

FINAL

UNITING FOR PEACE AND DEVELOPMENT

**State of the Nation Address (SONA)
of H.E. President Fidel V. Ramos
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I. INTRODUCTION

FOUR YEARS AGO, WHEN I FIRST STOOD BEFORE THIS LEGISLATURE TO REPORT ON THE STATE OF THE NATION, WE COULD ONLY SEE THE FUTURE DIMLY -- AND NOT JUST BECAUSE OUR PROVINCES AND CITIES WERE DARKENED BY AN ELECTRIC-POWER CRISIS.

ALL THAT YOU AND I KNEW THEN WAS THAT THERE ARE NO EASY ANSWERS -- NO QUICK FIXES -- FOR OUR ILLS. AND THE ONLY THINGS THAT SUSTAINED US WERE OUR BELIEF THAT CRISIS CAN MAKE HEROES OUT OF ORDINARY PEOPLE -- AND OUR FAITH THAT WE FILIPINOS CAN BE GREATER THAN THE SUM OF ALL OUR PROBLEMS.

TODAY, THE CHALLENGE IS TO COMPLETE OUR VICTORY OVER PESSIMISM, STAGNATION AND DECLINE.

TODAY, THE CHALLENGE IS TO GIVE OUR NEXT GENERATION OF LEADERS A FIRM FOUNDATION ON WHICH TO BUILD PEACE AND PROSPERITY FOR ALL OUR PEOPLE.

THE CORRECTNESS OF OUR REFORMS SO FAR HAS BEEN VALIDATED BY THE GROWTH OF THE ECONOMY AND A NEW TEMPO OF NATION-WIDE SELF-RELIANCE, EVEN AT THE GRASS ROOTS, AS EXPRESSED IN OUR BATTLE-CRY "*KAYA ITO NG PINOY! KAYANG-KAYA!!*".

WE HAVE DEMONSTRATED OUR OWN CAPABILITY TO MANAGE OUR ECONOMY TOWARDS STABILITY AND SUSTAINED GROWTH -- EARNING THE RESPECT OF THE GLOBAL ECONOMIC COMMUNITY AND MAKING IT UNNECESSARY FOR US TO DEPEND ON THE IMF'S "SEAL OF GOOD HOUSEKEEPING". NEXT YEAR, WE SHALL END 30 YEARS OF STRINGENT ECONOMIC PROGRAMS UNDER THE IMF'S WATCHFUL EYES -- AND ASSERTING FULL RESPONSIBILITY AND CREDIT FOR MANAGING OUR ECONOMIC GROWTH AND DEVELOPMENT INTO THE 21ST CENTURY.

THE IMF CITES THREE REASONS WHY OUR ECONOMY HAS OVERCOME ITS HISTORICAL CYCLES OF BOOM AND BUST:

FIRST, GROWTH TODAY IS BEING BOOSTED BY EXPORTS AND INVESTMENTS -- AND NOT BY CONSUMER SPENDING OR GOVERNMENT PUMP-PRIMING.

SECOND, GROWTH IS BEING ACCOMPANIED BY SOME INCREASE IN PRIVATE SAVINGS AND NOT NECESSARILY BY INCREASING EXTERNAL DEBT OR FOREIGN LOANS.

THIRD, THE ECONOMY HAS BECOME MORE RESILIENT TO ECONOMIC SHOCKS.

II. WHAT WE NEED TO DO THESE NEXT TWO YEARS

IS OUR STORY TO BE TOLD ONLY IN TERMS OF THESE ECONOMIC INDICATORS?

I SAY IT IS WRITTEN EVEN MORE VIVIDLY IN THE LIVES OF INDIVIDUAL FILIPINOS AND THEIR COMMUNITIES.

GROWTH CORRIDORS, CLUSTERS AND CENTERS ALL OVER THE COUNTRY ARE STIRRING ORDINARY FILIPINOS TO NEW VIGOR -- NEW VENTURES -- NEW LIVES FOR THEMSELVES AND THEIR CHILDREN.

THERE STILL IS GREAT POVERTY AMONG US, BUT EVERY TIME WE TOUCH ONE FAMILY WITH OUR LIVELIHOOD AND SOCIAL-SERVICE PROGRAMS; EVERY TIME A QUALITY JOB GIVES ONE WORKER A HIGHER SENSE OF DIGNITY; EVERY TIME WE TRANSFORM A SMOKEY MOUNTAIN INTO A DECENT PLACE FOR HUMAN BEINGS, THEN WE LOOSEN THE IRON GRIP POVERTY HAS ON OUR PEOPLE.

THE WORK OF COMPLETION -- OF POLICIES, PROGRAMS AND PROJECTS -- WILL DEFINE THESE LAST TWO YEARS OF MY TERM. WE MUST KEEP ACCELERATING GROWTH AND SOCIAL EQUITY -- UNTIL THEY BECOME SELF-SUSTAINING.

AGRICULTURE AND THE ENVIRONMENT

IN AGRICULTURE, TO GUARANTEE PRODUCTIVITY AND PROFITABILITY OF OUR PRIMARY PRODUCERS, WE MUST SPEED UP BUILDING IRRIGATION SYSTEMS, FARM-TO-MARKET ROADS, POST-HARVEST FACILITIES; INCREASE THE FLOW OF CREDIT TO OUR FARMERS, FISHERFOLK, AND RURAL ENTREPRENEURS; AND OPTIMIZE THE ROLE OF WOMEN IN AGRICULTURE. THESE MUST GO HAND-IN-HAND WITH OUR CONTINUING EFFORT TO EQUIP OUR FARMERS AND THOSE WHO MAKE THEIR LIVING FROM THE SEA WITH THE LATEST IN TECHNOLOGY. ALL THESE EFFORTS SHOULD ASSURE OUR FOOD SECURITY AND SELF-SUFFICIENCY.

IN ENERGY AND WATER, WE MUST DELIVER ELECTRIC POWER AND POTABLE WATER TO OUR REMOTEST BARANGAYS AND HUMBLEST HOUSEHOLDS.

IN THIS REGARD, WE NEED MORE TIME TO GET THE BUILD-OPERATE-TRANSFER (B-O-T) AND PRIVATIZATION PROPOSALS IN PLACE SINCE WATER-RELATED PROJECTS ARE MUCH MORE COMPLICATED AND TAKE MORE TIME TO PUT TOGETHER THAN THOSE IN ELECTRIC POWER. WE CAN CONTINUE TO FAST-TRACK NEEDED WATER PROJECTS IF CERTAIN PROVISIONS OF THE WATER CRISIS ACT ARE EXTENDED.

WE FILIPINOS DO NOT SUBSCRIBE TO THE "GROW NOW, CLEAN UP LATER" APPROACH OF SOME OF THE COUNTRIES THAT HAVE INDUSTRIALIZED AHEAD OF US. WE ARE CLEANING UP AS WE GROW: WE INTEND TO LIVE UP TO THE DISTINCTION GIVEN BY NEWSWEEK INTERNATIONAL LAST MAY OF BEING THE WORLD'S FIRST EMERGING "GREEN TIGER." I, THEREFORE, ASK CONGRESS TO PASS THE ENVIRONMENT CODE THAT IS STILL PENDING IN THE TWO CHAMBERS.

AS WE STRIVE FOR DEVELOPMENT COMPATIBLE WITH THE CARRYING CAPACITY OF OUR ECOSYSTEM, WE SHALL NEED A CLEAR BASIS FOR ALLOCATING OUR LANDS TO VARIOUS COMPETING USES. I URGE CONGRESS TO PASS -- WITHIN THIS SESSION -- THE NATIONAL LAND USE BILL.

LIKEWISE, I CALL THE ATTENTION OF CONGRESS TO THE NEED FOR A CONTINUING POPULATION PROGRAM.

YOU WILL RECALL THAT FOUR YEARS AGO, WE ADOPTED THE PHILIPPINE POPULATION PROGRAM THAT AIMS TO IMPROVE THE QUALITY OF LIFE THROUGH RATIONAL POPULATION GROWTH BALANCED WITH THE SUSTAINABLE CAPACITY OF THE ENVIRONMENT AND RESOURCES TO SUPPORT.

ENTREPRENEURSHIP, INDUSTRY AND TRADE

WE ARE ALSO REVIEWING THE INSTITUTIONAL, POLICY AND FUNDING SUPPORT FOR OUR SMALL AND MEDIUM ENTERPRISES (SMEs) -- WHICH HAVE LONG BEEN THE "MISSING MIDDLE LINK" IN OUR ECONOMY.

THE MAGNA CARTA FOR SMALL ENTERPRISES INCREASED THE LOANABLE FUNDS SET ASIDE BY THE BANKING SECTOR FOR SMEs FROM ABOUT ₱16 BILLION IN 1992 TO SOME ₱80 BILLION DURING THE PAST 4 YEARS -- BUT THIS HAS NOT BEEN QUITE ENOUGH.

OUR EXPORT GAINS SHOW WE CAN COMPETE GLOBALLY. WHILE OUR TRADITIONAL MARKETS -- THE UNITED STATES AND JAPAN -- STILL ACCOUNT FOR MORE THAN HALF OF ALL OUR EXPORTS, THE VOLUME AND VALUE OF THE GOODS THAT WE SHIP TO ASEAN AND TO EAST ASIA ARE RISING NOTABLY. LAST YEAR, OUR EXPORTS TO ASEAN INCREASED BY 66%, AND THOSE TO SOUTH KOREA BY 51%.

GOVERNMENT MUST, IN TANDEM WITH THE PRIVATE SECTOR, UPGRADE OUR RESEARCH AND DEVELOPMENT FACILITIES IN THE EMERGING TECHNOLOGIES TO ENABLE US TO ADD HIGHER VALUE TO OUR EXPORT PRODUCTS.

OVER THESE NEXT TWO YEARS, WE SHOULD COMPLETE OUR EFFORTS TO SHIFT OUR EXPORTS FROM SO-CALLED HIGH-VOLUME STANDARD PRODUCTS TO HIGH-VALUE CUSTOMIZED GOODS AND SERVICES. WE NOW PROJECT EXPORTS TO GROW NOT ANYMORE AT AN AVERAGE ANNUAL RATE OF 20% BUT AT 25% -- TO REACH \$50 BILLION BY THE YEAR 2000.

JOBS AND INDUSTRIAL PEACE

EMPLOYMENT LEVELS TOO HAVE BEEN GROWING STEADILY SINCE 1992. BUT SINCE OUR WORK-FORCE IS GROWING AT VIRTUALLY THE SAME RATE AS WE ARE CREATING JOBS, ALL OUR EFFORTS HAVE CUT DOWN UNEMPLOYMENT AND UNDEREMPLOYMENT ONLY marginally. WE ARE, HOWEVER, SEEING IMPROVEMENTS IN THE QUALITY OF JOBS.

AND INDUSTRIAL PEACE KEEPS ON GETTING BETTER. THE MARKED DECLINE IN STRIKES CONTINUES: NATION-WIDE, THEY DROPPED BELOW THE 100-MARK IN BOTH 1994 AND 1995.

BUT WE MUST PURSUE A RENEWED -- MORE VIGOROUS -- MORE FOCUSED -- EFFORT TO GENERATE NEW JOBS OF THE KIND THAT ASSURE OUR WORKERS AND THEIR FAMILIES STABLE INCOMES AND IMPROVING QUALITY OF LIFE.

AS FOR OUR OVERSEAS WORKERS, WE HAVE MADE IT A PRIMARY MISSION OF OUR EMBASSIES TO SAFEGUARD THEIR PERSONS AND THEIR RIGHTS. OUR FOREIGN OFFICE IS EVEN NOW ENGAGED IN SEVERAL BILATERAL AND MULTILATERAL NEGOTIATIONS ON THEIR BEHALF.

INTENSIFYING OUR SOCIAL REFORM AGENDA

WE HAVE EXPANDED OUR SOCIAL REFORM AGENDA TO COVER -- NOT JUST THE 20 POOREST PROVINCES IN THE PHILIPPINES -- BUT TO ALL 78 PROVINCES AND 16 ADMINISTRATIVE REGIONS BECAUSE WE ARE GIVING SPECIAL ATTENTION ALSO TO FIFTH- AND SIXTH-CLASS MUNICIPALITIES -- WHERE THE BULK OF OUR POOR ARE TO BE FOUND. IN ADDITION TO BEING RESPONSIBLE FOR CLEANING AND GREENING THEIR FRONTYARDS AND BACKYARDS, I HAVE ALSO MADE LOCAL GOVERNMENT EXECUTIVES ACCOUNTABLE FOR THE REDUCTION OF POVERTY IN THEIR RESPECTIVE PROVINCES, CITIES AND MUNICIPALITIES.

BY THE END OF THIS YEAR, WE EXPECT TO GRADUATE AT LEAST FOUR PROVINCES FROM THE "POOREST" CATEGORY.

FOR THE FIRST TIME, WE ARE USING AN ANTI-POVERTY YARDSTICK WHICH WE CALL THE MBN (MINIMUM BASIC NEEDS) TO MEASURE HOW MUCH IS ACTUALLY SPENT ON POVERTY ALLEVIATION. OUR BUDGET PROPOSAL FOR 1997, WHICH I AM SUBMITTING TODAY, CONTAINS EXPLICIT ANTI-POVERTY PROVISIONS.

IN PUBLIC HEALTH, WE HAVE RAISED AVERAGE LIFE EXPECTANCY FROM 67.5 YEARS IN 1992 TO 69.1 YEARS IN 1995, CUTTING DOWN INFANT MORTALITY WHICH IS THE MOST SENSITIVE INDEX OF SOCIO-ECONOMIC DEVELOPMENT FROM 53 PER THOUSAND LIVE BIRTHS IN 1992 TO 47 IN 1995, AND MALNOURISHMENT AMONG CHILDREN OF PRESCHOOL AGE -- FROM 14% IN 1992 TO 7% IN 1995. IN ADDITION TO OUR "DOCTORS TO THE BARRIO PROGRAM" TO INSURE THE DELIVERY OF HEALTH SERVICES TO DISTANT AREAS, WE HAVE PURSUED INNOVATIVE AND PREVENTIVE HEALTH CARE PROGRAMS WHICH HAVE GAINED WORLDWIDE RECOGNITION.

IN BASIC EDUCATION, WE HAVE ACHIEVED ALMOST UNIVERSAL ACCESS TO ELEMENTARY AND HIGH SCHOOLS OVER THE PAST FOUR YEARS. NOW WE ARE BEGINNING TO MODERNIZE OUR SCHOOL SYSTEM -- BOTH BY PROVIDING THEM HI-TECH MEANS TO BROADEN PUPILS' ACCESS TO INFORMATION AND KNOWLEDGE, AND ENHANCING TEACHER-TRAINING PROCESSES, ESPECIALLY IN MATHEMATICS, SCIENCE AND TECHNOLOGY.

BUT WE STILL HAVE A LONG WAY TO GO BY THE STANDARDS OF OUR VIGOROUS NEIGHBORS. WHILE WE HAVE PROVIDED 3,500 SCHOLARSHIP SLOTS PER YEAR TO TRAIN STUDENTS TO BECOME TECHNICIANS, SCIENTISTS AND ENGINEERS, WE SHOULD AT LEAST TREBLE THIS NUMBER IN THE NEXT TWO YEARS.

IN AGRARIAN REFORM, WE HAVE ACHIEVED SIGNIFICANT PROGRESS DURING THE LAST FOUR YEARS IN THE DISTRIBUTION OF AGRICULTURAL LAND TO OUR LANDLESS FARMERS. NONETHELESS, WE ARE ONLY HALFWAY TO OUR FINAL TARGET FOR LAND DISTRIBUTION. WE HAVE TO SPEED UP THE LAND DISTRIBUTION AND PRODUCTIVITY PROGRAM BETWEEN NOW AND 1998, AND CONGRESS MUST BOTH INCREASE THE CEILING OF THE AGRARIAN REFORM FUND AND EXPAND ITS SOURCES, AND IMPROVE THE ADJUDICATION SYSTEM FOR AGRARIAN REFORM.

OTHER PRIORITY MEASURES LONG AWAITED BY OUR BASIC SECTORS INCLUDE THE PROPOSED FISHERIES CODE FOR OUR FISHERFOLK, THE BILL ON ANCESTRAL DOMAIN FOR OUR INDIGENOUS PEOPLES, AND THE REPEAL OF PRESIDENTIAL DECREE 772 WHICH WOULD DECRIMINALIZE SQUATTING AND ADDRESS THE ISSUES REGARDING THE RESETTLEMENT OF THE URBAN POOR.

THE FILIPINO FAMILY AND GENDER-EQUALITY

WE SEEK STRONGER PROTECTION OF THE INTEGRITY OF THE FILIPINO FAMILY -- AS THE BUILDING BLOCK OF THE NATIONAL COMMUNITY, AND TO GUARD THE BASIC RIGHTS PARTICULARLY OF WOMEN, CHILDREN AND YOUNG PEOPLE, INDIGENOUS *KATUTUBOS*, THE HANDICAPPED, THE AGED AND OUR VETERANS. IN OUR PROGRAMS FOR HUMAN RESOURCE DEVELOPMENT AND AS A PREREQUISITE TO SUSTAINABLE DEVELOPMENT, WE CONSIDER PROTECTING FILIPINO CHILDREN AND EMPOWERING FILIPINO WOMEN AMONG OUR HIGHEST PRIORITIES.

AS PART OF THESE EFFORTS, WE ASK FROM THIS CONGRESS THE PASSAGE OF THE COMPREHENSIVE JUVENILE JUSTICE SYSTEM AND A TOTAL APPROACH AGAINST DANGEROUS DRUGS -- FROM EDUCATION TO PREVENTION TO LAW ENFORCEMENT TO REHABILITATION TO INTERNATIONAL COOPERATION -- WITH THE DEPARTMENT OF JUSTICE (DOJ) AS THE LEAD AGENCY INSTEAD OF THE DEPARTMENT OF HEALTH (DOH). WE ALSO SEEK THE ESTABLISHMENT OF CHILD AND FAMILY COURTS TO FACILITATE THE SPEEDY DISPOSITION OF CHILD ABUSE AND FAMILY RELATIONS CASES.

PROTECTION OF THE FAMILY AND SOCIAL INTEGRATION OF THE MARGINALIZED SECTORS, ESPECIALLY DISADVANTAGED WOMEN, ALSO CALL FOR THE PASSAGE OF SEVERAL OTHER BILLS, INCLUDING ONE LONG OVERDUE WHICH RECLASSIFIES RAPE AS A CRIME -- NOT ONLY AGAINST CHASTITY -- BUT AGAINST A PERSON.

WE ARE THE FIRST COUNTRY, IN FACT, AFTER THE UNITED NATIONS CONFERENCE ON WOMEN HELD IN BEIJING LAST SEPTEMBER 1995, TO DIRECT ALL GOVERNMENT AGENCIES TO SET ASIDE AT LEAST 5% OF THEIR BUDGETS FOR GENDER-EQUALITY CONCERNS FOR THE BENEFIT OF FILIPINO WOMEN.

PNP AND AFP MODERNIZATION

IN OUR DRIVE AGAINST CRIME, WE ARE MAKING SOME PROGRESS -- IN REDUCING CRIME INCIDENCE, IN IMPROVING OUR CRIME-FIGHTING CAPABILITIES, AND IN FIGHTING VIOLENT CRIMES. WE HAVE ALSO MADE SUBSTANTIAL GAINS IN FURTHER REDUCING KIDNAPPING AND BANK ROBBERIES, WITH BETTER COOPERATION NOW RESULTING FROM COMMUNITY PARTICIPATION IN CRIME PREVENTION AND INFORMATION GATHERING.

ON THE OTHER HAND, THERE IS NO LONGER ANY REASON TO DELAY ACTION ON THE PENDING BILLS MODERNIZING THE PHILIPPINE NATIONAL POLICE (PNP) AND THE ARMED FORCES OF THE PHILIPPINES (AFP).

MORE THAN JUST REPLACING AGING EQUIPMENT AND PROVIDING OUR UNITS AND PERSONNEL WITH THE WHEREWITHAL WITH WHICH TO CARRY OUT THEIR MISSIONS, BOOSTING THEIR MORALE IS EVEN MORE IMPORTANT. WE ARE THEREFORE COMMITTED TO UPGRADE THE EQUIPMENT, TRAINING AND PAY SCALES OF OUR MILITARY AND LAW ENFORCEMENT PERSONNEL, INCLUDING THOSE OF THE NATIONAL BUREAU OF INVESTIGATION AND THE STATE PROSECUTION SERVICE. TO THIS, I ADD: LET US NOT FORGET TO FULFILL OUR OBLIGATIONS TO OUR VETERANS AND THEIR SURVIVORS WHOSE PENSIONS MUST BE FULLY PAID PURSUANT TO EXISTING LAWS.

OUR FOREIGN RELATIONS

OUR COUNTRY'S OPENING TO THE GLOBAL ECONOMY -- AND THE UNCERTAINTIES RAISED BY BIG-POWER CONFIGURATIONS EMERGING IN OUR REGION AND IN OTHER REGIONS -- ALL THESE HAVE MADE NECESSARY A BROADENING OF OUR CONTACTS AND FRIENDSHIPS IN THE WORLD.

THE STRENGTH OF OUR EXTERNAL SECURITY DEPENDS, ABOVE ALL ELSE, UPON GOOD RELATIONS WITH OUR IMMEDIATE NEIGHBORS. THIS IS WHY WE HAVE PLACED THE HIGHEST PRIORITY ON REINFORCING OUR RELATIONSHIPS WITH OUR ASEAN PARTNERS; WITH JAPAN, WITH CHINA -- AND ALL OTHERS WITH WHOM WE SHARE COMMON BORDERS.

WE HAVE URGENTLY BROUGHT THE ISSUE OF THE SPRATLYS TO THE WORLD'S ATTENTION -- AT THE COUNCILS OF ASEAN; THE NON-ALIGNED MOVEMENT; THE ASEAN REGIONAL FORUM; AND THE ASEAN-CHINA DIALOGUE -- AND ARE NOW ABLE TO SIT DOWN COMFORTABLY WITH CHINA AT THE HIGHEST AS WELL AS WORKING LEVELS TO ENSURE THAT CONFLICTING CLAIMS IN THE SOUTH CHINA SEA DO NOT ANYMORE DISRUPT THE PEACE OF THE ASIA-PACIFIC REGION.

AND WE ARE TAKING ACTIVE PART IN THE ENDEAVOR TO BUILD ONE SOUTHEAST ASIA. ALL THE 10 COUNTRIES OF THIS DYNAMIC COMMUNITY ARE NOW EITHER MEMBERS -- OR OBSERVERS -- IN ASEAN. ALL HAVE ACCEDED TO THE BALI TREATY OF AMITY AND COOPERATION. LAST DECEMBER WE, THEIR LEADERS, SIGNED A TREATY TO KEEP SOUTHEAST ASIA FREE OF NUCLEAR WEAPONS. WE SHALL BE SUBMITTING THIS TREATY TO THE SENATE FOR ITS CONCURRENCE.

PHILIPPINE-UNITED STATES RELATIONS MUST CONTINUE TO BE ANCHORED ON OUR LONG-RANGE POLICY OF "TRADE, NOT AID" FOR MUTUAL BENEFIT AND ON OUR MUTUAL DEFENSE TREATY.

STABILITY FROM INTERDEPENDENCE AND MUTUAL BENEFIT

OVER THE FORESEEABLE FUTURE, WE SEE EAST ASIA'S SECURITY INTERESTS AS BEST SERVED BY A SECURITY BALANCE AMONG THE GREAT POWERS -- AND BY THEIR INCREASING ECONOMIC INTERDEPENDENCE. THIS IS ONE MORE REASON WE ARE PUSHING FOR LIBERALIZATION OF THE TRADING SYSTEM THROUGH THE ASIA-PACIFIC ECONOMIC COOPERATION (APEC) FORUM.

BEYOND TRADE AND INVESTMENT, APEC IS ALSO ABOUT COOPERATION TO DEVELOP OUR HUMAN RESOURCES, STRENGTHEN OUR SMALL AND MEDIUM ENTERPRISES, AND SHARE TECHNOLOGY AND KNOWLEDGE, AMONG OTHERS -- ALL THESE LEADING TO A REGIONAL COMMUNITY ANCHORED ON MUTUAL BENEFIT AND MUTUAL RESPECT.

THE 1996 APEC LEADERS' MEETING IN OUR COUNTRY THIS NOVEMBER WILL HAVE GREAT SIGNIFICANCE FOR OUR PEOPLE -- IN TERMS OF NEW JOBS, HIGHER INCOMES, AND OPPORTUNITIES FOR TECHNOLOGY TRANSFER AND MARKET ACCESS IN AN INTERDEPENDENT ASIA-PACIFIC.

III. A BREAKTHROUGH IN OUR PEACE AND DEVELOPMENT EFFORTS

IN THIS GOVERNMENT'S SEARCH FOR PEACE, WE HAVE MADE A SOLID BREAKTHROUGH.

WITHIN TWO YEARS, I AM CONFIDENT WE SHALL LEAVE OUR COUNTRY AND PEOPLE A LEGACY OF BETTER SOCIAL COHESION AND POLITICAL UNITY -- ON WHICH FUTURE GOVERNMENTS CAN BUILD GREATER NATIONAL CAPACITY, STABILITY AND PROSPERITY FOR ALL FILIPINOS.

ERSTWHILE MILITARY REBELS HAVE BEEN REINTEGRATED INTO CIVIL SOCIETY -- EVEN AS THE PROCESS OF DEALING WITH THEIR GRIEVANCES CONTINUES. MANY OF THE REFORMS THEY SUGGEST -- IN OUR ELECTORAL PRACTICES, FOR EXAMPLE -- HAVE BEEN INCORPORATED INTO OUR PROPOSALS TO CONGRESS.

I, THEREFORE, ASK YOU, THE LADIES AND GENTLEMEN OF CONGRESS, FOR YOUR CONCURRENCE TO THE PENDING PROCLAMATIONS GRANTING AMNESTY TO MEMBERS AND SUPPORTERS OF RAM-SFP-YOU AS PART OF OUR GENERAL PEACE AGREEMENT OF OCTOBER 1995, AND REOPENING THE APPLICATION PERIOD FOR ALL CATEGORIES OF REBELS.

WITH THE DISSIDENT NATIONAL DEMOCRATIC FRONT (NDF), OUR PEACE TALKS HAVE FINALLY MOVED ON TO SUBSTANTIVE ISSUES. BUT WE ARE NO MORE THAN CAUTIOUSLY OPTIMISTIC -- BECAUSE OF THE IDEOLOGICAL ISSUES INVOLVED AND THE HARD-LINE POSITIONS THE NDF HAS TAKEN.

FORTUNATELY, THAT 60-YEAR-OLD CONFLICT HAS SUBSTANTIALLY DECLINED IN ITS INTENSITY -- PARTLY BECAUSE OUR AMNESTY PROGRAM HAS ENABLED INDIVIDUAL REBELS TO RETURN TO THE WAYS OF PEACE.

GIVING PEACE AND DEVELOPMENT A CHANCE IN THE SOUTHERN PHILIPPINES

THE DAVAO CITY CONSENSUS OF LAST MONTH WITH THE MORO NATIONAL LIBERATION FRONT (MNLF) WHICH ENVISIONS OUR 14 SOUTHERN PROVINCES AND THE CITIES THEREIN BEING BROUGHT INTO A SPECIAL ZONE OF PEACE AND DEVELOPMENT (ZOPAD), WITH A SOUTHERN PHILIPPINES COUNCIL FOR PEACE AND DEVELOPMENT (SPCPD) TO PROMOTE IT, MOVES US CLOSER TOWARDS THE RESOLUTION OF THE CONFLICT THAT HAS COST MORE THAN 120,000 FILIPINO LIVES, WITH SO MANY MORE DISLOCATED FROM THEIR HOMES THESE PAST 27 YEARS.

I CREDIT THE PATIENT DIPLOMACY OF OUR GOVERNMENT PANEL CHAIRED BY AMBASSADOR MANUEL YAN, THE NEW STATESMANSHIP OF MNLF CHAIRMAN NUR MISUARI, AND THE CONSISTENT SUPPORT OF THE ORGANIZATION OF THE ISLAMIC CONFERENCE (OIC) AND OUR PARTNERS IN ASEAN, NOTABLY INDONESIA, FOR THIS ACCOMPLISHMENT.

FROM HEREON, WITH OUR VISION FOR A PEACEFUL AND PROGRESSIVE MINDANAO CLEAR IN OUR HEARTS AND IN OUR MINDS, LET US MANIFEST TOGETHER, MY BELOVED COUNTRYMEN AND COUNTRYWOMEN, IN ALL COMMUNITIES IN THE SOUTHERN PHILIPPINES, AND AT THE LEVEL OF THE NATIONAL LEADERSHIP, THAT SAME SPIRIT OF ACCOMMODATION AND MUTUAL BENEFIT DISPLAYED BY THE NEGOTIATING PARTIES.

LET ME UNDERLINE BRIEFLY THE POINTS THAT ARE BEING MISCONSTRUED IN THE RUSH TO JUDGMENT ON THE DAVAO CONSENSUS:

ONE -- NO NEW AREA OF AUTONOMY HAS YET BEEN ESTABLISHED. THE AUTONOMOUS REGION OF MUSLIM MINDANAO (ARMM) CONTINUES TO BE THE ONLY AREA OF AUTONOMY IN THE SOUTHERN PHILIPPINES.

TWO -- THE SPCPD IS NOT A PROVISIONAL GOVERNMENT; IT IS NOT A GOVERNING AUTHORITY; AND IT HAS NO LAWMAKING POWER. IT HAS NO POWER OF GOVERNANCE OVER LOCAL GOVERNMENT UNITS. NEITHER WILL IT HAVE CONTROL AND SUPERVISION OVER THE LOCAL POLICE AND THE MILITARY.

THREE -- THE SPCPD IS NEITHER AN AUTONOMOUS REGION NOR A POLITICAL SUBDIVISION OF GOVERNMENT; IT IS NOT A PUBLIC CORPORATION; IT HAS NO SEPARATE JURIDICAL PERSONALITY. IT IS SIMPLY A TRANSITORY ADMINISTRATIVE ARM UNDER THE CONTROL AND SUPERVISION OF THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES. ITS POWERS AND FUNCTIONS ARE DERIVATIVE AND EXTENSIONS OF THE POWERS OF THE PRESIDENT, WHICH HE MAY LAWFULLY DELEGATE.

FOUR -- THE NEW AREA OF AUTONOMY -- AFTER CONGRESS SHALL HAVE AMENDED THE ARMM ORGANIC ACT -- WILL INCLUDE ONLY THOSE PROVINCES AND CITIES WHICH VOTE TO JOIN IT, IN A PLEBISCITE TO BE CALLED FOR THE PURPOSE.

LADIES AND GENTLEMEN OF CONGRESS:

PEACE IS A PROCESS AND IT MUST BE CAREFULLY NURTURED. SO IS DEVELOPMENT. PEACE AND DEVELOPMENT ALWAYS GO TOGETHER. TOGETHER, BOTH ARE OUR BEST WEAPONS TO ALLEVIATE POVERTY IN MINDANAO AND EVERYWHERE ELSE, BECAUSE THE LACK OF EITHER ONE BREEDS DEPRIVATION AND FOMENTS TENSION AND ARMED CONFLICT. MINDANAO -- AS WELL AS THE REST OF THE PHILIPPINES -- NEEDS PEACE IF IT IS TO ACHIEVE THE SUSTAINED, BROAD-BASED DEVELOPMENT ITS PEOPLE DESERVE.

OF THE VARIOUS PROPOSALS ASSOCIATED WITH OUR SOUTHERN PHILIPPINES PEACE PROCESS, THE MOST VITAL IS ZOPAD, NOT SPCPD, BECAUSE THAT IS WHERE ALL -- ESPECIALLY CONGRESS -- CAN TAKE PART TO MAKE MAXIMUM USE OF A THREE-YEAR PERIOD OF RESPITE AND COLLABORATION LEADING TO SUSTAINABLE DEVELOPMENT.

MANY VOICES -- PRO AND CON -- FROM CONGRESS, SECTORAL LEADERS, MEDIA AND FROM THE AFFECTED COMMUNITIES THEMSELVES HAVE BEEN HEARD ABOUT OUR PEACE PROCESS, AND I HAVE TAKEN COUNSEL OF THEM.

BUT THE DECISION TO GO FORWARD RESTS ON ME AS YOUR PRESIDENT. TO PARAPHRASE AN AMERICAN PRESIDENT, "NOW THERE ARE MANY, MANY PEOPLE WHO CAN RECOMMEND AND ADVISE, AND A FEW OF THEM CONSENT. BUT THERE IS ONLY ONE WHO HAS BEEN CHOSEN BY THE PEOPLE TO DECIDE."

NOW, I ASK ALL OF YOU FOR YOUR SUPPORT -- TO GIVE OUR GOVERNMENT AND OUR PEOPLE IN OUR SOUTHERN REGIONS -- CHRISTIANS, MUSLIMS, *LUMADS*, FILIPINOS ALL -- THE MNLF, OUR SOLDIERS, OUR POLICEMEN, AND THE PEOPLE OF OUR DIVIDED COMMUNITIES INCLUDED -- THIS LONG-SOUGHT OPPORTUNITY UNDER OUR TRANSITORY ARRANGEMENTS TO CONVERT SWORDS INTO PLOWSHARES.

FROM EVERY PART OF THE GLOBE, WE DO NOT LACK EXAMPLES OF THE FUTILITY OF ARMED CONFLICT AS A WAY OF SETTLING ETHNIC, RELIGIOUS, ECONOMIC, SOCIAL AND CULTURAL DIFFERENCES.

LADIES AND GENTLEMEN OF CONGRESS:

ON THIS ISSUE OF BRINGING PEACE AND MAKING DEVELOPMENT HAPPEN IN THE PHILIPPINE SOUTH, I WILL CONTINUALLY ASK YOU FOR YOUR CONFIDENCE AND STEADY SUPPORT.

OUR QUEST FOR PEACE AND DEVELOPMENT IN MINDANAO IS MORE THAN A JOURNEY OF "THOUSAND MILES," AS THE CHINESE PROVERB SAYS. OUR FOREBEARS HAD MADE THE FIRST STEPS. AND WE, AT THIS TIME, ARE NOW NEAR THE END OF THIS LONG JOURNEY.

I INVITE YOU NOW, LADIES AND GENTLEMEN OF CONGRESS, TO JOIN ME IN TAKING THE LAST STEP.

AS YOUR PRESIDENT, I ENJOIN EVERYONE TO EXORCISE THE GHOSTS OF HISTORY.

LET US CAST ASIDE OUR FEARS AND OUR HURTS.

LET US GIVE PEACE AND DEVELOPMENT A CHANCE IN THE SOUTHERN PHILIPPINES!

IV. SHARPENING OUR COMPETITIVENESS

RESOLUTION OF OUR HOME-GROWN CONFLICTS WILL FREE US TO FOCUS ON SHARPENING OUR COMPETITIVENESS IN THE ASIA-PACIFIC AND WORLD MARKETS, AS WELL AS IN THE DELIVERY OF SOCIAL SERVICES TO OUR PEOPLE.

COMPETITIVENESS GOES BEYOND GDP AND OTHER MACRO-ECONOMIC MEASURES. IT ENCOMPASSES THE ENTIRE SPECTRUM OF THE POLITICAL, SOCIAL, CULTURAL, SCIENTIFIC AND VALUE SYSTEMS OF A COUNTRY.

AND THE LESSON FROM EAST ASIA IS CLEAR.

COMPETITIVENESS COMES FROM AN OPEN ECONOMY -- FROM A STABLE POLITICAL SYSTEM AND FROM A UNITED, HARD-WORKING PEOPLE.

COMPETITIVENESS COMES FROM MODERN INFRASTRUCTURE, AND FROM WORK-PEOPLE TRAINED IN CUTTING-EDGE TECHNOLOGY.

PLUSES AND MINUSES IN OUR COMPETITIVENESS

THE 1995 WORLD COMPETITIVENESS REPORT PRAISES THE EXTREME OPENNESS OF OUR NATIONAL CULTURE: THE AVAILABILITY OF COMPETENT SENIOR MANAGERS AND SKILLED WORKERS, THE WAY WE HAVE INTERNATIONALIZED THE PHILIPPINE ECONOMY, AND THE WAY OUR EXPORTS HAVE GROWN, IN BOTH GOODS AND SERVICES.

BUT IT IDENTIFIES OUR COUNTRY'S BIGGEST LIABILITIES AS THE INADEQUACY OF ITS INFRASTRUCTURE, ITS STILL-PRIMITIVE TRANSPORT SYSTEMS, AND THE INEFFICIENCY OF ITS DISTRIBUTION OF GOODS AND SERVICES. THESE, DESPITE THE GIGANTIC STRIDES WE HAD MADE IN THE LAST FOUR YEARS IN BUILDING ROADS, BRIDGES, AIRPORTS, SEAPORTS, POWER PLANTS, AND OTHER PUBLIC FACILITIES.

THE REPORT ALSO WARNS HOW DANGEROUSLY OUR HUMAN DEVELOPMENT LAGS BEHIND THOSE OF OUR COMPETITORS -- OUR LACK OF PHYSICIANS; THE CONTINUING DRAIN OF OUR SKILLED WORKERS; AND THE HIGH PUPIL-TEACHER RATIO IN OUR PUBLIC SCHOOL SYSTEM.

IN ADDITION TO THIS, WE MUST WORRY ABOUT OUR SEVERE LACK OF SCIENTISTS, ENGINEERS AND TECHNICIANS.

THUS, WE MUST WORK ON THE THINGS THAT WILL MAKE US COMPETITIVE IN THE WORLD. WE MUST BECOME MORE EFFICIENT IN OUR SOCIAL PROCESSES AND IN OUR EDUCATIONAL INSTITUTIONS. WE MUST CONTINUE TO MAKE SUBSTANTIAL INVESTMENTS IN INFRASTRUCTURE, BUT THIS TIME, NOT MERELY DEPENDING ON PURELY GOVERNMENT EXPENDITURES BUT ON WIDER PRIVATE SECTOR PARTICIPATION.

WE MUST MAKE NOT JUST OUR BUSINESS ENTERPRISES -- BUT THE WHOLE OF NATIONAL SOCIETY -- COMPETITIVE IN THE WORLD BY EXPANDING RESEARCH AND DEVELOPMENT (R&D) IN THE EMERGING TECHNOLOGIES AND IN EDUCATION, ESPECIALLY IN SCIENCE AND TECHNOLOGY AT ALL LEVELS.

WE MUST RAISE THE PRODUCTIVITY OF OUR FARMS, OUR FACTORIES, OUR SMALL AND MEDIUM ENTERPRISES, OUR WORKERS AND OUR MANAGERS -- FOR WE ARE NOW JUST RECOVERING FROM THE INEFFICIENCIES THAT MARKED OUR ECONOMY IN PAST DECADES. IN THIS REGARD, WE SHALL SOON BE COMPLETING A NATIONAL ACTION AGENDA ON PRODUCTIVITY WHICH I HAVE INSTRUCTED THE NATIONAL ECONOMIC DEVELOPMENT AUTHORITY (NEDA) TO COORDINATE, BRINGING TOGETHER EFFORTS OF ALL SECTORS WHO ARE INVOLVED.

LADIES AND GENTLEMEN OF CONGRESS --

I URGE YOU TO ACT NOW ON ECONOMIC MEASURES I COMMENDED TO THIS LEGISLATURE LAST JULY 1995 -- ONE SONA AGO. TO COMPLETE OUR LIBERALIZATION OF THE ECONOMY, LET US REPEAL THE REMAINING LAWS -- SOME ENACTED OVER 40 YEARS AGO -- THAT STILL LIMIT ECONOMIC GROWTH AND DENY THE FILIPINO CONSUMERS ACCESS TO QUALITY GOODS AT LOWER PRICES.

DEVELOPMENT, INDEED, EXACTS A PRICE THAT MUST BE PAID BY THOSE WHO WANT IT.

OUR COMPREHENSIVE TAX REFORM SYSTEM AND SAVINGS

THIS IS WHY I REGARD AS URGENT AND CRUCIAL CONGRESSIONAL ACTION ON OUR COMPREHENSIVE TAX REFORM PACKAGE (CTRP).

THE CTRP IS THE CORNERSTONE OF OUR GOVERNMENT'S EFFORT TO PUT THE FILIPINO HOUSE IN ORDER -- AND TO GEAR UP OUR ECONOMY FOR THE COMING ERA OF FREE TRADE.

BEYOND THESE, TAX REFORM IS ALSO THE KEY COMPONENT IN OUR EFFORT TO COMPEL THE IRRESPONSIBLE RICH TO TAKE UP THEIR RIGHTFUL SHARE OF THE CIVIC BURDEN. RIGHT NOW, IT IS OUR SALARIED EMPLOYEES AND THE MIDDLE CLASS WHO BEAR THE BULK OF THE TAX LOAD.

WE MUST SIMPLIFY OUR TAX SYSTEM; BROADEN ITS BASE; LOWER ITS RATES -- MAKING IT ECONOMICALLY EFFICIENT AND SOCIALLY EQUITABLE; AND REMOVE FROM IT AREAS OF DISCRETION THAT ALL TOO OFTEN LEAD TO EVASION AND CORRUPTION.

OUR OTHER URGENT NEED IS TO GENERATE MORE INTERNAL SAVINGS. OUR SAVINGS RATE OF 19% OF GNP IS STILL WELL BELOW THE EAST ASIAN AVERAGE OF 30%.

OUR LANDMARK REFORMS IN THE BANKING SECTOR ARE DESIGNED TO INCREASE THE MOBILIZATION OF DOMESTIC SAVINGS, BUT OUR SOCIAL INSURANCE SCHEMES NEED TO BE RESTRUCTURED AND THEIR APPLICATIONS TO HEALTH, HOUSING, EDUCATION AND COUNTERPARTING BROADENED.

THIS IS WHY I HAVE ORDERED AN IN-DEPTH STUDY OF A NATIONAL PROVIDENT FUND SYSTEM -- POSSIBLY CONSOLIDATING THE SOCIAL SECURITY SYSTEM (SSS), THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) AND OTHERS INTO ONE, AND MOVING THE ENTIRE COMBINATION TOWARDS PRIVATE ENTERPRISE.

PRIVATIZATION WILL ALLOW AN ENLARGED PROVIDENT FUND SYSTEM TO WIDEN ITS COVERAGE; INCREASE MANAGEMENT FLEXIBILITY IN INVESTING ITS PORTFOLIO; INCREASE STATUTORY MINIMUM CONTRIBUTIONS; AND DECENTRALIZE ITS OPERATIONS.

PRIVATIZATION AND THE SPREAD OF SHARE OWNERSHIP TO ORDINARY FILIPINOS ARE AT THE HEART OF OUR THRUSTS FOR ECONOMIC PROGRESS AND SOCIAL EQUITY -- BY THE DEMOCRATIZATION OF WEALTH AND OPPORTUNITY. WE ARE DETERMINED TO SHED THE STATE'S DISCRETIONARY ECONOMIC INTERVENTIONS -- SO THAT GOVERNMENT CAN CONCENTRATE ON ITS PROPER FUNCTION -- WHICH IS TO PROVIDE THE FRAMEWORK OF LAW, CIVIC ORDER AND INFRASTRUCTURE WITHIN WHICH PRIVATE ENTERPRISE CAN FLOURISH.

V. FROM A REGULATORY TO A DEVELOPMENTAL STATE

THE SAME WORLD COMPETITIVENESS REPORT ALSO NOTES THE NEED FOR STREAMLINING THE BUREAUCRACY AND FOR REFORMS IN OUR JUSTICE SYSTEM.

TO ACCELERATE SUCH REFORMS, WE NEED ABOVE ALL TO IMPROVE DRAMATICALLY THE EFFECTIVENESS OF PUBLIC INSTITUTIONS. WE MUST SIMPLIFY THE SYSTEM OF REGULATIONS, LICENSES AND PERMITS ACCUMULATED OVER GENERATIONS OF BIG GOVERNMENT THAT HAVE OFTEN BECOME OPPORTUNITIES FOR CORRUPTION.

THE ENTIRE PUBLIC SECTOR WE MUST TRANSFORM FROM A REGULATORY INTO A PROMOTIONAL AND DEVELOPMENTAL PARADIGM SERVING AND URGING THE PRIVATE SECTOR TO BECOME GLOBALLY COMPETITIVE -- SIMILAR TO THOSE THAT LED TO EAST ASIA'S AMAZING TRANSFORMATION THESE PAST 30 YEARS.

MOST CRUCIAL OF ALL, WE MUST PURSUE OUR EARLIER EFFORTS TOWARDS A MORE DISCIPLINED, COHESIVE AND CONVERGENT BUREAUCRACY, AND MAKE OUR CIVIL SERVICE AN EFFECTIVE INSTRUMENT OF THE MODERN STATE. WE MUST IMPROVE GOVERNMENT SERVICES TO THE PEOPLE BY CUTTING BUREAUCRATIC RED TAPE.

A PROFESSIONAL BUREAUCRACY REQUIRES GOVERNMENT TO COMPETE WITH THE PRIVATE SECTOR FOR TALENTED PEOPLE. ALTHOUGH WE HAVE INCREASED THE SALARIES OF CIVIL SERVANTS BELOW UNDERSECRETARY LEVEL BY AN AVERAGE OF 40% SINCE 1992, EVEN NOW OUR LEVELS OF PAY CANNOT APPROXIMATE THOSE PAID

BY BUSINESS AND THE PROFESSIONS. IMPROVING THE DESIRED EFFICIENCY OF PUBLIC AGENCIES AND ESPECIALLY THEIR EFFECTIVENESS WILL NOT BE CHEAP -- BUT IT WILL BE PUBLIC MONEY WELL-SPENT.

A JUSTICE SYSTEM THAT WORKS

THAT SAME 1995 WORLD COMPETITIVENESS REPORT DEALT ALSO WITH THE SLOW DISPOSITION OF CASES WHICH IS MOST CONSPICUOUS IN CRIMINAL PROCEEDINGS. THIS HAS CONTRIBUTED GREATLY TO POPULAR FRUSTRATION AND MARKED EROSION OF PEOPLE'S FAITH IN THE ADMINISTRATION OF JUSTICE.

THE STRENGTHENING OF THE BARANGAY JUSTICE SYSTEM AND THE DESIGNATION BY THE SUPREME COURT OF 56 SPECIAL CRIMINAL COURTS REQUIRED TO CONDUCT DAILY TRIALS ARE GIANT STEPS FORWARD. THAT THIS IMPROVED PROCEDURE CAN WORK, WE SEE IN THE ONGPIN KIDNAPPING CASE, THE TRIAL OF WHICH TOOK ONLY 20 DAYS.

WE NEED MANY MORE REFORMS -- NOT ONLY IN SPEEDING UP PROCEDURES. WE ALSO NEED TO INCREASE THE NUMBER OF METROPOLITAN TRIAL COURTS AND PROSECUTORS. WE SHOULD ALSO UPGRADE THE SALARIES OF LOWER-COURT JUDGES AND THOSE OF THE PROSECUTION SERVICE, TO MAKE THEIR PAY COMMENSURATE WITH THEIR WORKLOAD.

REFORMING OUR ELECTORAL SYSTEM

FINALLY, WE SHALL NEED TO CONTINUE REFORMS IN OUR POLITICAL SYSTEM -- SO THAT IT CAN KEEP PACE WITH OUR ECONOMIC MODERNIZATION. GENERALLY, WE NEED TO KEEP DOWN THE VIOLENCE, THE VOTE-BUYING, AND THE CHEATING THAT STILL CHARACTERIZE OUR ELECTORAL PROCESS.

SEVERAL OTHER PROPOSALS FOR ELECTORAL REFORM WHICH I SUPPORT AND ARE STILL PENDING INCLUDE BILLS WHICH WOULD PROHIBIT POLITICAL DYNASTIES AND WHICH WOULD AUTHORIZE ABSENTEE VOTING. WE SHOULD ALSO SHORTEN REGLEMENTARY PERIODS FOR OUR TRIBUNALS THAT DECIDE ELECTORAL PROTESTS.

LADIES AND GENTLEMEN OF THIS TENTH CONGRESS:

AGAIN, I CALL UPON YOU TO PASS THE BILLS IN SUPPORT OF OUR FIVE PRIORITY PROGRAMS, NAMELY: GREATER POLITICAL STABILITY AND NATIONAL UNITY, ECONOMIC AND SOCIAL DEVELOPMENT, ENERGY DEVELOPMENT AND INFRASTRUCTURE MODERNIZATION, PROTECTION OF THE ENVIRONMENT AND NATURAL RESOURCES, AND ENERGIZING THE BUREAUCRACY.

I AM SUBMITTING TO CONGRESS THE COMPLETE LIST OF OUR PRIORITY LEGISLATIVE MEASURES.

VI. AGENDA FOR THE NEXT TWO YEARS: UNITING AS A PEOPLE, MODERNIZING AS A DEMOCRACY

OUR PROBLEMS ARE FAR FROM SOLVED. BUT WE HAVE DEFINITELY MADE HEADWAY IN DEALING WITH THEM. EVEN MORE IMPORTANT, WE HAVE PROVED TO OURSELVES THAT OUR DIFFICULTIES DO NOT ARISE FROM SOME DEEP-ROOTED CULTURAL FLAW. THEY HAVE ARISEN FROM POLICY MISTAKES AGAINST WHICH WE HAVE EXERTED COLLECTIVE EFFORT AND POLITICAL WILL TO SET THEM ARIGHT -- TODAY.

OUR HEROIC GENERATION OF 1896 ANIMATED OUR PEOPLE'S IDEALS AND ASPIRATIONS.

SURELY, WE, WHO ARE TODAY'S LEADERS, CAN MOVE OUR NATIONAL COMMUNITY CLOSER TO THE IDEALS OF DEMOCRACY, FREEDOM AND FRATERNITY -- OF WHICH OUR NATIONAL HEROES DREAMT.

SURELY WE CAN ORGANIZE FOR OURSELVES A SOCIETY WHERE ORDINARY PEOPLE NEED NOT DEPEND ON ANY PATRON'S CHARITY -- WHERE THEY NEED NOT DEFER TO ANYONE'S SUPERIOR STATUS -- WHERE THEY CAN REALIZE THE POSSIBILITIES OF THEIR LIVES, IN A PEACEFUL AND PROGRESSIVE NATIONAL COMMUNITY.

WHAT MAKES A NATION?

THE NINETEENTH-CENTURY FRENCH SCHOLAR ERNEST RENAN DEFINED A NATION AS "A COMMUNITY WITH A COMMON MEMORY -- A PEOPLE THAT HAS SUFFERED TOGETHER."

WE ARE SUCH A COMMUNITY.

BEFORE THE POLITICAL PERSECUTIONS OF 1872, THERE WAS NO FILIPINO NATION. WE WERE MERELY A COLLECTION OF INDIOS, MOROS, MESTIZOS, CREOLES AND *KATUTUBOS* -- AND THE ARCHIPELAGO WE INHABITED WAS MERELY THE NAME OF A PLACE.

BUT AFTER THE EXECUTION OF THE MARTYR-PRIESTS GOMEZ, BURGOS AND ZAMORA IN FEBRUARY OF THAT YEAR, NO FURTHER REPRESSION COULD PREVENT ONE FILIPINO NATION -- IN RIZAL'S WORDS, *ANG SAMBAYANANG PILIPINO* -- FROM BEING BORN.

LADIES AND GENTLEMEN OF THE TENTH CONGRESS --

TODAY OUR COUNTRY CALLS US -- NOT TO DIE -- BUT TO LIVE FOR IT.

THE PATRIOTISM BORNE OF REVOLUTION AND WAR MUST GIVE WAY TO CITIZENSHIP FOR PEACE AND DEVELOPMENT -- WHICH MEANS PERSONAL COMMITMENT, SOCIAL OBLIGATION, CIVIC RESPONSIBILITY.

IF EACH OF US PULLED HIS OR HER WEIGHT, THEN WE AS A NATION CAN BE BOUND TOGETHER -- NOT ONLY BY THE COMMON MEMORY OF OUR PAST SUFFERINGS -- BUT BY THE PROGRESS WE CAN ENJOY TOGETHER.

AS LEADERS OF OUR COUNTRY AND AS ITS LOYAL SONS AND DAUGHTERS, SUCH IS THE PLEDGE WE MUST RENEW ON THIS THE ONE HUNDREDTH YEAR OF THE PHILIPPINE REVOLUTION OF 1896 AND OF RIZAL'S MARTYRDOM.

IN THE SOLEMNITY OF THIS CHAMBER -- KEENLY AWARE OF THE TASKS LAID UPON OUR HANDS BY OUR PEOPLE AND BY OUR FUNDAMENTAL CHARTER -- LET US SEIZE THIS CHANCE TO GIVE FLESH AND REALIZATION TO OUR NATIONAL BELIEFS AND ASPIRATIONS.

ON THIS THE DAWNING OF OUR CENTENNIAL OF PHILIPPINE INDEPENDENCE, IF THERE IS ONE PARAMOUNT ACHIEVEMENT TO WHICH WE FILIPINOS MUST DEDICATE OURSELVES, IT IS THIS -- THAT, BY 1998, WE FILIPINOS MUST SHOW AND PROVE TO THE WORLD THAT WE ARE FINALLY A NATION UNITED. *SA MADALING SALITA: SA TAONG ISANG LIBO SIYAM NA RAAN AT SIYAMNAPU'T-WALO (1998), TAAS-NOO ANG PILIPINO NA HAHARAP SA BUONG MUNDO!*

SO, IN THIS WORK WE ARE TO BEGIN ANEW TODAY, LET US ASK FOR GOD'S GUIDANCE AND SUPPORT -- SO WE CAN WIN THE NEW CHALLENGES OF PEACE AND DEVELOPMENT!

MARAMING SALAMAT SA INYONG LAHAT.

MABUHAY ANG PILIPINAS!