

TRANSCRIPT

THE CHALLENGES AHEAD

**State of the Nation Address (SONA)
of H.E. President Fidel V. Ramos
Third Session of the Tenth Congress
Batasan Pambansa, Quezon City
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INTRODUCTION

THANK YOU MR. SPEAKER. VICE-PRESIDENT JOSEPH ESTRADA, SENATE PRESIDENT ERNESTO MACEDA AND SPEAKER JOSE DE VENECIA, THE DISTINGUISHED MEMBERS OF THE SENATE AND OF THE HOUSE OF REPRESENTATIVES, HONORABLE MEMBERS OF THE SUPREME COURT AND OF THE JUDICIARY, YOUR EXCELLENCY ARCHBISHOP GIAN VINCENSO MORENI, DEAN AND THEIR EXCELLENCIES OF THE DIPLOMATIC CORPS AND THE HEADS OF INTERNATIONAL ORGANIZATIONS, THE LADIES OF THE TENTH CONGRESS OF THE OFFICE OF THE PRESIDENT AND OF THE OFFICE OF THE VICE-PRESIDENT, MY COLLEAGUES IN THE CABINET, LEADERS AND REPRESENTATIVES OF NON-GOVERNMENT ORGANIZATIONS AND OF THE BASIC SECTORS OF OUR CIVIL SOCIETY, THE LEADERS OF BUSINESS, LOCAL GOVERNMENT EXECUTIVES, THE CHIEF-OF-STAFF OF THE ARMED FORCES OF THE PHILIPPINES AND THE MAJOR SERVICE COMMANDERS, THE CHIEF OF THE PHILIPPINE NATIONAL POLICE, FELLOW WORKERS IN GOVERNMENT, LADIES AND GENTLEMEN:

I. THE BOTTOM-LINE TEST FOR LEADERS

MGA MAHAL NA KAPATID AT MGA KABABAYAN, MGA KAGAGALANG-GALANG NA BUMUBUO SA IKA-SAMPUNG KONGRESO:

ITO NA PO ANG AKING HULING PAGKAKATAON NA MAG-UULAT SA KAPULUNGANG ITO HINGGIL SA KALAGAYAN NG ATING BANSA. MGA KASAMA, MAAARI RING ITO NA ANG HULING PAGKAKATAON PARA SA MARAMING KAGAWAD NG IKA-SAMPUNG KONGRESO NA MAKINIG SA GANITONG PAG-UULAT.

THIS IS THE LAST TIME I SHALL BE REPORTING TO THIS LEGISLATURE ON THE STATE OF THE NATION. IT MAY ALSO BE THE LAST TIME MANY OF YOU IN THE TENTH CONGRESS WILL LISTEN TO A STATE-OF-THE-NATION ADDRESS FROM WITHIN THESE SACRED HALLS.

AS WE WIND UP, IT IS TIME WE EXAMINE OUR POLITICAL CONSCIENCES BY ASKING OURSELVES THE BOTTOM-LINE QUESTIONS:

HAVE WE IMPROVED THE LIVES OF OUR PEOPLE DURING OUR TERMS? ARE OUR PEOPLE BETTER OFF TODAY THAN THEY WERE FIVE YEARS AGO?

TO THESE QUESTIONS, SELF-SERVING ANSWERS WILL NEVER BE ACCEPTABLE TO POLITICAL OPINION. AS FOR MY ADMINISTRATION, WE ARE CONTENT -- IN ANY JUDGMENT OF ITS RECORD SO FAR -- TO STAND ON THE EVIDENCE OF THE ECONOMIC AND SOCIAL INDICATORS, THE TESTIMONY OF THE EXPERTS, AND BEST OF ALL, THE VERDICT OF ORDINARY PEOPLE.

THE EVIDENCE OF THE INDICATORS

LET US LOOK AT THE KEY INDICATORS OVER THESE PAST FIVE YEARS.

- * THE GROWTH OF OUR GROSS NATIONAL PRODUCT (GNP) IS PERHAPS THE BEST-KNOWN INDICATOR. AND THE RECORD SHOWS THAT GNP GROWTH ACCELERATED FROM 1.5% IN FISCAL YEAR 1991-92 TO 6.8% IN 1996.
- * OVER THE SAME PERIOD FILIPINO PER CAPITA INCOME GREW FROM US\$840 TO US\$1,250 PER HEAD.

WE HAVE COME A LONG WAY IN STABILIZING PRICES. INFLATION IS DOWN, FROM 18.7% IN 1991 TO 4.6% THIS JUNE. AND THIS RATE IS WELL WITHIN THE ASEAN NORM, AND WE WILL REMAIN WELL WITHIN SINGLE-DIGIT IN 1997.

IN 1992 OUR EXPORTS INCREASED BY ONLY 4.3% COMPARED TO THEIR VALUE IN 1991. BY 1996 OUR EXPORTS WERE EXPANDING BY 23.9% OVER THOSE OF THE PREVIOUS YEAR.

- * INVESTMENT APPROVALS IN 1996 REACHED SOME ₱490 BILLION -- INCREASING BY 20.2% OVER THE INVESTMENTS GENERATED IN 1995. IN MY MUCH-CRITICIZED FOREIGN TRIPS -- APART FROM THEIR OTHER BENEFITS TO OUR FOREIGN RELATIONS -- BY THEMSELVES HAVE GENERATED AN ESTIMATED US\$21 BILLION WORTH OF INVESTMENTS FROM 36 COUNTRIES ACCORDING TO OUR BOARD OF INVESTMENTS. (APPLAUSE)
- * FOREIGN TOURIST ARRIVALS GREW BY 16% YEARLY OVER THE LAST FIVE YEARS -- THE HIGHEST GROWTH IN THE ASIA-PACIFIC REGION, WHILE DOMESTIC TOURISM GREW FROM 2.7 MILLION IN 1991 TO CLOSE TO 10 MILLION IN 1995. THE PRESTIGIOUS INTERNATIONAL RETIREMENT GLOBAL INDEX BASED IN GENEVA NAMED THE PHILIPPINES IN 1996 AS THE NUMBER ONE RETIREMENT DESTINATION IN THE WORLD.

IN 1992, 781,000 NEW JOBS WERE CREATED. IN 1996, ALMOST DOUBLE THAT NUMBER WERE GENERATED -- CLOSE TO 1.5 MILLION JOBS -- REDUCING THE NATIONAL UNEMPLOYMENT RATE FROM 9.8% TO 8.6%.

FROM 1993 TO 1996, WE HELPED 763,000 FAMILIES OWN THEIR HOMES. AND BY JUNE 1998, WE SHALL HAVE PROVIDED HOUSING ASSISTANCE TO OUR TARGETTED 1.2 MILLION FAMILIES INCLUDING THOSE IN SMOKEY MOUNTAIN, THOSE ALONG "DA RILES" AND THOSE ON TOP OF THE PASIG RIVER. (APPLAUSE) OVER THE SAME PERIOD, WE SHALL HAVE DISTRIBUTED LANDS TO 1.5 MILLION FARMERS UNDER OUR AGRARIAN REFORM PROGRAM.

IN HEALTH, LIFE EXPECTANCY INCREASED FROM 62.5 YEARS IN 1992 TO 69.5 YEARS IN 1997. AND OVER THE SAME PERIOD, THE INFANT MORTALITY RATE DECLINED FROM 53.6 TO 45.8 FOR EVERY ONE THOUSAND LIVE BIRTHS.

AND FUNCTIONAL LITERACY INCREASED FROM 75.2% IN 1989 TO 83.8% IN 1994.

FRUITS OF DEREGULATION AND LIBERALIZATION

THE SUM OF ALL OF THESE INDICATORS OF DEVELOPMENT IS THAT, OVER THESE PAST FIVE YEARS, POVERTY HAS DECLINED -- FROM 40% OF ALL FILIPINO FAMILIES IN 1991 TO 35% IN 1994; AND THIS TARGETED TO GO FURTHER DOWN TO 30 PERCENT BY NEXT YEAR WHEN THE NEXT UNIVERSAL MEASUREMENT SHALL BE MADE.

THE RESULTS OF THE ADMINISTRATION'S LIBERALIZATION AND DEREGULATION PROGRAM HAVE BEEN PARTICULARLY GRATIFYING.

FOR EXAMPLE, IN PLACE OF A MONOPOLY IN THE TELECOMMUNICATIONS, WE NOW HAVE NINE MAJOR PLAYERS WITH MORE WANTING TO COME IN. THIS HAS IMPROVED THE NATIONAL TELEPHONE DENSITY FROM 79 PERSONS PER TELEPHONE LINE 1992 TO 19 PER ONE LINE AS OF JUNE 1997 OR A 450 % INCREASE.

IN INTERISLAND SHIPPING, WE HAVE MANY NEW ROUTES AND 556 NEW VESSELS. IN CIVIL AVIATION, WE HAVE MORE AIRLINES, MORE FLIGHTS, MORE ROUTES, BETTER SERVICE AND LOWER FARES.

AND, TWO YEARS AGO, WE HAD ALL OF 5 INTERNET-SERVICE PROVIDERS. NOW WE HAVE 115.

THE JUDGMENT OF THE EXPERTS

LET US NOW TURN TO THE JUDGMENT OF THE EXPERTS.

THE INTERNATIONAL MONETARY FUND (IMF) PRONOUNCES OUR COUNTRY'S MACROECONOMIC SITUATION TO BE "VERY SOUND" -- EXCEPT FOR THE LACK OF A FEW BUT CRITICAL COMPONENTS IN THE LEGISLATIVE PROGRAM -- SPECIFICALLY, THE COMPLETION OF THE COMPREHENSIVE TAX REFORM PACKAGE (CTRP), WHICH WE URGENTLY NEED IN ORDER TO EXIT FROM THE IMF UMBRELLA.

THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD), THE EXCLUSIVE CLUB OF 29 RICH COUNTRIES, LAST FEBRUARY INVITED THE PHILIPPINES TO TAKE PART REGULARLY IN THE GROUP'S DIALOGUE WITH THE SO-CALLED DYNAMIC NON-MEMBER ECONOMIES.

AND THE MAJOR INTERNATIONAL RATING AGENCIES ARE EXPECTED TO UPGRADE THE PHILIPPINES TO INVESTMENT GRADE OVER THE NEXT 12 MONTHS. AND TOP EXECUTIVES IN TEN ASIAN COUNTRIES -- RESPONDING TO A RECENT SURVEY BY THE FAR EASTERN ECONOMIC REVIEW, SAID THEY EXPECT THE PHILIPPINES TO BE THE THIRD BEST-PERFORMING EAST ASIAN ECONOMY IN EAST ASIA IN 1997 -- AFTER CHINA AND MALAYSIA.

YET THE ULTIMATE JUDGE OF HOW WELL A PAIR OF SHOES IS MADE IS NOT THE SHOEMAKER'S OPINION, BUT THE CUSTOMER WHOSE FEET WILL HURT -- IF THE SHOE PINCHES. AND THE ULTIMATE MEASURE OF HOW WELL GOVERNMENT WORKS IS IN ORDINARY PEOPLE'S OWN JUDGMENT OF HOW ITS WORKINGS HAVE AFFECTED THEIR DAILY LIVES.

THE VERDICT OF ORDINARY PEOPLE

AND SO HOW MANY FILIPINOS HAVE BENEFITED PERSONALLY FROM THE PROGRAMS OF THE RAMOS ADMINISTRATION?

THE PRESTIGIOUS SURVEY INSTITUTION, THE SOCIAL WEATHER STATIONS (SWS) WHICH ALL PRESIDENTIABLES FOR 1998 WANT TO QUOTE -- ASKING ITS RESPONDENTS THIS KEY QUESTION -- GOT THIS SHORT ANSWER:

SWS SAYS, TWO-THIRDS (65%) OF FILIPINOS TESTIFIED THAT THEY HAVE BENEFITED PERSONALLY FROM THIS ADMINISTRATION'S POLICIES. (APPLAUSE) REPORTING ON THE SURVEY RESULTS ON JULY 7, 1997, SWS SUMMARIZED THE SIGNIFICANCE OF THESE FINDINGS IN THREE POINTS:

ONE -- A CLEAR MAJORITY OF FILIPINOS FEEL THEY HAVE BENEFITED FROM THE ADMINISTRATION'S PROGRAMS;

TWO -- FOR QUITE A NUMBER OF THEM, THE SCALE OF BENEFITS HAS BEEN LARGE; AND,

THREE -- ALL AREAS OF THE COUNTRY AND ALL SOCIAL CLASSES HAVE BENEFITED MORE OR LESS IN A MEASURABLE WAY. (APPLAUSE)

SO, AS WE CAN SEE, ALL THREE: THE SOCIO-ECONOMIC INDICATORS, THE TESTIMONY OF THE EXPERTS, AND THE VERDICT OF ORDINARY FILIPINOS AGREE THAT THESE PAST FIVE YEARS HAVE MADE A DIFFERENCE IN THE LIVES OF OUR PEOPLE.

BUT TO ME, THESE INDICATORS SIGNIFY NOT JUST INCREMENTAL CHANGES BUT A QUALITATIVE TRANSFORMATION OF OUR AND OF OUR PEOPLE COUNTRY.

IN THEIR TOTALITY, THEY TELL US THE PHILIPPINES IS NO LONGER TRAPPED IN ITS OLD CYCLE OF BOOM AND BUST. AND BEST OF ALL, THEY PROVE TO US OUR PROBLEMS DO NOT ARISE OUT OF SOME DEEPLY ROOTED CULTURAL FLAW -- NOT OUT OF A SO-CALLED "DAMAGED CULTURE" -- BUT FROM POLICY MISTAKES THAT OUR DUE DILIGENCE DURING THE LAST FIVE YEARS AND FROM HERE ON AS WELL AS POLITICAL WILL CAN CORRECT.

THAT PAST IS NOW OVER; AND A GREAT ERA DAWNS UPON US AND A GREATER FILIPINO FUTURE BEACONS.

II. WE HAVE DONE A GREAT DEAL -- BUT THERE IS A GREAT DEAL MORE TO DO

KAYA MGA MAHAL KONG KAPATID AT KABABAYAN:

MARAMI NA TAYONG NAGAWA SUBALI'T HIGIT PANG MARAMI ANG KAILANGAN NATING GAWIN. MAY KASIYAHANG DULOT ANG MGA TAGUMPAY NA ATING NATAMO NITONG NAKARAANG LIMANG TAON. NGUNIT, ANG HAMON NG KAUNLARAN AY NAGHIHINTAY PA RIN SA ATIN LAHAT MGA PILIPINO. (APPLAUSE) AT ANG DARATING NA SIGLO AY MAGIGING KAKAIBA KAYSA PANAHOON NATING NGAYON.

WE CAN TAKE SATISFACTION IN WHAT WE HAVE ACCOMPLISHED THESE PAST FIVE YEARS. BUT THE CHALLENGE OF DEVELOPMENT STILL LIES AHEAD OF US. AND THIS COMING CENTURY WILL BE FAR DIFFERENT FROM THE ONE ABOUT TO END.

THE FUTURE WORLD WILL BE SHAPED BY AT LEAST TWO REVOLUTIONARY CHANGES. ONE IS THE ADOPTION -- ON A GLOBAL SCALE -- OF MARKET-ORIENTED STRATEGIES OF INDUSTRIALIZATION. AND THE OTHER IS THE PHENOMENAL SPREAD OF INFORMATION TECHNOLOGY.

OUR REFORMS THESE PAST FIVE YEARS HAVE MOVED OUR COUNTRY INTO THE MAINSTREAM OF GLOBAL COMMERCE -- INTO THE MIDDLE OF THE PROFOUND CHANGES TAKING PLACE IN THE WORLD.

THE OPPORTUNITIES -- AND THE DANGERS -- INHERENT IN THIS NEW SITUATION ARE MANY; AND ONE OF THESE CONTINGENCIES HIT THE ECONOMY THREE WEEKS AGO. TOGETHER WITH OTHER ASEAN CURRENCIES, THE PESO CAME UNDER INTENSE SPECULATIVE ATTACK, FORCING ITS DEPRECIATION. THE PESO-DOLLAR RATE HAS,

HOWEVER, LARGELY STABILIZED IF WE LOOK AT THE MARKET TODAY AS OF NOON TIME, THE PESO-DOLLAR RATE STABILIZED AND THE PHYSICS INDEX WENT UP -- AND WHY, BECAUSE OUR ECONOMIC FUNDAMENTALS ARE SOUND AND STRONG. BUT THERE IS NO TELLING WHEN ANOTHER DISTURBANCE WILL OCCUR.

LET US BE CLEAR ABOUT WHAT WE SHOULD NOT DO. WE MUST REJECT ALL CALLS FOR A RETURN TO THE CLOSED, STAGNANT AND INWARD-LOOKING ECONOMICS OF THE LAST 40-45 YEARS.

LADIES AND GENTLEMEN OF THE TENTH CONGRESS:

THE ANSWER IS NOT TO RETREAT FROM THE CHALLENGE OF GLOBALIZATION. LET US NOT DELUDE OURSELVES. GLOBAL ECONOMIC INTEGRATION IS HERE TO STAY.

THE ANSWER IS TO ENSURE OUR ECONOMY REMAINS VIGOROUS AND SUSTAINABLE -- AND RESILIENT ENOUGH TO RESIST OUTSIDE MANIPULATIONS AND STRONG ENOUGH TO COMPETE IN THE WORLD. AT THE SAME TIME, WE MUST REINFORCE THE SAFETY NETS THAT WE HAVE PUT IN PLACE FOR OUR DISADVANTAGED SECTORS, OUR POOREST CLASSES.

WE MUST WORK HARD TO WIN OUR PLACE IN THE WORLD -- BECAUSE THE WORLD WILL NOT STOP FOR THOSE WHO STAND IDLY BY ON THE ROADSIDE OF DEVELOPMENT.

THE NEXT 10-15 YEARS WILL BE CRUCIAL

NOW THAT WE CAN AFFORD TO THINK BEYOND OUR PEOPLE'S IMMEDIATE NEEDS, WE AS NATIONAL LEADERS MUST LEARN TO LOOK BEYOND THE POLITICIAN'S PERSPECTIVE.

WE MUST LEARN TO PLAN AND PREPARE -- NOT JUST FOR THE NEXT ELECTION, BUT FOR THE NEXT GENERATION. (APPLAUSE)

WE MUST LEARN TO LOOK TO WHAT THE WORLD -- THE REGION -- AND THE PHILIPPINES -- WOULD BE LIKE -- NOT JUST OVER THE NEXT PRESIDENTIAL TERM BUT OVER THE NEXT 10-15 YEARS.

THESE YEARS THAT I MENTIONED WILL BE CRUCIAL. BECAUSE THEY MAY TURN OUT TO BE THE LAST YEARS OF THE POST-COLD WAR ERA -- THE LAST YEARS OF THE SUPERIORITY WHICH AMERICA AND HER ALLIES ENJOY.

JUST NOW, NO NEW SUPERPOWER IS LIKELY TO CHALLENGE THE UNITED STATES. BUT THIS PERIOD OF STABILITY UNDERWRITTEN BY AMERICA'S ECONOMIC AND MILITARY STRENGTH WOULD NOT LAST FOREVER. THE FUTURE SIMPLY HOLDS TOO MANY UNCERTAINTIES.

CHINA'S INTENTIONS IN THE SOUTH CHINA SEA; HOW A NEW RUSSIA WILL EVOLVE FROM THE IDEOLOGICAL RUINS OF THE SOVIET UNION; HOW PEACE CAN BE ORGANIZED ONCE AND FOR ALL ON THE KOREAN PENINSULA; AND HOW JAPAN WILL RESPOND TO THE CHALLENGE OF HELPING ENSURE PEACE AND STABILITY IN OUR REGION -- ALL THESE REMAIN UNCLEAR.

CHINA'S RAPIDLY EXPANDING ECONOMY WILL UNAVOIDABLY PRESS POLITICALLY AND MILITARILY ON EAST ASIA.

AND IN THE NOT-TOO-DISTANT FUTURE, CHINA WILL ONCE AGAIN BECOME A GREAT POWER -- AND IT IS UNREALISTIC FOR ANYONE TO THINK THAT OUTSIDERS CAN PREVENT THIS FROM TAKING PLACE.

HOW CHINA EXERCISES ITS POTENTIAL POLITICAL, ECONOMIC, AND MILITARY CLOUT MUST CONCERN ALL COUNTRIES OF THE ASIA PACIFIC -- AND NONE MORE SO THAN WE WHO ARE CLOSEST AMONG ITS NEIGHBORS ESPECIALLY THE PHILIPPINES.

WITH OUR PARTNERS IN ASEAN, WE AGREE THAT OUR BEST APPROACH TO CHINA IS TO DRAW HER INTO THE NETWORK OF ECONOMIC AND DIPLOMATIC COLLABORATION WITH US -- FOR OUR MUTUAL BENEFIT.

THE PROSPECTS FOR SOUTHEAST ASIA

THE ORGANIZATION OF AN ASEAN-10 HAS BEEN SET BACK BY RECENT EVENTS IN CAMBODIA. BUT SOUTHEAST ASIA'S COMPULSION TO UNITY IS SO STRONG THAT IT CANNOT BE STOPPED.

ASEAN'S REGIONAL FORUM (ARF) HAS DRAWN THE GREAT POWERS WITH INTERESTS IN EAST ASIA IN A CONTINUING DIALOGUE TO DEAL WITH REGIONAL SECURITY CONCERNS, AND AMONG THE MOST CRITICAL BEING -- THAT THE SOUTH STRATEGIC SEA-LANES OF THE CHINA SEA SHOULD REMAIN AN INTERNATIONAL FREEWAY, OPEN TO ALL INNOCENT PASSAGE.

TOWARD THIS GOAL, I OFFICIALLY PROPOSED IN 1994 THE DEMILITARIZATION OF THE SOUTH CHINA ISLETS CLAIMED BY SIX LITTORAL STATES, AND THE COOPERATIVE DEVELOPMENT OF THEIR RESOURCES.

IN THE FACE OF THIS UNCERTAIN SECURITY ENVIRONMENT, THE WISEST COURSE FOR US TO FOLLOW IN OUR FOREIGN RELATIONS IS:

FIRST -- TO STRENGTHEN OUR BILATERAL RELATIONS WITH EVERY FRIENDLY COUNTRY; AND OUR COMMITMENT TO ASEAN, THE UNITED NATIONS, THE ASIA-PACIFIC ECONOMIC COOPERATION OR APEC AND OTHER INTERNATIONAL FORA.

SECOND -- TO JOIN WITH THE SO-CALLED "MIDDLE FORCES" IN THE ASIA-PACIFIC -- OUR ASEAN PARTNERS AND AUSTRALIA AND NEW ZEALAND -- IN MODERATING AND CALMING THE REGIONAL SECURITY ENVIRONMENT;

THIRD -- TO SUPPORT THE CONTINUED PRESENCE OF THE UNITED STATES IN ASIA-PACIFIC AS A FORCE FOR STABILIZING THE REGIONAL POWER BALANCE; AND,

FOURTH -- TO SHIFT OUR ARMED FORCES OF THE PHILIPPINES FROM COUNTERINSURGENCY TO EXTERNAL DEFENSE AND TO DEVELOP A CREDIBLE AIR AND MARITIME CAPABILITY TO THE FULLEST EXTENT THAT OUR RESOURCES WILL ALLOW.

LADIES AND GENTLEMEN OF THE TENTH CONGRESS:

WE MUST TAKE EVERY ADVANTAGE OF THESE NEXT 10-15 YEARS TO COMPLETE MODERNIZING OUR BELOVED PHILIPPINES -- TO PULL OUT BY THE ROOTS THE CAUSES OF INTERNAL DISSIDENCE -- TO SHORE UP OUR EXTERNAL DEFENSES -- AND TO CONSOLIDATE OUR UNITY WITH OUR NEIGHBORS IN SOUTHEAST ASIA.

ONLY BY SO DOING CAN WE HOPE TO ASSURE THE SAFETY, THE FREEDOM AND THE PROSPERITY OF THOSE WHO WILL COME AFTER US.

PREPARING OUR COUNTRY FOR THE 21ST CENTURY AND BEYOND

AND HOW DO WE ASSURE FOR OURSELVES THE PLACE WE WANT TO HAVE IN THE FUTURE WORLD?

HOW CAN WE FIND OUR COMPETITIVE NICHE -- AND THEN DEFEND IT?

THE 1997 SURVEY OF THE ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC (ESCAP), A UNITED NATIONS AGENCY, FORECASTS THE REGION'S GROSS DOMESTIC PRODUCT (GDP) TO GROW WITHIN THE RANGE BETWEEN 5.1% AND 6.7% OVER THE NEXT 20 YEARS. THIS IS AT LEAST DOUBLE THE WORLD'S AVERAGE GDP GROWTH OVER THE SAME PERIOD. WE WERE AT 5.5% BY LAST WE REPORT.

OUR ECONOMY MUST AT LEAST MATCH THIS GROWTH RATE. IF OUR COUNTRY IS TO BECOME A SIGNIFICANT PLAYER IN THE ASIA-PACIFIC, THEN WE MUST NOW PREPARE THE PLACE WE WANT TO HAVE IN THIS FUTURE WORLD. WE MUST FIND OUR COMPETITIVE NICHE -- AND NURTURE IT.

WHAT ARE OUR BASIC STRENGTHS AND DISTINCT DISADVANTAGES?

THEY LIE IN OUR DEMOCRATIC AND OPEN SOCIETY; OUR ARCHIPELAGIC SETTING; OUR STRATEGIC LOCATION ASTRIDE THE GREAT OCEANS OF COMMERCE AND SOUTH CHINA SEA; AND IN OUR TALENTED MANAGERS AND OUR ADAPTABLE WORKPEOPLE. THESE ARE OUR ADVANTAGES.

WE MUST BUILD IN THIS COUNTRY THE CONSTELLATION OF SKILLS -- THE EDUCATION, RESEARCH AND DEVELOPMENT, THE WORK ETHIC, AND THE ENTIRE INFRASTRUCTURE OF KNOWLEDGE -- THAT WILL ENABLE US TO DEVELOP TECHNOLOGICAL LEADERSHIP.

TO ACHIEVE THESE BASIC GOALS, I AM SUBMITTING TO THIS LEGISLATURE, TODAY, AN UPDATED TECHNICAL REPORT CONTAINING, AMONG OTHER THINGS, OUR LIST OF PRIORITY BILLS THAT WE ASK YOU, THE DISTINGUISHED LADIES AND GENTLEMEN OF THE TENTH CONGRESS, TO CONSIDER DURING THIS LAST SESSION.

THE FIRST THING WE MUST DO IS TO ENSURE THAT DEVELOPMENT SPREADS BEYOND THE NATIONAL CAPITAL REGION AND OUR OTHER METROPOLITAN CENTERS.

WE MUST AWAKEN AND ENERGIZE ALL OUR REGIONS -- ALL OUR ISLANDS -- ALL OUR PROVINCES AND CITIES AND MUNICIPALITIES -- TO THE POSSIBILITIES OF MODERNIZATION.

AND WE MUST TAP THE TALENT POOL THAT STILL LIES DORMANT IN OUR 69 MILLION PEOPLE, THE MAJORITY OF WHOM ARE UNDER 40 YEARS OF AGE.

WE MUST BREAK THE REMAINING CONCENTRATION OF ECONOMIC AND POLITICAL POWER IN A FEW -- SO THAT WE CAN UNLEASH THE CREATIVITY, THE RESOURCEFULNESS AND THE ENTREPRENEURSHIP IN THE MANY.

FROM PEACE PROCESS TO INTEGRATION

WE HAVE INCORPORATED OUR PEACE INITIATIVE IN THE SOUTHERN PHILIPPINES INTO A LARGER INTEGRATIVE PROCESS -- TO MAKE OUR MUSLIM AND INDIGENOUS COMMUNITIES AN AUTONOMOUS PART OF A PLURAL NATIONAL SOCIETY.

THE SOUTHERN PHILIPPINES COUNCIL FOR PEACE AND DEVELOPMENT (SPCPD) AND ITS CONSULTATIVE ASSEMBLY ARE NOW WORKING IN CONJUNCTION WITH THE AUTONOMOUS REGION IN MUSLIM MINDANAO (ARMM) -- HELPING BUILD POLITICAL CONSENSUS, COORDINATING DEVELOPMENT PROJECTS AND AIDING IN LAW ENFORCEMENT.

IN THIS SPIRIT OF UNIFYING THE NATIONAL COMMUNITY AND IN FURTHERANCE OF THE PEACE PROCESS, I URGE THE PASSAGE OF A BILL TO AMEND THE ORGANIC ACT OF THE ARMM (REPUBLIC ACT 6734) TO ENABLE

OUR PEOPLE IN THE ZONE OF PEACE AND DEVELOPMENT (ZOPAD) IN SOUTHERN PHILIPPINES TO FAST-TRACK THEIR DEVELOPMENT WITHIN THE REALM OF AN EXPANDED REGIONAL AUTONOMY. (APPLAUSE)

AND IN THIS CONNECTION, LET ME ACKNOWLEDGE THE GREAT CONTRIBUTION DONE BY SOME OF YOU IN THE HOUSE OF REPRESENTATIVES LED BY THE SPEAKER OF THE HOUSE HIMSELF, (APPLAUSE) TOGETHER WITH THE CHAIRMAN OF OUR GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES PANEL, AMBASSADOR FORTUNATO ABAT, (APPLAUSE) AND THE ADMINISTRATOR OF THE NATIONAL IRRIGATION ADMINISTRATION RETIRED GENERAL ORLANDO SORIANO, (APPLAUSE) AND THE CONGRESSMAN WHO REPRESENTS THE PARTICULAR DISTRICT IN WHICH THIS BREAKTHROUGH HAPPENED DEPUTY SPEAKER SIMEON DATUMANONG, (APPLAUSE) FOR NOW MOVING US ONE FURTHER BUT GIANT STEP INTO THE FINAL REALIZATION OF PEACE AND DEVELOPMENT IN MINDANAO.

LIKEWISE, LADIES AND GENTLEMEN, THIS CONGRESS MUST NOW PASS THE CORDILLERA ORGANIC ACT, WHICH WILL ENABLE -- *SIGE ALSIPAT KAYO, KAKABSAT KEN GAGAYYEM* -- (APPLAUSE) THE INDIGENOUS PEOPLES OF NORTHERN LUZON TO DEVELOP MORE SPEEDILY, WHILE PRESERVING THEIR NATIVE CULTURE AND THEIR ENVIRONMENT.

TO MAKE CERTAIN THAT DEVELOPMENT SPRINGS FREELY FROM THE RICE-ROOTS, WE ALSO MUST SPEED UP THE DEVOLUTION OF AUTHORITY TO PROVINCES, CITIES AND MUNICIPALITIES. WE MUST REMOVE THE WEB OF LAWS AND REGULATIONS -- ADMINISTERED AT THE NATIONAL LEVEL -- THAT RESTRAINS REGIONS FROM DEVELOPING EACH IN ITS OWN WAY.

AND WE MUST RESTORE TO LOCAL COMMUNITIES CONTROL OVER THE POLITICAL DECISIONS THAT INFLUENCE THE WAY THEY LIVE THEIR DAILY LIVES. AND, WHATEVER WE DO, WE MUST NOT ALLOW GROWTH TO SLOW DOWN -- BECAUSE ONLY SUSTAINED DEVELOPMENT WILL ENABLE US TO FINALLY WIPE OUT FILIPINO POVERTY. (APPLAUSE)

AND WE CANNOT ALLOW OUR DEMOCRACY TO WITHER -- **BECAUSE PHILIPPINE DEMOCRACY IS OUR UNIQUE COMPARATIVE ADVANTAGE IN THE NEW GLOBAL ORDER.** (APPLAUSE) ONLY DEMOCRACY CAN RELEASE THE SPIRIT OF ENTERPRISE AND CREATIVITY AMONG OUR PEOPLE, AND WITHOUT FREEDOM, ECONOMIC GROWTH IS MEANINGLESS.

AND SO, FREEDOM -- MARKETS -- AND PROGRESS -- GO TOGETHER.

COMPLETING GOVERNMENT'S UNFINISHED BUSINESS

OVER THESE NEXT 10-15 YEARS, WE MUST COMPLETE GOVERNMENT'S UNFINISHED BUSINESS -- THE MOST URGENT OF WHICH IS TO MODERNIZE PHILIPPINE AGRICULTURE. (APPLAUSE) WE WILL NEVER ACHIEVE A GENERALIZED INCREASE IN LIVING STANDARDS WITHOUT TRANSFORMING OUR FARMING COMMUNITIES.

BUT WE MUST COMPLETE OTHER REFORMS -- LIKE THE LIBERALIZATION OF RETAIL TRADE AND THE ANTI-TRUST/ANTI-MONOPOLY ACT -- BECAUSE THIS WILL MAKE THE MARKET SYSTEM WORK MORE EFFECTIVELY.

AND WE MUST CONTINUE TO LAY THE INFRASTRUCTURE OF FACILITIES, SERVICES AND EQUIPMENT THAT WILL ALLOW NATIONAL SOCIETY TO FUNCTION MORE EFFICIENTLY.

TODAY, WE ARE BUILDING INFRASTRUCTURE AT A PACE THE COUNTRY HAS NOT SEEN IN 20 YEARS. FOR EXAMPLE, WE HAVE TRIPLED OVER THE LAST FIVE YEARS THE BUDGET FOR ROADS AND BRIDGES ALONE. THIS PACE MUST NOT SLACKEN.

FOR EXAMPLE, WE HAVE COMPLETED THE ROAD FROM THIS BATASAN COMPLEX COMING FROM YOUR BACKDOOR GOING TO THE OTHER SIDE -- WITH A BRIDGE OVER THE MARIKINA RIVER -- TO SAN MATEO, RIZAL, PROVIDING AN ALTERNATE CONNECTION BETWEEN HERE AND THERE -- JUST IN CASE. (APPLAUSE)

IN SOCIAL REFORM, WE HAVE ADDRESSED THE CONCERNS OF THE BASIC SECTORS AND IMPROVED THE QUALITY OF LIFE IN THE 20 POOREST PROVINCES, AND IN THE POOREST MUNICIPALITIES, THE FIFTH AND THE SIXTH CLASS MUNICIPALITIES IN ALL OF OUR 78 PROVINCES. AN EXPERIMENTAL PROGRAM WE CALL THE COMPREHENSIVE AND INTEGRATED DELIVERY OF SOCIAL SERVICES (CIDSS) HAS MADE A SIGNIFICANT IMPACT ON THE CONDITION OF 856 PILOT BARANGAYS -- AND SO, AS OUR NATIONAL RESPONSE MECHANISM, THE CIDSS, WE ARE APPLYING THIS PROGRAM TO DEAL WITH PEOPLE'S MINIMUM BASIC NEEDS (MBN) IN ALL OF OUR POOREST COMMUNITIES.

THE TASK REMAINS UNFINISHED; BUT I ASSURE OUR BASIC SECTORS WHO ARE OUR POOREST, THAT THE EXECUTIVE COMMITMENT THAT WE MADE IN LAST YEAR'S ANTI-POVERTY SUMMIT WILL BE SUBSTANTIVELY FINISHED BY THE END OF THIS YEAR. (APPLAUSE) AND THIS WE REVIEWED TOGETHER IN OUR EIGHT SOCIAL REFORM COUNCIL MEETING ONLY THREE DAYS AGO.

THUS, I STRONGLY URGE THIS LEGISLATURE TO PASS THE BILLS IN OUR SOCIAL REFORM AGENDA (SRA) THAT REMAIN IN YOUR HANDS, AND HAVE LONG BEEN AWAITED BY OUR BASIC SECTORS NAMELY -- THE FISHERIES CODE, THE ANCESTRAL DOMAIN BILL, THE LAND-USE CODE, AND THE REPEAL OF THE ANTI-SQUATTING LAW OTHERWISE KNOWN AS P.D. 772. (APPLAUSE)

WE HAVE REDUCED THE POPULATION GROWTH RATE MARGINALLY -- FROM 2.35% IN 1990 TO 2.32% IN 1995. BUT THIS STILL MEANS OUR POPULATION WILL DOUBLE -- OVER THE NEXT 31 YEARS -- FROM TODAY'S NEAR 70 MILLION TO 138 MILLION. THIS PRESS OF SHEER NUMBERS WILL HAVE A TREMENDOUS IMPACT ON POVERTY AND ON THE DEGRADATION OF OUR ENVIRONMENT -- UNLESS WE DO SOMETHING, AND UNLESS WE START NOW. AND THAT POPULATION MANAGEMENT BILL IS NOW HERE IN THE TENTH CONGRESS. (APPLAUSE)

THE PLAIN TRUTH IS THAT WE CAN NO LONGER MAKE DO WITH ECONOMIC LEAPFROGGING -- BECAUSE OTHER COUNTRIES ARE LEAPFROGGING, TOO. OUR AIM SHOULD BE RATHER TO POLE-VAULT INTO THE TWENTY-FIRST CENTURY.

III. OUR TASKS FOR THE REMAINING YEAR

LADIES AND GENTLEMEN OF THE TENTH CONGRESS:

EVERY CLOUD IS SAID TO HAVE A SILVER LINING AND I AGREE. THE RECENT SPECULATIVE ATTACK ON THE PESO MAY HAVE BEEN A BLESSING IN DISGUISE -- BECAUSE IT GAVE US FILIPINOS THE OPPORTUNITY TO ENHANCE THE COMPETITIVENESS OF THE PHILIPPINE PESO. (APPLAUSE)

WE PAID A SMALL PRICE FOR THE LONG-TERM STABILITY AND RESILIENCE OF OUR ECONOMY.

NOT ONLY HAS ALLOWING THE PESO'S DEPRECIATION CONSERVED OUR FOREIGN-EXCHANGE RESERVES. IT SHOULD INCREASE THE REAL INCOMES OF OUR EXPORTERS; TOURISM-RELATED INDUSTRIES; OUR FARMERS AND FISHERFOLK; OUR HEROIC OVERSEAS WORKERS AND THEIR FAMILIES, AND OTHER DOLLAR-EARNERS. IT SHOULD ALSO REDUCE OUR TRADE DEFICIT; AND COMPLETE THE TRANSFORMATION OF OUR ECONOMY FROM AN INWARD TO AN OUTWARD ORIENTATION.

MOST IMPORTANT OF ALL, IT ENABLES US TO CONTINUE CREATING MORE AND BETTER JOBS FOR OUR WORK-PEOPLE.

DEPRECIATION, OF COURSE, HAS RAISED SOME FEARS OF INFLATION. BUT WE ARE CONFIDENT THAT IT WILL REMAIN WELL WITHIN SINGLE-DIGIT LEVELS, WITH CORRESPONDING PRICE STABILITY BECAUSE, I REPEAT OUR MACRO ECONOMIC FUNDAMENTALS ARE SOLID AND STRONG. (APPLAUSE)

FINANCIAL-SECTOR REFORMS

FINANCIAL-SECTOR REFORMS MUST FOCUS ON THE NEED TO KEEP OUR CURRENT-ACCOUNT DEFICIT AT MANAGEABLE LEVELS. IT IS IMPORTANT THAT GOVERNMENT NOW RATIONALIZE INCENTIVES TO BUSINESS TO KEEP INEFFICIENT ENTERPRISES FROM PROLIFERATING.

TO PROMOTE EFFICIENCY AND PRODUCTIVITY IN THE FINANCIAL SECTOR, THIS CONGRESS MUST NOW PASS THE REMAINING COMPONENT MEASURES OF THE COMPREHENSIVE TAX REFORM PROGRAM -- BOTH TO SIMPLIFY TAXATION AND TO INCREASE REVENUE GENERATION.

WE MUST ALSO NURTURE A STABLE CAPITAL MARKET -- ONE THAT WILL ENCOURAGE LONG-TERM INVESTMENT CONFIDENCE; MOBILIZE EFFICIENTLY DOMESTIC SAVINGS AND FOREIGN INVESTMENTS FOR OUR SOCIAL AND PHYSICAL INFRASTRUCTURE; AND WORK IN CONFORMITY WITH INTERNATIONAL STANDARDS.

DEVELOPMENT OF THIS CAPITAL MARKET WILL REQUIRE THE PASSAGE OF THE SECURITIES REGULATION AND ENFORCEMENT ACT, AND THE REVISED INVESTMENT COMPANY ACT -- BOTH OF WHICH ARE ALREADY WITH THIS CONGRESS.

AND AS PRACTISED DURING THE PAST FIVE SONAs, I SHALL TODAY -- 30 DAYS AHEAD OF SCHEDULE -- ALSO SUBMIT THE PRESIDENT'S BUDGET FOR 1998 -- ALL IN THE INTEREST OF SOUND FINANCIAL MANAGEMENT AND THE COST-EFFECTIVE UTILIZATION OF PUBLIC FUNDS. (APPLAUSE)

AGRICULTURE, INDUSTRY AND THE ENVIRONMENT

IN INDUSTRY, WE MUST PRESS ON WITH THE REFORMS THAT HAVE ALREADY BROUGHT ABOUT PROFOUND CHANGES IN OUR INDUSTRIAL CAPABILITIES. WE MUST NURTURE ESPECIALLY SMALL AND MEDIUM ENTERPRISES OUR SMEs -- WHICH GENERATE THE MOST JOBS AT THE SMALLEST CAPITAL-COST.

ALREADY SMEs MAKE UP 90 PERCENT OF OUR ENTERPRISES AND EMPLOY 40 PERCENT OF OUR WORKERS IN MANUFACTURING. WE ARE STARTING WITH THE PRIVATE SECTOR A COMMON PROGRAM FOR CREATING ONE MILLION NEW FILIPINO ENTREPRENEURS BY THE YEAR 2000. (APPLAUSE)

THE MAGNA CARTA FOR SMALL ENTERPRISES HAS INCREASED THE LOANABLE FUNDS SET ASIDE BY THE BANKING SECTOR FOR SMEs FROM SOME ₱6 BILLION IN 1992 TO OVER ₱110 BILLION OVER THESE PAST FIVE YEARS.

IN AGRICULTURE, WE HAVE THE NATURAL RESOURCES AND WE HAVE THE MANPOWER -- NOT ONLY TO FEED OUR OWN PEOPLE, BUT TO EXPORT TO THE WORLD. WHAT IS LACKING IS A CONCERTED AND DETERMINED PUSH TO BRING OUR AGRICULTURE INTO MODERNIZATION.

TO SPUR THE DEVELOPMENT OF AGRICULTURE AND INDUSTRY, THIS CONGRESS MUST NOW PASS BILLS PENDING SINCE 1995 SUCH AS THE AGRICULTURAL PRODUCTIVITY AND IRRIGATION ENHANCEMENT ACT OF 1995 (APPLAUSE) WHICH BECAME THE PROPOSE ACT OF 1996, IT IS NOW 1997 WHICH THAT PROVIDE MORE FUNDS FOR IRRIGATION, ALSO AGRARIAN REFORM AND MORE ELECTRIC POWER FROM RENEWABLE INDIGENOUS RESOURCES -- HYDRO, GEOTHERMAL, RIPTIDE, WIND, SOLAR, AND OCEAN; ETCETERA. THIS WOULD ALSO SUPPORT THE FISHERIES SECTOR; MANDATE THE EFFICIENT ALLOCATION OF LAND FOR AGRICULTURE AND INDUSTRY, AND ENCOURAGE THE DEVELOPMENT OF APPROPRIATE TECHNOLOGY.

WE MUST CONTINUE TO PROMOTE LABOR-FRIENDLY LEGISLATION THAT LEADS TO WORKER PRODUCTIVITY AND SUPPORT THE INITIATIVES AND PROGRAMS OF THE COOPERATIVE DEVELOPMENT AUTHORITY. (APPLAUSE)

WE ALSO PROPOSE THE CREATION OF A WATER RESOURCES AUTHORITY -- TO INTEGRATE THE 25 SEPARATE AGENCIES NOW INVOLVED IN VARIOUS ASPECTS OF WATER MANAGEMENT THROUGHOUT THE ARCHIPELAGO. THIS WILL ENABLE US TO UNIFY POLICY AND PROGRAM DEVELOPMENT; AND TO COPE WITH THE NATIONWIDE DROUGHTS EXPECTED TO HAPPEN BECAUSE OF THE WARM PACIFIC SEA-CURRENTS PHENOMENON KNOWN AS *EL NIÑO*.

AND WE MUST BE MINDFUL OF THE NEED TO "KEEP THINGS CLEAN AND GREEN AS WE GROW." THE RAMOS ADMINISTRATION HAS LED IN THE GLOBAL EFFORT TO IMPLEMENT THE U.N.'S SO-CALLED "AGENDA 21" BEING THE FIRST COUNTRY IN OUR PART OF THE WORLD TO PUT OUT ITS OWN NATIONAL COUNCIL FOR SUSTAINABLE DEVELOPMENT AND PUTTING OUT ITS IMPLEMENTING PHILIPPINE AGENDA 21 (PA-21). THIS AGENDA OF THE UNITED NATIONS ON SUSTAINABLE DEVELOPMENT REQUIRES SPECIFIC EXECUTIVE ACTIONS TO HELP NURTURE AND PRESERVE MOTHER EARTH. WE HAVE TAKEN COGNIZANCE OF THE FACT THAT AS WE TAKE AN AGGRESSIVE DEVELOPMENT AGENDA, WE MUST MATCH IT WITH AN UPDATED, MUCH STRONGER ENVIRONMENTAL MANAGEMENT CAPABILITY.

THAT CONGRESS HAS UNTIL NOW NOT PASSED ANY ENVIRONMENTAL ACT DOES NOT SPEAK WELL OF THE PHILIPPINE STATE'S COMMITMENT TO THE GLOBAL IDEAL OF SUSTAINABLE DEVELOPMENT. (APPLAUSE)

TRANSPORT, COMMUNICATIONS AND ENERGY

DEREGULATION AND PRIVATIZATION HAVE WORKED PARTICULARLY WELL IN TRANSPORTATION AND COMMUNICATIONS AND ENERGY. THESE POLICIES HAVE ENCOURAGED A RAPID GROWTH IN DEMAND -- ENABLING THE PRIVATE SECTOR TO OFFER MORE AND VARIED TRANSPORT SERVICES -- LIKE THE *SUPERCAT* FERRIES IN THE VISAYAS; THE NEW AIRLINES; AND EVEN BIG-TICKET ITEMS LIKE EDSA'S MRT 3; THE METRO MANILA SKYWAY; THE EXPRESSWAY EXTENDING TO CLARK, SUBIC AND BATANGAS PORT; AND TERMINALS II AND III AT THE NINYOY AQUINO INTERNATIONAL AIRPORT (NAIA).

BUSINESS RESPONSE TO OUR DEREGULATION OF THE COMMUNICATIONS INDUSTRY HAS EVEN BEEN MORE ENTHUSIASTIC. AND THIS HAS ALLOWED THE GOVERNMENT TO CONCENTRATE ON COMPLETING OUR ALTERNATE LONG-DISTANCE TELECOMMUNICATIONS BACKBONE -- SECURING SATELLITE SLOTS FOR THE PRIVATE SECTOR; AND ON DEALING WITH HIGH-TECH CRIMES SUCH AS CELLPHONE CLONING AND BILLING FRAUD -- FOR WHICH WE WILL BE NEEDING LEGISLATION.

OVER THESE NEXT FEW MONTHS, BELOVED COUNTRYMEN, LADIES AND GENTLEMEN, WE WILL HAVE TWO PHILIPPINE SATELLITES LAUNCHED; AND WE SHALL BE ACCELERATING THE DEVELOPMENT OF OUR INFORMATION INFRASTRUCTURE.

FROM THIS CONGRESS, WE, THEREFORE, SEEK PASSAGE OF THE PUBLIC TRANSPORTATION SERVICES ACT - - WHICH SHOULD BROADEN AND ENHANCE OUR INITIATIVES IN DEREGULATION.

I ALSO COMMEND TO THIS CONGRESS THE SHIPPING AND SHIPBUILDING INCENTIVES BILLS; AS WELL AS THE CORPORATIZATION OF THE AIR TRANSPORTATION OFFICE AND THE MERGER OF THE LAND TRANSPORT OFFICE AND THE LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD INTO ONE NATIONAL LAND TRANSPORTATION AUTHORITY.

WE ARE ALSO WORKING ON THE PRIVATIZATION OF THE NATIONAL POWER CORPORATION AND THE PHILIPPINE POSTAL CORPORATION AS KEY ELEMENTS IN OUR EFFORT TO POLE-VAULT INTO THE INFORMATION AGE.

WE MUST CONTINUALLY MOVE OUR ENERGY DEVELOPMENT AND SUPPLY WELL AHEAD OF ELECTRIC POWER DEMAND.

IF WE GET THESE THINGS DONE, THE DISTANCES SEPARATING OUR 7,107 ISLANDS WILL COMPRESS DRAMATICALLY -- AS WELL AS BUILD VIRTUAL BRIDGES OVER THE WATERS, ACROSS THE AIR AND INTO CYBER-SPACE.

**SCIENCE AND TECHNOLOGY;
EDUCATION AND TRAINING**

SINCE 1992, WE HAVE WORKED TO INTEGRATE OUR SCIENCE COMMUNITY'S ACTIVITIES WITH AGRICULTURAL AND INDUSTRIAL PRODUCTION. AMONG OTHER THINGS, THIS MADE POSSIBLE THE OPERATION OF THE P.H.-NET IN 1994 -- WHICH SET OFF A BOOM IN ELECTRONIC NETWORKING. SCIENCE AND TECHNOLOGY SCHOLARSHIPS GRANTED BY CONGRESS HAVE ALSO WIDENED OUR SCIENTIFIC AND ENGINEERING MANPOWER BASE.

WE HAVE ALSO ESTABLISHED A NETWORK OF INSTITUTES OF MOLECULAR BIOLOGY AND BIOTECHNOLOGY -- TO STUDY BIOTECH'S APPLICATIONS IN AGRICULTURE, INDUSTRY, MEDICINE AND THE ENVIRONMENT.

AND UNDER OUR POLE-VAULTING STRATEGY, WE AIM TO TURN THE PHILIPPINES INTO AN ASIAN HUB FOR SOFTWARE DEVELOPMENT AND TRAINING.

WE HAVE SEVERAL BILLS RELATING TO SCIENCE AND TECHNOLOGY PENDING IN THIS CONGRESS. THE HIGHEST PRIORITY WE ASSIGN TO THE PROPOSED "MAGNA CARTA FOR SCIENCE AND TECHNOLOGY PERSONNEL" - - WHICH AWARDS VARIOUS INCENTIVES TO OUR PEOPLE ENGAGED IN SCIENCE AND TECHNOLOGY.

I COMMEND TO THIS CONGRESS THE PROPOSAL TO ESTABLISH A NATIONAL PROGRAM FOR GIFTED FILIPINO CHILDREN IN SCIENCE AND TECHNOLOGY; AND THE ENACTMENT OF A LAW ESTABLISHING A NATIONWIDE SYSTEM OF HIGH SCHOOLS SPECIALIZING IN THE SCIENCES AND IN ENGINEERING.

AND WE MUST MAKE MORE INTENSIVE INVESTMENTS IN BASIC EDUCATION FOR BASIC EDUCATION CAN UNLOCK THE INTELLIGENCE HIDDEN IN EVERY YOUNG MIND. THE SAME IS TRUE FOR OUR "DUAL-TRAINING" SYSTEMS, "REMOTE" EDUCATIONAL INSTITUTIONS AND "OPEN" UNIVERSITIES.

WE MUST MAKE OUR SCHOOLS NOT ONLY COMMUNITIES OF LEARNERS -- WHERE OUR CHILDREN LEARN TO READ, WRITE, AND COMPUTE. WE MUST MAKE THEM SCHOOLS OF THE FUTURE -- WHICH NURTURE YOUNG FILIPINOS TO BECOME RESPONSIBLE CITIZENS AND ENLIGHTENED LEADERS OF OUR COUNTRY.

WE MUST NOW MOVE AGGRESSIVELY TO BRING OUR PEOPLE UP TO SPEED WITH THE GLOBAL ECONOMY. TO CREATE HIGH-WAGE JOBS IN THE FUTURE, HUMAN-CAPITAL INVESTMENTS ARE THE KEY.

AND IN THIS SPIRIT, I COMMEND TO THIS CONGRESS -- AS A PRIORITY ADMINISTRATION BILL -- THE MAGNA CARTA FOR STUDENTS ENDORSED BY OUR SOCIAL REFORM COUNCIL. (APPLAUSE)

THE BUREAUCRACY AND THE RULE OF LAW

WE MUST IMPROVE GOVERNMENT'S CAPACITY AND EFFICIENCY ACROSS THE BOARD -- IN ITS EVERY ASPECT FROM TOP TO BOTTOM. THE BUREAUCRACY, THE CIVIL SERVICE WE MUST FURTHER PROFESSIONALIZE AND LOCAL GOVERNMENT UNITS WE MUST BEGIN TO USE AS STRATEGIC PARTNERS IN DEVELOPMENT.

THE ADMINISTRATION OF JUSTICE WE MUST MAKE IMPARTIAL, SWIFT, THOROUGH, UNSPARING. LAW ENFORCEMENT AGENCIES WE SHOULD REFORM, REORGANIZE, AND MODERNIZE -- TO RAISE THEIR LEVEL OF COMPETENCE AND THEIR STANDARD OF DEDICATION TO THEIR DUTIES.

WE WILL PURSUE OUR FIGHT AGAINST HEINOUS CRIMES WITH GREATER VIGOR -- EVEN AS WE CONTINUE TO CLEANSE GOVERNMENT OF THE SCALAWAGS AND GRAFTERS WITHIN ITS RANKS -- WHETHER IN THE EXECUTIVE, THE LEGISLATIVE, OR JUDICIAL BRANCH. (APPLAUSE) AND I ASK ALL OF YOU TO JOIN ME IN A CRUSADE AGAINST DANGEROUS DRUGS (APPLAUSE) -- WHICH THREATEN PARTICULARLY OUR YOUNG PEOPLE. AND FOR THIS CRUSADE, WE NEED TO AMEND THE DANGEROUS DRUGS LAW AND THE PASSAGE OF THE ANTI-RACKETEERING BILL.

AND WE WILL EMPLOY THE FULL FORCE OF GOVERNMENT AGAINST THE CRIMINALS, THE OUTLAWS, ESPECIALLY THEIR MASTERMINDS, THE DRUG LORDS, AND THE FINANCIERS (APPLAUSE) WHO PERSIST IN CHALLENGING THE RULE OF LAW AND UNDERMINING THE MORAL FABRIC OF OUR SOCIETY. WE WILL HIT THEM HARD, AGAIN AND AGAIN. (APPLAUSE)

SOCIAL PROTECTION WE MUST ASSURE PARTICULARLY FOR WOMEN AND CHILDREN, WHO ARE THE MOST VULNERABLE SECTORS OF OUR POPULATION. IN THIS WORK, THANKFULLY, THE JUSTICE SYSTEM HAS RECENTLY BROUGHT TO BAR HIGH-PROFILE PEDOPHILES AND ABUSERS OF CHILDREN. (APPLAUSE) BUT WE DO NEED THE ENACTMENT OF THE ANTI-RAPE BILL WHICH COULD HAVE BEEN DONE IN YOUR PREVIOUS SESSION. (APPLAUSE)

REFORM OF THE POLITICAL SYSTEM

THE ENTIRE POLITICAL SYSTEM WE MUST MAKE MORE RESPONSIVE TO THE CHALLENGES -- AND THE OPPORTUNITIES -- THAT THE NEW CENTURY WILL BRING.

WE MUST REEXAMINE THE CONSTITUTION AS THOROUGHLY AS THE JAPANESE, THE SOUTH KOREANS, THE THAIS, AMONG OTHERS, ARE REEXAMINING THEIRS -- TO IMPROVE QUALITATIVELY THE STATE'S CAPACITY TO PROMOTE THE INTERESTS OF THE NATIONAL COMMUNITY, EVEN AS WE RECOGNIZE THE PEOPLE'S RIGHT -- ENSHRINED IN THE SAME CONSTITUTION -- TO SEEK ITS IMPROVEMENT. (APPLAUSE)

AND OF THE POLITICAL REFORMS WE MUST UNDERTAKE, THE MOST IMPORTANT INCLUDE PROMOTING A STRONG AND RESPONSIBLE PARTY SYSTEM. WE MUST ENCOURAGE THE RADICAL LEFT AS WELL AS THE CONSERVATIVE RIGHT TO TAKE A HEALTHY ROLE IN ELECTORAL POLITICS AS FORMER MILITARY REBELS AND MUSLIM SEPARATIST HAVE ALREADY DONE. AND WE MUST STRENGTHEN THE INSTITUTIONS OF DIRECT DEMOCRACY INSTALLED IN THE 1987 CONSTITUTION -- BECAUSE ACCOUNTABILITY IS THE VERY ESSENCE OF REPRESENTATIVE GOVERNMENT.

WE MUST NOW PURSUE THE ELECTORAL REFORMS STILL REMAINING -- PARTICULARLY IN REGARD TO COMPUTERIZATION AND ABSENTEE VOTING -- (APPLAUSE) THIS ARE STILL UNDONE WHICH WE SHALL NEED THEM FOR NEXT YEAR'S CRUCIAL ELECTIONS. EVERY SUCCESSFUL ELECTION HELPS TO CONSOLIDATE DEMOCRACY IN OUR COUNTRY.

MGA KAGALANG-GALANG NA BUMUBUO SA IKA-SAMPUNG KONGRESO:

ANG ATING "POLE-VAULTING STRATEGY" ANG PAMANA NG PANGASIWAANG RAMOS SA MGA DARATING PANG PANGULUHAN. ANG MGA ADHIKAIN NITO PARA SA PAMAHALAAN AT PRIBADONG SEKTOR AY HINDI LAMANG TAON KUNDI DEKADA ANG BIBILANGIN BAGO LUBUSANG MAGING KATUPARAN.

THE POLE-VAULTING STRATEGY I HAVE ARTICULATED IS THE RAMOS ADMINISTRATION'S LEGACY TO FUTURE ADMINISTRATIONS. THE TASKS IT SETS FOR BOTH GOVERNMENT AND CIVIL SOCIETY MAY TAKE NOT JUST YEARS BUT DECADES TO REALIZE IN THEIR FULLNESS.

CARRYING OUT THE POLE-VAULTING STRATEGY IS INHERENTLY THE SHARED RESPONSIBILITY OF ALL LEVELS OF GOVERNMENT AND OF ALL SECTORS OF SOCIETY. HENCE, WE SHOULD CONTINUE TO DRAW ON THE SPIRIT OF UNITY, SOLIDARITY AND TEAMWORK THAT HAS ENERGIZED OUR EFFORTS THESE FIVE YEARS.

THOSE OF US WHO WILL BE GRADUATING CAN CONTINUE TO HELP AND TO GUIDE. (APPLAUSE)

FOR MY PART, LET ME ASSURE YOU -- FOR MY PART THE WORK OF GOVERNMENT WILL NEVER SLACKEN DURING THIS FINAL YEAR OF MY WATCH. (APPLAUSE) I WILL NOT BE A LAME-DUCK PRESIDENT FOR TWO REASONS: (APPLAUSE) FIRST, BECAUSE THAT IS NOT MY NATURE, AND YOU KNOW THAT VERY WELL. (APPLAUSE) AND SECOND, THE TIMES CALL FOR VIGOROUS TIGERS AND NOT ENFEEBLED FOWLS. (LAUGHTER/APPLAUSE) I WILL BE WORKING AND GOVERNING -- YOU WILL ALL FEEL AND HEAR AND SEE ME WORKING AND GOVERNING AS YOUR PRESIDENT -- UNTIL I TURN OVER THE PRESIDENCY TO THE 13TH PRESIDENT OF THE REPUBLIC AT HIGH NOON ON 30 JUNE 1998. (APPLAUSE)

IV. CONCLUSION

LADIES AND GENTLEMEN OF THE TENTH CONGRESS:

NOW TO SUM UP AND CONCLUDE.

ON THIS MY LAST STATE-OF-THE-NATION REPORT, MY MESSAGE TO THIS DISTINGUISHED LEGISLATURE IS AS URGENT AS IT IS SIMPLE: WE CANNOT AFFORD TO THINK ONLY IN TERMS OF THE NEXT ELECTION; OUR PEOPLE WILL NO LONGER ALLOW AN ATTITUDE OF "BUSINESS-AS-USUAL" IN GOVERNMENT. WE MUST USE THESE NEXT 10-15 YEARS -- DURING WHICH WE MAY EXPECT REGIONAL STABILITY TO CONTINUE -- TO PREPARE OUR PEOPLE AND OUR ECONOMY FOR THE INTENSELY COMPETITIVE WORLD OF THE 21ST CENTURY.

THIS "SURVIVAL-OF-THE-FITTEST" SOCIO-ECONOMIC AND POLITICAL ORDER IMPOSES SEVERE PENALTIES ON THE INEFFICIENT, THE UNSKILLED, THE NON-PRODUCTIVE, THE TIMID, AND THE DISUNITED AND THE LAME DUCKS. BUT GREAT OPPORTUNITIES AWAIT THE INTELLIGENT, THE SELF-DISCIPLINED, THE INNOVATIVE, AND THE DARING, THE YOUNG BULLS AND THE TIGER CUBS.

THIS IS WHAT WE MUST RESOLVE TO MAKE OUR BELOVED PHILIPPINES THESE NEXT 10-15 YEARS.

WE MUST COMPLETE THE REFORMS THAT WILL MAKE OUR ECONOMY. OUR SOCIETY A MORE EFFICIENT CREATOR OF WEALTH; OUR SOCIAL STRUCTURE A MORE EQUITABLE DISTRIBUTOR OF BENEFITS; AND OUR POLITICAL SYSTEM THE GUARDIAN OF OUR DEMOCRACY.

WE HAVE RESTORED PEOPLE'S FAITH IN THEMSELVES

FINALLY -- HOW SHOULD I LIKE HISTORY TO SUM UP THESE YEARS DURING WHICH THIS COUNTRY'S POLITICAL AFFAIRS HAVE BEEN ENTRUSTED TO THE RAMOS PRESIDENCY?

ITO ANG MASASABI KO MGA MAHAL NA KAPATID AT MGA KABABAYAN -- ANG PINAKAMAHALAGANG BAGAY NA ATING NAGAWA AY HINDI LAMANG ANG PAGBALIK NG ATING EKONOMIYA TUNGO SA PAG-UNLAD. HIGIT PA RITO, ANG PINAKAMAHALAGANG BAGAY NA ATING NAGAWA AY ANG PAGBALIK SA BAWAT PILIPINO NG ATING PAGGALANG SA SARILI, PANINIWALA SA ATING KAKAYAHAN, AT PAGTITIWALA SA ATING MAGANDANG KINABUKASAN. (APPLAUSE)

I WOULD SAY THIS -- THE BEST THING WE DID HAS NOT MERELY BEEN TO RESTORE THE ECONOMY TO THE PATH OF GROWTH. I WOULD SAY OUR GREATEST ACCOMPLISHMENT HAS BEEN TO BRING BACK THE FILIPINO'S SENSE OF SELF-RESPECT AND PRIDE -- OF FAITH IN OURSELVES AND OF CONFIDENCE IN THE FUTURE.

AND IN ALL OF THESE, LET ME AS YOUR PRESIDENT AND IN BEHALF OF OUR PEOPLE AND GOVERNMENT ACKNOWLEDGE FROM THE DEPTHS OF MY HEART THE INVALUABLE COOPERATION, GOODWILL AND SUPPORT OF THE NINTH AND TENTH CONGRESS (APPLAUSE) AS POLITICAL INSTITUTION AND, LIKEWISE, TO THE GREAT MAJORITY OF THE INDIVIDUAL MEMBERS OF THE SENATE AND OF THE HOUSE OF REPRESENTATIVES, REGARDLESS OF POLITICAL AFFILIATION.

TOGETHER, WE HAVE LABORED HARD AND UNCEASINGLY TO RESTORE OUR NATION TO STABILITY, GROWTH, EQUITY AND OPTIMISM, AND FOR THIS, THE PRESENT AND FUTURE GENERATIONS WILL BE GRATEFUL.

WHEN THAT GRADUATION DAY COMES, WE WILL HAVE THE HONOR TO HAND OVER TO OUR SUCCESSORS, TO THE 13TH PRESIDENT, IN MY CASE, AND TO THE ELEVENTH CONGRESS IN YOURS, A NEW KIND OF PHILIPPINES THAT OUR HEROES OF OUR CENTENNIAL PERIOD ENVISIONED -- A PHILIPPINES THAT WILL ENDURE THROUGH THE NEW CENTURY DAWNING UPON US -- A PHILIPPINES WHERE OUR PEOPLE, UNDER GOD, CAN LIVE TOGETHER IN FREEDOM, DIGNITY, AND PROSPERITY -- AT PEACE WITH THEMSELVES AND WITH ALL HUMANKIND.

TO ALL OF YOU OF THE TENTH CONGRESS, AND TO ALL OUR PEOPLE, I SAY: LET US GO! GO!! GO, GO, GO!!! (APPLAUSE)

MABUHAY ANG PILIPINAS!

SALAMAT PO SA INYONG LAHAT!

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