Privilege Speech delivered by Sen. Ralph Recto

by Ralph Recto on Monday, October 15, 2012 at 4:06pm ·

Mr. President, my dear colleagues, magandang hapon.

Clearly, I am the national punching bag of the week. And I am not surprised. Because if you are head of the Ways and Means committee, expect to be pilloried and never be praised.

Katulad na lamang ng kaliwa’t kanang mga rally ngayon sa labas.

May bumabatikos na kulang ang aking ipinanukalang buwis. May humihiyaw naman na sobrang laki . Sa bawat sigaw na “Itaas!” may sumasagot naman na “Ibaba!”

In any taxation exercise, you are always caught in a vise-grip of competing interests. If you try to seek the middle, chances are, you will be crushed in between.

Ang dahilan po ay dahil wala naman talagang gustong magbayad ng mataas na buwis sa lipunang ito.

Kaya tuloy karamihan ng pulitiko ang nanaisin lamang ay gumasta. Pero allergic sa paghahanap ng pera.

At sinuman ang naatasang maglikom ng pondo para sa pamahalaan ay tiyak na uulanin ng batikos.

Kaya naman sinasabi nila na ang Senado ay kinabibilangan ng dalawampu’t tatlong bida - at isang kontrabida at iyan ang chairman ng Ways and Means committee.

Kaya ho hindi nakapagtataka na walang gustong kumuha ng komiteng ito kasi puro kaaway ang mapapala mo dito.

Mahirap magpapogi kung ang trabaho mo maglikom ng pondo para sa pamahalaan.

But to me that comes with the territory. A Ways and Means committee chair who complains about criticisms is like a ship captain who complains about the sea.

In revenue-raising, you have to learn to live with brickbats. A Ways and Means committee chair has to plod on and just be comforted by the thought that although what he is doing might be unpopular, it is right.

But in crafting tax laws, there is one support mechanism he can't live without - and that is the backing of the executive.

This is so because taxes are always pushed upon the behest and on behalf of the executive. A tax is not a unilateral act of the Senate. It is often proposed by the administration and always initiated by the House.

Pero kahit ganito ang sistema, na may kooperasyon, hindi naman lahat ng panukalang batas na nagmumula sa executive branch ay nakaukit sa bato.

No tax measure is non-debatable and amendment-proof.

Nandyan pa rin ang responsibilidad ng Kongreso na repasuhin at pag-aralang mabuti ang mga panukalang buwis sa hangaring mapabuti pa ito.

Kadalasan ang ginagawa ng Kongreso ay bawasan ang panukalang buwis upang pagaanin ang pasanin.

Tumatayo s’ya na parang checkpoint na pinagaaralan muna ang buwis bago ito patuluyin.

We do not rubberstamp executive proposals. When the taxman cometh for the people’s money, we stand in front of them, demand the justification of their proposal, and weigh the burden of the exaction.

That has been our template in treating revenue bills. We do not embrace tax proposals like long lost loves. We always cast a critical eye.

Kung ano ang pagtrato natin sa mga nakaraang buwis, ganyan din ang pagproseso natin sa panukalang dagdag na buwis sa beer, rum, gin at sigarilyo. Idinadaan sa pagsusuri at public hearing.

Lalo na kung ang papasan nito ay hindi mga dambulahang kumpanya kundi mamamayan.

Sabi ko nga sa aking sponsorship speech, an excise tax is a pass-on tax borne by consumers, not manufacturers. It is not big tobacco or the giant brewery who will pay. It will be the small people.

Tanggapin na natin na kailangan kastiguhin ang mga tomador at mga pugon sa kanilang pagkahibang sa sin products. Pero hindi naman kailangan automatic ang ating pagsang-ayon sa kanilang parusa.

As senators, we must listen not only to saints, but also to sinners.

At ito nga ang ginawa natin. Nagpatawag ng marathon hearings. Isang prusisyon ng mga eksperto pinagsalita. Lahat binigyan ng pagkakataon makapahayag ng kanilang saloobin.

The process was not only fair, it was fast. The House bill was read on first reading and referred to the Ways & Means committee July 31. The committee report was out Oct. 9. Give or take a few days, you can say it was gone in 60 days.

So what I submitted was a recommended bill, the rough draft of legislation. The Senate can either reject or ratify it, trash or tear it to pieces, amend or mangle it.

Ang sa akin lang, ginawa ko ang trabaho ko, para masimulan na ang debate, at umusad na ang pagpipinal nito.

At gaya ng inaasahan ko, may batikos. Isang malaking milagro na kung ang isang panukalang buwis sa bansang ito ay dededmahin lang ng mga magbabayad nito.

At sa totoo lang, winwelcome ko yun.

Bakit? Sapagkat sa kiskisan ng opinion mapapakinis ang isang panukala. Sometimes laws are better forged in heated debates.

So if groups which got lobby money from the foundation funded by the Mayor Bloomberg of New York City with the marching order to agitate for the imposition of New York City tax rates on the likes of Bataan Matamis cried foul, okay lang sa akin yun.

Noong binatikos ako ng mga health advocates, tiningnan ko ang kanilang pamamahayag bilang mahalagang bahagi ng proseso.

Kahit yung may dala ng placard dyan sa labas na minumura ako dahil sobrang taas daw ng panukalang buwis, ni katiting hindi ako napikon.

But as what I hinted earlier, I am not hurt if my critics condemn me. But I will be lying if I will say that I am not affected by the unfounded criticisms of my friends in the executive.

If you wake up Sunday morning to the news that the executive’s phantom legislative point man has accused any senator who does not toe the Finance department proposal as having been bribed by alcohol and tobacco industries, then you know that the trust is gone.

Kung isang araw din maririnig mong binabatikos ka sa radyo ng isang mataas na revenue official gamit ang datos na hindi makatotohanan, ay magtatampo ka rin talaga.

Kung ang kanyang argumento ay gumagasta ang pamahalan ng 155 bilyon pesos kada taon para gamutin ang apat na sakit na dulot nang pagsisigarilyo, ang una mong gagawin ay halughugin ang national budget para i-verify ito.

Nang binuklat ko ang budget documents for 2013, eh ang sabi doon na para sa taong ito ang gagastusin ng national government, local government at GOCCs o yung tinatawag na health sector sa kabuuan ay 59.7 billion pesos sa taong ito at 56.2 billion pesos sa susunod na taon. Kahit anong halughog ko, di ko makita ang P155 billion.

Ang masaklap pa nito the good commissioner’s erroneous data has been repeated, retweeted and retold and has been used as a main fodder against the bill.

Kasi nga naman kung ang government expenditures in treating four smoking related diseases alone ay 155 bilyon pesos na, eh ang laking lugi nga naman nito kung ikukumpara sa koleksyon ng excise tax sa sigarilyo.

Sa ganang akin, pwede namang pumuna basta tama lang ang datos. Pero anong magagawa mo, sira ka na sa batikos.

At mula sa DoH ay maririnig natin ang linya na wala naman silang pakialam sa revenues kesyo magkawindangwindang ang koleksyon, basta matigil ang pagyoyosi.

Eh kung ganun naman pala eh di dapat hindi na sa Ways and Means dinala ito, kundi sa Health committee at doon pagusapan ang pag-ban, hindi pag-buwis.

Kaya nga sinabi ko sa sponsorship speech ko :

“And if sin products indeed carry a misery index so high that it can’t be assuaged by high revenues, then the solution is not to tax them severely but to ban them completely.

If the social injury they cause is greater than the tax they contribute, then government should stop asking money from those who pack cigarettes and bottle the six-pack and should instead tell them to pack up and go.

There is policy incoherence in calling sin products cancer-causing and yet demand a higher cut from their sales and justify that share as an anti-cancer tax.”

Kung nakakamatay ‘yan, hindi ‘yan binubuwisan, iyan ay pinagbabawal.

Kasi ngayon may moral hazard kung pinagkakakitaan mo ang isang bagay na nakakamatay pero hinahayaan mo dahil binubuwisan mo ito. Tax does not detoxify a product.

Kung ang sabi nga ng BIR “so if no one is smoking, then the government will be saving P144 billion,” then sa ganang akin, from a fiscal point of view, there is higher yield for the government in banning tobacco products than in collecting taxes from them.

Wala ng tier, wala ng rate, wala ng collection hassles, wala ng stamps. Bakit pa tayo mangongolekta ng buwis kung P144 billion naman pala ang malinaw na kita kung meron pambansang goodbye sa yosi.

Pero ang justification ay kailangan ng pondo para sa universal health care.

Kulang pa nga daw ang P60 billion, kung tutuusin ang kailangan nga ay P100 billion.

Pero ito ang tanong ko : If you raise that amount, you will have to sell more unhealthy products that will cause more sickness and death.

Kung babasahin mo ang lahat ng pahayag ng ating mga kaibigan sa executive branch, mukhang ang battle cry nila ay i-restore ang 40 billion cut doon sa orihinal na P60 billion original target.

Pero nung pinasadahan ulit nila, ng ni-run uli nila ang forecast na yan under the most optimistic assumption, sila mismo umamin na hanggang P42 billion pesos lang ang annual yield na kaya.

Sa mga meeting ko sa mga taga-DoF, they have raised the white flag on that projection as unachievable. Maari nyong itanong sa kanilang mga number-crunchers kung totoo ito.

Pero hanggang ngayon ang mantra pa rin ay P60 billion.

Even some of our friends at the Bigger House are echoing that demand. They’ve conveyed the request that we in the Senate restore the cuts that they’ve made.

Napakamot tuloy ako ng ulo sa hamon ng mga kaibigan kong kongresista. Kung kinaltas n’yo yung P30 bilyon, bakit sa Senado nyo ipinababalik? Bakit hindi nyo na lang sana tinapyasan mula sa simula?

If the official line now is to increase the total yield to P60 billion, and it appears to be an intractable position, then I am sorry, lubos po akong humihingi ng dispensa, that I cannot advocate it.

Kasi po, dagdag sa pagbalik doon sa orihinal na target na buwis sa sigarilyo, mangangahulugan yan ng pagpataw ng karagdagang P130 na buwis sa kada litro ng local na gin.

At pagtaas sa P150 na buwis sa bawat anim na litro ng Red Horse.

Kung ganun kataas, to borrow the words of a congressman, lahat ng pupunta sa birthday party o binyagan o kasal o anumang tagayan “will no longer raise a toast to it but will raise a fist against it.”

Mukha pong taliwas na po iyan sa aking posisyon na tamang buwis sa tamang toma.

Sa ganito pong sitwasyon, then my only recourse is to irrevocably resign the chairmanship of the committee.

Kasi kahit anumang gawin ko, mababatikos ako.

Kung sobra sa buwis, magagalit ang barangay ginebra at republika ng serbesa.

Kung kulang naman, ang pangungutya ng DoH na hindi napondohan ng sapat ang universal health care dahil kay Recto. At the end of the day, kahit makapagraise ka pa ng P40 bilyon, ang sukli sa iyo ay maging scapegoat sa isang batas na tinimbang nila ngunit kulang.

Kung makakaltasan ang rates, babaha ang kantyaw na winater down ko.

I am stepping aside and relinquish my position to a senator who can better fight for what the Department of Finance wants.

Historically, the journey towards a new tax law is always undertaken by the chairman of the Ways and Means committee and the DoF riding in tandem.

What the emerging situation now is that my position is no longer in synch with my supposed principals.

Because I am now seen as an obstruction and viewed with suspicion, then I have to take myself out of the equation.

It is also but fair to them. My friends in the Finance community should be disabused of the mistaken belief that the person they are backstopping appears to be backstabbing them.

Mahirap naman po na pagdating sa debate ang mga nakaupo sa table dito sa likod ko ay hindi sumasang-ayon sa aking paniniwala at gustong ibasura yun.

If my resignation is what is required to expedite the passage of this very important bill, then so be it.

This will also spare my friends in the DoF and the DoH of having to talk to each one of you in marketing their version’s supposed superior traits.

We have reached the point that we should part as friends with respect for each other’s position.

My resignation will also cure a perceived anomaly by political partisans who treats my criticism of an administration measure as a betrayal of my duties as a Liberal Party senator.

But make no mistake about it, there is no quarrel as to the urgent need to legislate the intentions of this bill. There is only a divergence of views on how to achieve it.

I am therefore withdrawing my committee report to give the incoming chairman a free hand in drafting a new one.

I see no disruption as to the timetable of its passage.

If I may suggest, Mr. President, ways on how to move forward.

The committee records, data, the transcript are all available. These are the threads that will form the new fabric of excise tax bill. They can be easily woven into a new one. The support committee personnel plus the STSRO are on standby.

We can also adopt the House version as the discussion document and from there proceed to make amendments.

Or we can ask the DoF to send its own bill.

Kung papayagan lang sana ng ating rules or if we can amend our rules, we can authorize an arrangement which would allow the Secretaries of Finance and Health to directly answer your queries in plenary.

Hindi na po nila kailangan mag-room-to-room campaign. Pwede na silang tumuloy sa plenary at bilang arkitekto ng panukalang batas na ito ang syang derechahang magpaliwanag.

I would like to apologize to you, Mr. President, and to my fellow senators if this move of mine will affect the flow of business in this chamber. But deep in my heart, this is for the best, for all of us.

Let me reiterate that I support President Noynoy Aquino in his effort to reform the sin taxes.

It is out of my loyalty to him that I am stepping aside to speed up the passage of this very important measure.

Personally, Mr. Senate President, I believe it is curtain time for me in this assignment. I am suffering from what I would call “ways and means” fatigue.

Having been doing this for almost a decade, there is taxing exhaustion on my part.

Since the start of this millennium, mukhang it is always during my watch that big-ticket tax items are being hatched. Iba naman po sana ang gumanap ng ganung papel. I want to be relieved of my resident kontrabida role.

That role has always been a thankless job.

It is akin to living in an apartment row and waking up one morning to see your building surrounded by fire. So you proceed to collect money from other residents to buy a water hose. All the apartments were saved. But you will not be remembered as the guy who saved the houses. You will simply be remembered as the one who collected the money to buy the water hose.