.

WE HAVE TO REORGANIZE THE CIVIL SERVICE SO THAT IT CAN DO MORE -- AND DO BETTER.

WE MUST RATIONALIZE THE PUBLIC CORPORATE SECTOR BY PRIVATIZING THOSE OF ITS OPERATIONS WHICH ARE BETTER UNDERTAKEN BY PRIVATE ENTERPRISE.

AND WE MUST DEVOLVE AND DECENTRALIZE MORE OF NATIONAL ADMINISTRATION SO THAT GOVERNMENT TRULY REACHES OUT TO OUR CITIZENRY,

WHEREVER THEY MAY LIVE IN OUR VAST ARCHIPELAGO.

THIS EFFORT CAN BE PROPELLED ONLY BY DEFINITIVE SUPPORT FROM CONGRESS. SINCE THE REORGANIZATION WILL AFFECT MOST OF THE CABINET DEPARTMENTS, IT DOES NOT MAKE SENSE FOR US TO REORGANIZE PIECEMEAL.

I WOULD URGE CONGRESS THEREFORE TO CONSIDER ONE COMPREHENSIVE "GOVERNMENT REORGANIZATION ACT" THAT WILL ENABLE US TO STREAMLINE THE ENTIRE EXECUTIVE BRANCH, INCLUDING THE OFFICE OF THE PRESIDENT.

OUR GOAL HERE IS TO PROMOTE SPEED IN DECISION-MAKING AND ACTION THAT YIELDS QUALITY RESULTS; AND TO INCREASE EFFECTIVENESS AND IMPACT IN GOVERNMENT OPERATIONS DESPITE FUNDING CONSTRAINTS.

WE ENVISION THE FOLLOWING AS INTEGRAL ELEMENTS OF THE REORGANIZATION PROGRAM:

1. IMPLEMENTATION OF THE LAW ON ATTRITION;
2. REALIGNMENT OF AGENCY MANDATES BY ABOLISHING NON-ESSENTIAL FUNCTIONS INCLUDING VACANT POSITIONS;
3. INTEGRATION OF ALL ATTACHES AND OFFICES ABROAD; AND
4. REDUCTION OF THE NUMBER OF DEPARTMENTS AND AGENCIES.

SOME HAVE MISTAKENLY THOUGHT THAT THIS IS A REQUEST FOR BLANKET AUTHORITY FOR THE PRESIDENT IN REORGANIZATION. WHAT WE SEEK IS A LAW THAT WILL FULLY ENABLE US TO REORGANIZE THE EXECUTIVE BRANCH.

OTHERS FEAR THAT REORGANIZATION WILL RESULT IN MASSIVE LAYOFFS. THIS IS NOT ENVISIONED AT ALL. THE ONLY ONES WHO HAVE TO FEAR DISPLACEMENT ARE 15-30 EMPLOYEES AND ALL THOSE WHO DO NOT POSSESS CIVIL SERVICE ELIGIBILITIES.

GRAFT AND CORRUPTION

REORGANIZATION AND PROFESSIONALIZATION OF THE CIVIL SERVICE WILL GREATLY STRENGTHEN OUR HAND IN CHECKING GRAFT. BUT WE SHALL NOT RELY ONLY ON THESE REFORMS. NOR ON THE INDEPENDENT WORK OF THE OMBUDSMAN AND THE SANDIGANBAYAN.

AS I PROPOSED IN MY INAUGURAL ADDRESS, WE MUST TAKE ACTION AGAINST BOTH THE BRIBE-TAKER AND THE BRIBE-GIVER. SURELY WE MUST BE MORE AGGRESSIVE AGAINST THOSE WHO PAY GREASE MONEY TO FACILITATE TRANSACTIONS WITH GOVERNMENT. WE WILL PROVIDE THE OMBUDSMAN ALL THE ASSISTANCE IN CARRYING OUT A SUCCESSFUL CAMPAIGN AGAINST GRAFT AND CORRUPTION.

IN AID OF THIS CAMPAIGN, I URGE CONGRESS TO PASS A BILL WHICH ADDRESSES ECONOMIC CRIMES AND HEAVILY PENALIZES GRAFT AND CORRUPTION. THE BILL COULD BE PATTERNED AFTER THE WELL-KNOWN RICO STATUTE IN THE UNITED STATES.

LOCAL GOVERNMENT

THE OVERRIDING PRINCIPLE WE MUST ESTABLISH IN GOVERNMENT IS THAT ONLY BY JOINT ACTION -- AT NATIONAL AND LOCAL LEVEL -- CAN WE EVER HOPE TO ACHIEVE OUR GOALS AND ASPIRATIONS.

WHILE MANY OF OUR PROBLEMS ARE NATIONAL IN SCOPE, THEY EXIST IN NEIGHBORHOODS AND LOCAL COMMUNITIES. HENCE THE SOLUTIONS MUST IN THE END BE TAILORED TO LOCAL NEEDS.

WHILE OUR PROBLEMS REQUIRE A BROAD NATIONAL STRATEGY AND THE POLITICAL WILL TO ATTACK THEM, OUR RESPONSE MUST BE ENRICHED BY LOCAL PERSPECTIVES AND PRIVATE SECTOR PARTICIPATION.

NO PROGRAM -- NO MATTER HOW GENEROUSLY FUNDED -- CAN HOPE TO UPROOT PROBLEMS IF IT IS BASED OR DEVELOPED SOLELY IN MANILA. IT MUST BE FOUNDED ON THE LIFE AND EXPERIENCE OF OUR LOCAL COMMUNITIES AND ENHANCED BY PRIVATE SECTOR INVOLVEMENT.

THIS IS WHY I HAVE ESTABLISHED EXTENSION OFFICES OF THE PRESIDENCY IN THE VISAYAS AND MINDANAO.

THIS IS WHY WE MUST MOVE WITH DISPATCH TO TRANSLATE INTO REALITY THE PRINCIPLES EMBODIED IN THE LANDMARK LOCAL GOVERNMENT CODE OF 1991.

PRECISELY BECAUSE DECENTRALIZATION DEPARTS DRASTICALLY FROM TRADITION, WE MUST NURTURE THE PROCESS OF CHANGE -- TO ENSURE OUR LOCAL GOVERNMENTS ARE EMPOWERED TO COPE, NOT JUST BY LAW BUT BY OUR AID AND INTERVENTION IN CONGRESS AND THE EXECUTIVE.

METRO MANILA AUTHORITY

FINALLY, I WANT TO ENDORSE IN THE STRONGEST TERMS THE PASSAGE OF AN ACT STRENGTHENING THE METRO MANILA AUTHORITY.

TO LIVE IN METRO MANILA TODAY IS LITERALLY A PUNISHMENT -- TO EXIST WITH GARBAGE, SMOG, CRIME, TRAFFIC CONGESTION AND SUBSTANDARD PUBLIC SERVICES.

THE ATOMIZED JURISDICTIONS IN THE METROPOLIS CANNOT DEAL WITH PROBLEMS THAT ARE COLLECTIVE IN NATURE. THE ONLY ANSWER IS A METROPOLITAN ADMINISTRATION THAT WILL DELIVER BASIC SERVICES EFFECTIVELY TO ALL OF METRO MANILA.

AND IT SHOULD BE AN ADMINISTRATION HEADED BY AN APPOINTIVE METRO MANILA GOVERNOR. NO ONE SHOULD FEAR BY SUCH TITLE THE EMERGENCE OF A NEW POLITICAL PERSONALITY WHO WILL DWARF ELECTED METRO OFFICIALS. HIS WILL BE STRICTLY A SERVICE-ORIENTED OFFICE, NON-ELECTIVE AND FULLY SUBJECT TO RECALL BY THE TEST OF EFFECTIVENESS.

FOREIGN RELATIONS

IN FOREIGN RELATIONS, WE MUST CHART OUR COURSE IN A WORLD -- AND AN ASIA-PACIFIC REGION -- MUCH CHANGED BY RECENT EVENTS.

THE END OF THE COLD WAR MAY HAVE EASED THE DANGER OF A NUCLEAR CONFRONTATION. BUT, IRONICALLY, THE LOOSENING OF BIG-POWER TENSIONS MAKES MORE LIKELY THE BREAKING-OUT OF QUARRELS WITHIN THE REGION -- WHICH THE SUPERPOWERS ONCE RESTRAINED, FOR FEAR OF GETTING INVOLVED IN THEM.

FORTUNATELY THERE ARE FEW SUCH QUARRELS THREATENING OUR PART OF THE WORLD. FOR THE MOMENT, SECURING CONTINUED ACCESS TO WORLD MARKETS AND TECHNOLOGY MUST BECOME THE MOST VITAL CONCERN OF OURSELVES AND OUR

REGIONAL PARTNERS.

WE HAVE STARTED REORIENTING OUR DIPLOMATIC SERVICE, TO FOCUS IT ON FOREIGN TRADE AND INVESTMENT -- IN A WORD, TO MAKE IT A TOOL OF OUR EFFORT AT EXPORT-ORIENTED DEVELOPMENT.

TO THE EXTENT CONSISTENT WITH OUR CONSTITUTIONAL RESPONSIBILITIES, LET US TOGETHER FRAME OUR FOREIGN POLICY IN A SPIRIT OF BIPARTISANSHIP. AND LET IT BE TRULY NATIONAL IN CHARACTER.

OUR EXTERNAL DEFENSE WE HAD IMPLICITLY ENTRUSTED TO THE AMERICANS, UNDER AN A MILITARY ASSISTANCE AGREEMENT WITH THE UNITED STATES. THIS HAD ENABLED US TO GET AWAY WITH THE SMALLEST DEFENSE INVESTMENT IN ASEAN. THAT AGREEMENT HAS ALREADY LAPSED.

NOW WE MUST TAKE UP THE RESPONSIBILITY FOR OUR OWN DEFENSE. MOST URGENTLY, THE CAPABILITIES OF BOTH OUR NAVY AND OUR AIR FORCE MUST MAKE A QUANTUM LEAP.

AND WE SHALL HAVE TO ACCELERATE OUR ENTIRE SELF-RELIANCE PROGRAM FOR THE ARMED FORCES. FORTUNATELY, THIS PROGRAM WILL HAVE BENEFICIAL SIDE-EFFECTS THAT ARE MUCH MORE THAN MILITARY -- IN THE TRANSFER OF TECHNOLOGY, IN JOB GENERATION AND EVEN IN THE POTENTIAL EXPORT OF DEFENSE PRODUCTS.

I BELIEVE -- WITH ALL MY HEART -- THAT OUR PEOPLE AND OUR COUNTRY CAN BE SURE, NOW MORE THAN EVER, OF THE LOYALTY, DEDICATION AND EFFICIENCY OF THEIR ARMED FORCES AND NATIONAL POLICE. LET US GIVE OUR SOLDIERS AND POLICEMEN THE SUPPORT THEY DESERVE.

VIEWING OUR NATION AFRESH

LADIES AND GENTLEMEN OF CONGRESS:

IT IS TIME TO VIEW OUR NATION AFRESH -- TO SEE IT THE WAY OUR REVOLUTIONARY HEROES MUST HAVE SEEN IT AT ITS BIRTH: AS A NATION IN WHICH THE COMMON GOOD IS ATTAINABLE.

FOR TOO MANY YEARS, WE HAVE DEFINED OUR NATIONAL LIFE IN WAYS CONTRARY TO OUR UNITY AND PROGRESS.

WE HAVE DEFINED OUR POLITICS IN TERMS OF CONFLICT AND COMPETITION: IT IS TIME WE DEFINED IT IN TERMS OF COOPERATION AND UNION.

WE HAVE DEFINED ECONOMIC EFFORT IN TERMS OF PROFIT AND SELF-INTEREST: IT IS TIME WE DEFINED IT IN TERMS OF SHARING AND CARING.

WE HAVE DEFINED OUR CULTURE IN TERMS OF JEALOUS PROVINCIALISM: IT IS TIME WE DEFINED IT IN TERMS OF PRIDE AND LINKAGE -- TAKING WHAT WE CAN FROM THE BEST OF OTHERS, AND GIVING WHAT WE CAN TO THEM.

WE THE CONGRESS AND THE EXECUTIVE CAN PROVIDE THE EXAMPLE AND THE LEADERSHIP FOR SUCH COOPERATION, SHARING AND LINKAGE.

YOU AND I CAN ACT SEPARATELY -- AND ACHIEVE LITTLE.

OR YOU AND I CAN ACT TOGETHER -- AND ACHIEVE MUCH, MUCH MORE.

THE TIME IS SHORT AND OUR RESPONSIBILITY IS CLEAR.

IN OUR HANDS, LADIES AND GENTLEMEN OF CONGRESS, IS THE OPPORTUNITY TO TURN THE REMAINING YEARS OF THIS CENTURY INTO THE RESURGENCE OF THE FILIPINO NATION.

WE HAVE IT IN OUR POWER TO ACHIEVE THIS GOAL.

WE ALSO HAVE IT IN OUR POWER TO LOSE THIS CHANCE -- AND CONDEMN OUR COUNTRY TO CONTINUED DECLINE AND FAILURE.

I KNOW WE SHALL NOT FAIL.

I KNOW THAT WE SHALL DO ALL WE CAN -- SEVERALLY AND TOGETHER -- TO MAKE OUR STEWARDSHIP OF GOVERNMENT A GOOD ONE FOR OUR PEOPLE AND OUR COUNTRY.

THE NEED IS HERE. THE NEED IS NOW.

LET US NOT ALLOW OUR TROUBLES TO DISPERSE OUR MEN AND WOMEN ALL OVER THE WORLD -- TO BE THE HOUSEMAIDS AND JANITORS OF MORE FORTUNATE PEOPLES.

LET OUR PROBLEMS RATHER BIND US TOGETHER -- IN ONE CONCERTED ACTION TO BANISH THE SORROWS OF THE PAST, CONFRONT THE DIFFICULTIES OF THE PRESENT, AND REDEEM THE PROMISE OF THE FUTURE.

AND WHEN OUR COLLABORATION SHALL HAVE PRODUCED THE PROSPERITY AND WELL-BEING OF OUR PEOPLE AND OUR COUNTRY, THEN MIGHT WE SAY WE HAVE LIVED UP TO THE SACRED OATHS WITH WHICH WE ENTERED OFFICE.

THANK YOU AND GOOD DAY.

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