

**ABAKADA GURO PARTY LIST (FORMERLY AASJAS) OFFICERS
SAMSON S. ALCANTARA AND ED VINCENT S. ALBANO, PETITIONERS,
VS. THE HONORABLE EXECUTIVE SECRETARY EDUARDO ERMITA;
HONORABLE SEC...**

G.R. No. 168056. September 01, 2005

Ponente: AUSTRIA-MARTINEZ, J.

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AUSTRIA-MARTINEZ, J.:

In view of the Court's Resolution dated July 12, 2005, which required Former Finance Secretary Cesar V. Purisima to show cause why he should not be held in contempt of court for conduct which puts the Court and its Members into dishonor, disrepute and discredit, and degrades the administration of justice, Purisima filed his Compliance thereto, stating that:

It is not true that I claimed or even insinuated that this Honorable Court was pressured or influenced by President Gloria Macapagal Arroyo or Malacañang Palace to issue a Temporary Restraining Order ("TRO") in the instant cases. What I stated was simply that President Arroyo had on several occasions discussed with the economic team the possibility of postponing the implementation of Republic Act No. 9337. While I believe that President Arroyo wanted to postpone the implementation of the said law, I never claimed or insinuated that this Honorable Court was influenced or pressured to issue the TRO against its implementation.

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I do not deny that I was extremely disappointed when this Honorable Court issued the TRO, which was a serious setback to our fiscal consolidation program. And my disappointment grew when I felt that the Government specifically the Executive branch, was not doing enough to have the TRO lifted. At the height of my disappointment, and after hearing of rumors that Executive officials may have been instrumental in procuring the TRO, I did enquire from the other cabinet officials whether Malacañang had a hand in the issuance of the order. I felt that it was my right and duty as Finance Secretary to make such an inquiry, given that before the issuance of the TRO, the President had inquired about the possibility of deferring the implementation of Republic Act No. 9337. But surely, my inquiries whether Malacañang did so, did not amount to, as it was not intended to have the effect of, claiming outright or necessarily insinuating that Malacañang did so, or to hold, in any manner, this Honorable Court in contempt.[1]

Purisima cites the July 11, 2005 edition of the Philippine Star and the July 10, 2005 edition of the Philippine Daily Inquirer, which reported that Purisima did not directly accuse the President of influencing the Court in issuing the TRO, and that he would neither confirm nor deny the reports that the President had a hand in its issuance.

The Court finds Purisima's explanation unsatisfactory.

The Court reproduces excerpts from some of the reports contained in the newspapers with regard to Purisima's statements, to wit:

(1)

July 10, 2005, The Philippine Star, Opinion Section (It's the Economy, Stupid!)

The present political crisis will inevitably boil down to the economy as the real issue that will ultimately bring down the Arroyo Administration. What we are hearing from people close to the Palace is that the TRO issued by the Supreme Court on the EVAT is the real reason why 10 Cabinet members, specially Cesar Purisima and Johnny Santos, resigned. Cesar Purisima further pointed out that her decision-making process has adversely affected the economy. The frustrated economic team felt that GMA had actually influenced the Supreme Court to issue the TRO to postpone the bad effects of the EVAT on prices purely for her political survival. If indeed that is true, then it just confirms that our present political system has really gone from bad to worse. What I found disgusting is that the plotters, especially Cesar Purisima, sounded like Judas Iscariot. They could just have simply resigned without making a spectacle out of it.

(2)

July 10, 2005, The Daily Tribune (SC Denies Palace Pressed Issuance of E-VAT TRO)

Reports had claimed that the former economic team of Mrs. Arroyo decided to resign over the weekend due in part to the administration's lobbying the SC to issue a restraining order on the e-VAT, apparently to prevent the public from further seething against the government over the continuous spiraling of the prices of basic goods and services.

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Finance officials led by Purisima previously expressed dismay over the suspension of the e-VAT as they claimed that the TRO would cost the government at least P140 million a day in unrealized revenues.

Purisima hinted that Mrs. Arroyo had a hand in the SC's TRO to save her presidency.

(3)

July 11, 2005, Manila Standard Today (Palace Debunks Purisima Claim on EVAT)

Malacañang yesterday branded as "ridiculous" the insinuations that President Gloria Macapagal Arroyo had a hand in the Supreme Court's July 1 order suspending the implementation of the Expanded Value-Added Tax Law.

At the same time, Justice Secretary Raul Gonzalez slammed resigned Finance Secretary Cesar Purisima and ex-Trade Secretary Juan Santos for claiming that the President had wanted the implementation of the law delayed so she would not get too much political flak for the tax measure.

(4)

July 11, 2005, The Philippine Star, Business Section (The Last Straw that Broke a Cabinet)

For ex-Finance Secretary Cesar Purisima, the implementation of the EVAT law was a major pillar to strengthen the country's finances, to get our fiscal house in order. As far as he and the rest of the economic management team he heads are concerned, they are operating under the fiscal equivalent of a red alert. They have scored some early victories, like the increase in revenue collections in recent months, but they know that they are still far from being in the clear.

That was why Purisima felt truly betrayed when he reportedly got a phone call from an official telling him "yung hinihingi nyo sa Supreme Court binigay na." He didn't have any pending requests from the Court so he wondered, refusing to accept the reality of his worst fear: The EVAT had been sacrificed by the Palace.

(5)

July 12, 2005, The Philippine Daily Inquirer (No GMA Influence on e-VAT freeze-SC)

Bunye made the reaffirmation after Purisima and former Trade Secretary Juan Santos insinuated that the President might have influenced the Supreme Court to grant the TRO.

At the time the reports came out, Purisima did not controvert the truth or falsity of the statements attributed to him. It was only after the Court issued the show-cause order that Purisima saw it fit to deny having uttered these statements. By then, it was already impressed upon the public's mind that the issuance of the TRO was the product of machinations on the Court by the executive branch.

If it were true that Purisima felt that the media misconstrued his actions, then he should have immediately rectified it. He should not have waited until the Court required him to explain before he denied having made such statements. And even then, his denials were made as a result of the Court's show-cause order and not by any voluntary act on his part that will show utter regret for having been "misquoted." Purisima should know that these press releases placed the Court into dishonor, disrespect, and public contempt, diminished public confidence, promoted distrust in the Court, and assailed the integrity of its Members. The Court already took a beating before Purisima made any disclaimer. The damage has been done, so to speak.

WHEREFORE, Cesar V. Purisima is found GUILTY of indirect contempt of court and FINED in the amount of Twenty Thousand Pesos (P20,000.00) to be paid within ten (10) days from finality of herein Resolution.

SO ORDERED.

Davide, Jr., C.J., Puno, Panganiban, Quisumbing, Sandoval-Gutierrez, Carpio, Corona, Carpio-Morales, Callejo, Sr., Azcuna, Tinga, Chico-Nazario, and Garcia, JJ., concur.

Ynares-Santiago, J., on leave.

[1] Compliance, pp. 2-3.

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