

- S. No. 1093 - (Cont.....)
 Submitted to the Senate on April 22, 1969;
 Referred to the Committee on Finance on the same day;
 Returned by said Committee with the Committee Report
 No. 2199, recommending that it be approved without
 amendment on April 25, 1969;
 Submitted said Report to the Senate on April 28, 1969;
 (Pending for second reading)
- S. No. 1094 - An Act amending Section fourteen of Republic Act Num-
 bered Fifty-one hundred and eighty-five, otherwise
 known as the "Decentralization Act of 1967."
 Introduced by Senator Aytona and filed on April 21, 1969;
 Submitted to the Senate on April 22, 1969;
 Referred to the Committee on Provincial and Municipal
 Governments and Cities on the same day;
 Returned by said Committee with the Committee Report
 No. 2294, recommending that it be approved without
 amendment on May 6, 1969;
 Submitted said Report to the Senate on May 7, 1969;
 (Pending for second reading)
- S. No. 1095 - An Act regulating the organization and operation of
 financing companies.
 Introduced by Senator Padilla and filed on April 21, 1969;
 Submitted to the Senate on April 22, 1969;
 Referred to the Committee on Banks and Currencies on
 the same day;
 Returned by said Committee with the Committee Report
 No. 2359, recommending that it be approved without
 amendment on May 8, 1969;
 Submitted said Report to the Senate on May 9, 1969;
 Passed on second reading by the Senate with amendments
 on May 14, 1969;
 Certified for immediate enactment by the President of the
 Philippines (undated);
 Passed on third reading by the Senate on May 19, 1969;
 Sent to the House requesting concurrence on May 20, 1969;
 The House having passed a Bill (H. No. 18740) similar to
 this Bill, and owing to discrepancies found in the
 provisions of the two measures, the Senate asked for
 a conference on May 19, 1969, having designated as re-
 presentatives on its part Senators Teves, Aytona and
 Padilla;
 The House insisted on its Bill and accepted the conference
 asked for by the Senate on June 6, 1969; having appoint-
 ed as conferees at the same on its part Cong. Roman,
 Valdez and Tabios;
 Conference Report was submitted with the statement that
 the Conference Committee has reached an agreement
 on the disagreeing votes of both Houses, and agreed
 to by the Senate on June 16, 1969;
 The House approved the Report of the Conference Com-
 mittee on June 17, 1969;
 Enrolled copies of the Bill were sent to the President
 of the Philippines for his action July 11, 1969;
 Approved by the President of the Philippines on Aug. 4, 1969;
 Converted into Republic Act No. 5980.



REPUBLIC OF THE PHILIPPINES

Congressional Record

SENATE

(Entered at the Manila Post Office, Philippines, as second-class mail matter, on September 3, 1946.)

SIXTH CONGRESS OF THE REPUBLIC, FOURTH SESSION

Vol. IV

MANILA, PHILIPPINES

No. 65 — Part II

WEDNESDAY, MAY 14, 1969

SPECIAL ORDERS

Senator TOLENTINO. Mr. President, I move that we include in the Calendar of Special Orders Senate Bill No. 1102, Senate Bill No. 1046, Senate Bill No. 1157 and House Bill No. 18619.

The PRESIDENT. Is there any objection? (Silence.) There being none the motion is approved.

Senator TOLENTINO. Mr. President, I move that we consider Senate Bill No. 1058.

Senator GANZON. Mr. President.

The PRESIDENT. The gentleman from Iloilo.

Senator GANZON. Before proceeding with the discussion of the bill may I just be allowed to make a statement for the record.

This morning, Mr. President, we read in the papers that the Senate Committee on Public Works and Communications has made a report which in effect exonerated Mr. Raquiza. It was mentioned that the chairman and 10 Nacionalis-

tas voted to exonerate. I wish to make it of record that I did not sign the committee report because I feel that the gentleman is guilty thereof. I did not sign the committee report because I am convinced that there were such kickbacks and the charges are true, that there were proofs beyond reasonable doubt, and I hope that this manifestation will be properly taken into consideration in the weighing of the report. I have myself studied meticulously the stenographic notes as well as the proceedings and there is no doubt in my mind that the charges are true.

I also wish to bring to the attention of our colleagues, Mr. President, the statement of Mr. Marcos in Sagay, Occidental Negros, when he said that he is no longer pushing through the selective amnesty proposal because of a hitch, and the hitch being that it needs the concurrence of Congress. Apparently the President intends to convey that the selective amnesty proposal does not need the concurrence of Congress because as a proof of that he never consulted Congress officially or otherwise before he made the proclamation or statement during the parade of the march-

ers in Tarlac. As a matter of fact he created the Amnesty Commission headed by Mr. Enrile as chairman, Mr. Mata as member and former Senator Manahan.

You will recall, Mr. President, that I called the attention of the Senate last week about this, the President issuing a statement on amnesty proclamation without the concurrence of Congress or without such proposal being submitted to Congress. As the Senate President will recall as presiding officer thereof, I made the statement that no such official proclamation has been made nor was such submitted to the Senate President for concurrence by Congress. This is a violation of Article VII, Section 10 of the Constitution. Now what does this mean? This means that the statement of the President in Central Luzon on the alleged selective amnesty is a mere *palabas*, that he did not mean it, that he was insincere, that he had a double thought. Because if the President is really sincere on selective amnesty I request that our President issue a formal proclamation, issue an executive proclamation and submit the same for the concurrence of Congress as defined by the Constitution. Of course I am not in favor of selective amnesty. I am in favor of absolute and general amnesty.

On things like this we have two such cases. We have the general amnesty issued immediately after 1900 by the American governor general acting for and in behalf of the President of the United States. That general amnesty with respect to Philippine insurrectos was successful because it was a general amnesty. Then we had the amnesty of President Quirino in 1948. It was selective amnesty. He failed, Mr. President. He failed because it was conditional.

It is high time, Mr. President, that we should have peace and order in Central Luzon. I have been there many times and our soldiers, our government officials, the peasants and the civilian population are all tired and afraid. They dread the present condition in Central Luzon. Killings every day, more than what we read in the papers,

more than what we hear in the radios, more than what we see in the TVs.

So I propose that we should have a general amnesty and I ask that President Marcos, if he is sincere, whether it is selective or not, he should give this proclamation to Congress for action.

This morning a delegation came to my office — yesterday also — about the insincerity of the President. "Well," I said, "the President I think is sincere, but let us test him." If he is really sincere he should issue the proclamation now formally and give the same for the concurrence of both Houses of Congress. It is high time that we remind the President that he cannot go alone in this matter of amnesty, just as when he planned this he should have consulted Congress.

I do not know who are the advisers of President Marcos, but it is hard to believe that being a very bright lawyer, a bar topnotcher — and, admittedly, a brilliant one — he should forget his Constitution. I would rather say that he was overacting in Central Luzon when he made a statement on amnesty without taking into consideration that Congress should act on it. Thank you, Mr. President.

Senator PADILLA. Mr. President.

The PRESIDENT. The Minority Floor Leader.

Senator PADILLA. Will the distinguished gentleman from Iloilo yield to some questions?

The PRESIDENT. The gentleman may yield if he so desires.

Senator GANZON. With pleasure, Mr. President.

Senator PADILLA. Your Honor mentioned about the declaration of selective amnesty made by President Marcos before the marches from Central Luzon, from Tarlac, who were coming to Manila.

Senator GANZON. Yes, Your Honor.

Senator PADILLA. And Your Honor mentioned that it is more in the nature of a *palabas*. Now, does not Your Honor believe that more than its being a *palabas*. President Marcos wants to create the impression that he is in favor of Huk amnesty, and yet, he wants to give the wrong impression that he is blaming Congress for not realizing that proclamation?

Senator GANZON. Your Honor, that was the impression I gathered, precisely, in the publication of the *Manila Times* and other papers yesterday. Mr. Marcos seems to blame Congress that there is a hitch in his amnesty proclamation because it requires *pala* the concurrence of Congress. The insinuation was very clear that Congress is the one to be blamed because there was no concurrence from said body.

Senator PADILLA. Your Honor correctly said that it is so fundamental that amnesty is not the sole prerogative of the Chief Executive. It requires the concurrence of Congress and President Marcos, naturally, knows this fundamental requirement.

Senator GANZON. I have no reason to doubt that he knows that fundamental fact because he is a brilliant lawyer.

Senator PADILLA. When he made that unilateral proclamation and did not push it through because the Constitution requires the concurrence of Congress, don't you think that it is a clever and insidious plan to picture himself as the champion of the Huks and the dissidents and, more than that, he wants to depict Congress as against amnesty so that he will get the credit and Congress will get the blame?

Senator GANZON. Well, the President is always the hero and Congress is always the villain.

Senator PADILLA. Don't you think, Your Honor, that that is an obnoxious, abominable way of trying to get credit at the expense of others?

Senator GANZON. Well, I am not surprised that as President, he is what he is. And that is not the only instance where the President has shown insincerity. In many cases, the President has been very famous for double talk, for insincerity. I think it is high time that he should mend his ways because this is the talk of people everywhere. For example, he says: "We will disband the Monkees and the special agents." They had picture-taking. There was a rush of arms presented for picture-taking. But the next day he returns the arms and gives some more armalites to the Monkees and special agents.

These are not only the statements of the people who came to me. We have on record the statement of Governor Nepomuceno and Mayor Suarez and many other distinguished gentlemen of Central Luzon. The President says one thing and means another.

Senator PADILLA. He says one thing but does the opposite.

Senator GANZON. Yes, Your Honor. For example, when he was in Malaysia, Your Honor, he was entertained by Tunngu Abdul Rahman. But what was he doing with the Jabidah forces? He was preparing them to land in Sabah. While he was being received royally by Tunngu Abdul Rahman, he was preparing the Muslim trainees to go to Sabah and create trouble.

Senator PADILLA. Your Honor mentioned that situation. Does Your Honor think that the Malaysian Government is so naive, so innocent or so ignorant as not to realize that precarious situation of double talk?

Senator GANZON. Precisely, Your Honor. That is why the Philippine position regarding Sulu is untenable; even among Southeast Asian countries and even President Marcos himself told me that among the world's press the Philippine position is not tenable. Precisely, because of his double talk.

Senator PADILLA. Now, with regard to another point. Your Honor's first statement has reference to the committee report of the Committee on Public Works chaired by the gentleman from Davao regarding the alleged exoneration of Secretary of Public Works Antonio Raquiza. I am not a formal member of that Committee, although I am an ex officio member of that committee and other Committees in my capacity as Minority Floor Leader.

Now, what I would like to know is whether that report, particularly its release to the papers, has been considered in any executive session of the Committee on Public Works.

Senator GANZON. Not that I know of, Your Honor. I understand that that committee report was passed around. However, at this stage, Your Honor, I would like to ask the leadership of this Chamber to report this committee report to the Senate for action so that we can consider both sides. I ask the leadership of the Senate to calendar the Almendras Report so that the whole Senate, not only the committee members, can discuss the merits and demerits of the proposition.

Senator PADILLA. I recall that there was some kind of a committee report — I don't know if it is final or not — on the Corregidor Massacre, the Jabidah.

Senator GANZON. Yes, sir.

Senator PADILLA. I saw a report of the Committee on National Defense. As a matter of fact, I quoted a portion of the findings and recommendations of that report in my latest pamphlet on the Corregidor massacre.

I recall that Your Honor mentioned here in one previous session that action be taken by the Senate on that report. In other words, committee reports are not *ipso facto*, automatically, decisions of the Chamber.

Senator GANZON. The committee is only an

agent of the principal. The principal is the Senate and the committee is only an agent. The agent has the task of reporting to the Body and the Body must decide and must consider. The committee is a creation of the Chamber.

Senator PADILLA. If I recall correctly, the distinguished Senate President made a remark that no report had been officially transmitted for consideration and action by the Chamber.

Senator GANZON. I beg to differ with the view of the President of the Senate. I had a talk with Senator Magsaysay, the Chairman thereof, and he said that it is the final report of the Committee. So, I urged again the leadership of the Senate to have this committee report of Senator Magsaysay on the Corregidor Fiasco submitted formally for consideration, debate and decision by our peers in the Senate.

Senator PADILLA. Now, applying the same standard to the report of the Committee on Public Works on Secretary Raquiza, that report has not been formally submitted for consideration and discussion by this Chamber.

Senator GANZON. No, sir, not until now. Even that committee report was passed around for initials. I did not sign it.

Senator PADILLA. I recall that many months ago during the early part of the investigation by the Committee on Public Works on the anomalous public works contracts and the alleged kickbacks, it was publicly announced by President Marcos that Secretary Raquiza would be replaced by Cebu Governor Espina, and, in fact, I recall that Secretary Raquiza on one occasion had complained against the action of the President in having him resign the position of Secretary of Public Works and Communications. Now, that was a formal announcement — and apparently, Secretary Raquiza had no other alternative except to yield to the declared decision of President Marcos. But contrary to all those statements, Secretary Raquiza, I believe, is not only in the De

partment as Secretary but he is more entrenched now than ever before in that position. Does not Your Honor think that that is another instance where the President says one thing and does the contrary?

Senator GANZON. Well, it is not only that instance, but I feel there are so many things Mr. Raquiza must finish. For example, there are many other deals and contracts not yet finished. There are many things for bidding, for negotiation; there are many things to be computed — and I think Mr. Raquiza knows too much. He knows too much that I challenge Mr. Marcos to kick out Mr. Raquiza just like this. I challenge him. I think Mr. Raquiza knows too much. So, he cannot be easily kicked out.

Senator PADILLA. Probably, Your Honor, after the statement that he would be replaced, the President realized situation that Secretary Raquiza knows too much and so President Marcos cannot dispense with his services against his will. So he has been retained, contrary to that declaration.

Senator GANZON. For example, Your Honor— these are from men around Mr. Raquiza — during the time that Messrs. Garcia and Macapagal were Presidents of the Philippines, when the price of cement was P7.00 a bag, P6.00 a bag, one kilometer of cement road — two lanes — costs only P100,000 to P130,000. Now, the price of cement is P3.45 a bag — wholesale — P3.75, P3.60, P3.80, P3.75, P3.50 — but that same kilometer of cement road — two lanes — ordinarily cost between P230,000 to P292,000 — *doble*. The price of cement now is 50 per cent lower, and yet the bidding price is between P230,000 to P292,000. Ordinarily, P260,000 to P280,000. Now, these are not only from men around Mr. Raquiza but from the Bureau of Public Highways and Public Works of the Department. This is also the product of the research made by the Research Institute of the University of the Philippines. These are official documents.

And then I would like to call the attention of our colleagues. Why is it that within 48 hours after a bid is awarded to the winning contractor — for example, he bids for it at P280,000 — it is subcontracted at P220,000, P200,000, or P180,000. Then the subcontractor subcontracts; the sub-subcontractor also subcontracts; the sub-subcontractor also subcontracts, so that the last sub-sub-sub-subcontractor gets it at only P170,000. *Ah, ito pala*. This can be worked at only P170,000. Why did the government allow the bidding at P280,000? And you know, what more, Your Honor? The bidding is not for one province — say, Davao, where the engineers, contractors and architects of Davao can pool resources so that they can enter the bid because it is only P1 million or P500,000. But the bidding is for so many kilometers in Luzon, so many kilometers in the Visayas, so many kilometers in Mindanao. Now, who can enter the bid? Only a big company or one or two big companies who can easily say: "All right, we have P100 million. We have P200 million. We have P500 million." So, this deprives the local contractors, engineers and architects of the opportunity to enter the bid because they only have a capital of P1 million and they cannot bid for P50 million or P100 million. And yet when that bid is approved and the contract entered into, within 48 hours it is subcontracted. The subcontractor subcontracts, the sub-contractor subcontracts, so that the last subcontractor gets it at only P170,000 or P180,000. In the meanwhile, where is the P100,000? I think this is a matter not properly inquired into by the Committee on Public Works and Communications, although this was not at the root of the question when the Committee was created. But these are matters which could have been investigated incidentally. Because on this angle, Your Honor — if Your Honor will allow me—I call the attention of this Chamber to what Senator Pelaez is doing. When Senator Pelaez is given money, say P250,000 by the President or the Department of Public Works and Communications, he does not build one kilometer of cement road. He builds 12 to 15 kilometers of first class asphalt roads. Why? One kilome-

ter of asphalt road costs only P12,000. I have been in all the municipalities of Misamis Oriental, and I saw these roads personally managed by the governor and Senator Pelaez — first class asphalt roads at P12,000 each. So that with the P250,000 good for one kilometer of cement road under the Marcos formula, Senator Pelaez is building from 20 to 24 kilometers of first class asphalt roads. Now, Mr. President, it is said that we have no money. I think that is true. Now, I will not say the reasons why. I will not say it is because there is no fiscal restraint, because there is incompetence. I will not say that. I say that at present we do not have enough funds. But what would a municipality prefer — one kilometer of cement road costing P280,000 or 25 kilometers or 22 kilometers of first class asphalt roads costing the same amount? So I think that this is not a wise and judicious use of public funds. So that if Your Honor makes a correlation, why does he insist on cement roads at P280,000 a kilometer when the UP Research Institute and the Department of Public Works and Communications have on record that when Mr. Garcia and Mr. Macapagal were Presidents of the Philippines, the same kilometer of cement road costs only between P100,000 and P130,000. And now when the price of cement is 50 per cent lower, one kilometer of cement road costs P230,000, ordinarily P260,000 to P280,000. And yet when one goes to any province, Mr. President, he will see that the original contractor who won the bid, who won the award, does not work on it; it is the sub-sub-subcontractor who gets it at only P180,000. The original bidder who won the bid gets it at P280,000. The question is: Where did the P100,000 go? Where?

Senator PADILLA. Your Honor, it seems that that is the much vaunted, much publicized so-called infrastructure program of this administration. And while Your Honor made some reference or comparison between asphalt roads and cement roads, I have noticed that there are many good asphalt roads — existing asphalt roads which need only maintenance or repair — and

yet these asphalt roads have been destroyed to give way to cement roads.

Senator GANZON. Yes.

Senator PADILLA. And the money used for destroying these existing asphalt roads to give way to cement roads is always to the prejudice of building new roads or improving existing roads on the municipal and barrio level. So, these are all impression or impact projects.

Now, I have been informed by the former Secretary of Public Works and Communications during the Liberal administration, Secretary Jorge Abad, that the cost of one kilometer of cement road during his incumbency was the same figure Your Honor mentioned — about P120,000 per kilometer.

Senator GANZON. Your Honor, my figure is from the UP Research Institute, the Department of Public Works and Communications and even from among the men around Mr. Raquiza — P120,000, P130,000, P100,000, P110,000.

Senator PADILLA. But the cement roads under the Marcos administration have gone up, doubled.

Senator GANZON. When the price of cement now is only almost 50 per cent of the price under Mr. Macapagal and Mr. Garcia.

Senator PADILLA. Your Honor mentioned certain bids and then various sub-contracts. But is it not true that while the administrative proceedings may start with some bidding the result is actually a negotiated transaction.

Senator GANZON. In the last analysis, it is not only a negotiated transaction but government equipments are the ones used. The one who won the bid has no equipment, or very little, if at all. So, they get the very equipments that we have in the provinces and cities. So, what is the purpose of the bid then?

Senator PADILLA. And in the North and very soon in the South, the Superhighway's, the riding

public will have to pay tolls.

Senator GANZON. Yes. There again we have to be watchful because it is very possible that considering the traffic, the tolls collected in five years or ten years may be enough to pay for its construction. But if we are not watchful the public might be paying the tolls continuously for 20 years instead of only for five or ten years.

Senator PADILLA. Thank you, Your Honor.

Senator AQUINO. Mr. President.

The PRESIDENT. The gentleman from Tarlac.

Senator AQUINO. Mr. President, I rise to make also a statement regarding the publication this morning.

I am a very new member of this Chamber, Mr. President, and I have been given the impression that before a committee report is made public, the members of the Committee at least are informed before such publications are made.

I would like to state on record that as the original member of the Committee that provoked investigations, we have never been shown this official report. We have never discussed it in special session. We have never discussed the merits or demerits, neither was I given a chance to present my side when this alleged committee report was given out to the press. There were prejudgments made Mr. President and we were prepared to discuss our case before the Committee on Public Works and Communications, if we were given a chance. In fact, up to now, at this very moment, this humble member of the Committee on Public Works and Communications has never been given an official copy. I have to secure it from a newspaperman friend.

I am amazed, Mr President, at the secrecy in which this report was leaked out. And while I may agree in part as I already announced that I will be writing my dissenting opinion on it —

and I hope that some mebers of the Committee will join me. We have in our possession testimonies that should have been discussed in executive committee meeting. But I do not know, Mr. President, how this came about where a very member of the Committee, the very member of the Committee that provoked the investigation was not even informed of the committee report that was leaked out to the press. And today the newspapers report that Mr. Raquiza has been exonerated and that the Committee has found some of the charges while true in fact has not been supported in conclusion.

Now, I would have wanted to discuss, Mr. President, with the Committee members the findings of facts as I will be submitting my own dissenting opinion to the Committee, but I would like to state on record our very great resentment that this report was made public, published in all the papers even before the Public Works Committee in executive session has had a chance to discuss this report. I had a chance to informally discuss with the Chairman of the Committee regarding Mr. Raquiza, and I advanced the opinion to him that I think, I said, from the evidences gathered in our hearings we cannot conclusively convict Mr. Raquiza. I was willing to go that far. In fact, I conceded some points of the investigation on which I was going to base his decision. But, Mr. President, it is our wish that the humble members of the Public Works Committee could have been given a chance to discuss this in executive session and, therefore, formally register either our assent or dissent, their concurrence or their dissent on the committee report. We were told, according to the papers that ten members of the Public Works Committee signed this report. Why were we not given a chance to look over this report to agree to sign it or to dissent? We feel, Mr. President, that this is a highly anomalous practice where the press and the general public are given knowledge of the committee report even before a member of the Committee is seen shown formally this report.

And I would like to state for the record that as of this moment, your humble colleague has not been furnished officially by the Committee with a copy of the report on this public works investigation and the report that I have today in my possession on which I am basing my dissenting opinion is a copy of the report that I secured from a newspaperman friend. I believe, Mr. President, this is a highly anomalous practice, a member of this Chamber having to go out of his way to look in extraneous sources for a copy of the report of the committee to which he belongs. Now, I vehemently register my protest against this practice and I hope that this statement I made for the record will at least serve a little purpose in trying to straighten the affairs of our Chamber.

I thank you, Mr. President.

Senator TAÑADA. Mr. President.

The PRESIDENT. The gentleman from Quezon.

Senator TAÑADA. Mr. President, I would like to make a brief statement regarding the report on the Raquiza case. For the record, I wish to state that I was furnished a copy of that report. I studied the report and I found that I can not agree with some of the reasoning and considerations made therein. However I agree with the main conclusion in the report, that is, that the charges against Secretary Raquiza were not substantiated. Consequently, I signed the report by saying: "I concur in the result," meaning that while I am of the opinion that the charges against Secretary Raquiza have not been substantiated, I do not subscribe to certain findings and statements made in the Report. As a matter of fact, Mr. President, Mayor Villegas openly stated before our Committee that he was desisting from continuing to present his evidence against Secretary Raquiza because he would rather present his evidence in the charges that he would file against Secretary Raquiza in the City Fiscal's Office.

The record will show, Mr. President, that the star witness presented by Mayor Villegas was

caught perjuring himself and using documents that were, to say the least, self-serving. It was also shown that this witness was kept for more than twenty days in the Filipinas Hotel where he spent thousands and thousands of pesos which have to be paid for by the City government or by the mayor himself.

Mr. President, it is therefore very clear that the charges were not substantiated. And I am glad to hear from the distinguished senator from Tarlac, Senator Aquino, that he himself believes that the charges against Secretary Raquiza have not been substantiated. Both of us, therefore, are in agreement on this point, him.

I have been furnished with a copy of the report. I do not know why the senator from Tarlac was not furnished with a copy of the report. And because I was furnished a copy of the report, I had a chance to append my signature thereto by saying: "I concur in the result."

Thank you very much.

The PRESIDENT. When the gentleman from Davao, Chairman of the Committee on Public Works and Communications comes, I am sure he will want to make a statement.

Now, with regard to the Corregidor affair, the Chamber will recall that investigation was referred to three committees, and while Senator Magsaysay has submitted his report, no formal communication has been received so far. I am asking the Secretary to prepare all the records and the Chair would make a clarificatory statement on this matter.

The Majority Floor Leader.

Senator GANZON. Mr. President.

The PRESIDENT. Gentleman from Iloilo.

Senator GANZON. For a parliamentary inquiry. Assuming that Mr. Magsaysay has already submitted formally his report with all the requisites

under the rules, but because the Committee on Foreign Affairs of Mr. Roy and the Committee on Finance of Mr. Aytona have not, I understand, submitted their reports until now, may not the Chamber consider the Magsaysay Report?

Senator TOLENTINO. Mr. President.

The PRESIDENT. The Majority Floor Leader.

Senator TOLENTINO. May I offer a thought on that query. This raises anew the question that I have already raised before about referring matters jointly to committees. And in the absence of any express direction by the Senate when the reference is made, it is our position that we cannot consider a report unless all the committees to which the matter has been referred make the report. We follow this policy with respect to bills. When your humble colleague is informed that a particular bill has been referred to two or more committees, even if one of the committees has already reported, we do not place the bill in the calendar of special orders until the other committees have likewise reported. And I believe that in the absence of an express direction by the Senate, the same procedure should be followed with respect to any matter referred to two or more committees.

Senator PADILLA. Mr. President.

The PRESIDENT. The Minority Floor Leader.

Senator PADILLA. May I make a statement on another matter. I understand that the Commission on Appointments will resume its sessions this afternoon. One of the members of the Commission on Appointments representing the Liberal Party is the distinguished gentleman from Cebu, Senator Osmeña. I understand that he will not be able to attend the sessions of the Commission. Because of this circumstance, may I move that another Liberal senator be substituted in place of the gentleman from Cebu.

The distinguished gentleman from Capiz used to be a member of the Commission on Appoint-

ments. We have always contended that the Liberal Party representation in this Chamber should consist of four members. But this Chamber has limited the Liberal representation in the Commission to only three. The present membership, if I recall correctly, representing the Liberal Party, are Senator Benigno Aquino of Tarlac and the lady Senator Tecla Ziga from Albay. May I move, Mr. President, to substitute Senator Osmeña and nominate Senator Roxas as a member of the Commission on Appointments.

The PRESIDENT. Any objection? (Silence.) There being none, the motion is approved.

The Majority Floor Leader.

CONSIDERATION OF S. NO. 1058

Senator TOLENTINO. Mr. President, I move that we consider Senate Bill No. 1058.

The PRESIDENT. Consideration of Senate Bill No. 1058 is now in order. The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED THIRTEEN HUNDRED SEVENTY-EIGHT, ENTITLED "AN ACT TO REGULATE THE TRADE OF MASTER PLUMBER."

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The title of Republic Act Numbered Thirteen hundred seventy-eight is hereby amended to read as follows: "An Act to regulate the [trade of master plumber] PRACTICE OF PLUMBING ENGINEERING."

SEC. 2. Section one of the same Act is hereby amended to read as follows:

"SECTION 1. This Act shall be known as the "Plumbing ENGINEERING Law."

SEC. 3. Subsection (b) of Section two of the same Act is hereby amended to read as follows:

"(b) The term ["master plumber"] 'PLUMBING ENGINEER' as used in this Act shall mean a person duly registered with the Board of Examiners for [Master Plumbers] PLUMBING ENGINEERING in the manner as hereinafter provided."

SEC. 4. Section three of the same Act is hereby amended to read as follows:

"SEC. 3. Within thirty days after the approval of this Act, there shall be created a Board of Examiners for [Master Plumbers] PLUMBING ENGINEERING, hereinafter referred to as the Board, to be composed of a Chairman and two members who shall be appointed by the President of the Philippines upon the recommendation of [the Commissioner of Civil Service in consultation with a duly registered national association of [master plumbers] PLUMBING ENGINEERS AND ENDORSED BY THE COMMISSIONER OF CIVIL SERVICE. The members of the Board shall hold office for a term of three years. The first members of the Board appointed under this Act shall hold office for the following terms: One member for one year; one member for one year; one member for two years, and one member for three years. Each member of the Board shall qualify by taking proper oath of office before entering upon the performance of his duties [.] : PROVIDED, THAT BOARD MEMBERS HOLDING OFFICE AT THE TIME THIS ACT TAKES INTO EFFECT SHALL CONTINUE TO SERVE AS SUCH UNTIL THEIR SUCCESSORS SHALL HAVE BEEN APPOINTED AND QUALIFIED. Any member of the Board may be removed by the President of the Philippines for neglect of duty, incompetency, malpractice, and unprofessional, unethical, immoral, or dishonorable conduct, after said member has been given opportunity to defend himself in an administrative investigation duly held. Vacancies in the Board shall be filled for the unexpired term."

SEC. 5. The last paragraph of Section four of the same Act is hereby amended to read as follows:

"The Board shall, from time to time, look into conditions affecting the [trade of master plumber] PRACTICE OF PLUMBING ENGINEERING in the Philippines, INVESTIGATE THE PLUMBING ENGINEERING PRACTICES IN CITIES AND MUNICIPAL-

ITIES OF PUBLIC AND PRIVATE INSTITUTIONS OFFERING COURSES IN PLUMBING ENGINEERING, and whenever necessary, recommend to the President of the Philippines the adoption of such rules and regulations as may be deemed proper for the maintenance of good ethics and standards in the [trade] PROFESSION and for the protection of public welfare, life, health, and property."

SEC. 6. The portion of the first paragraph of Section five of the same Act preceding the subparagraphs is hereby amended to read as follows:

"SEC. 5. The President of the Philippines is hereby authorized to issue rules and regulations to carry into effect the objectives of this Act, upon recommendation of the Board of Examiners for [Master Plumbers] PLUMBING ENGINEERING and in consultation with a duly registered national association of [master plumbers] PLUMBING ENGINEERS, in accordance with the following basic principles [except in cases where it may prove oppressive or excessively burdensome to those without sufficient means and to such buildings, structures or constructions valued at five thousand pesos or less]:"

SEC. 7. Subparagraph (c) of Section six of the same Act is hereby amended to read as follows:

"(c) Has been actively engaged in [the trade of master plumber for at least five years.] ACTUAL AND CONTINUOUS PLUMBING PRACTICE FOR AT LEAST TEN YEARS: PROVIDED, THAT HE IS NOT TEACHING PLUMBING ENGINEERING OR IN ANY WAY CONNECTED WITH ANY INSTITUTION OFFERING THE COURSE IN PLUMBING ENGINEERING, OR HAS HE ANY INTEREST WHATSOEVER, PECUNIARY OR OTHERWISE, THEREIN."

SEC. 8. Sections seven, eight, twelve and thirteen of the same Act are hereby amended to read as follows:

"SEC. 7. The Board of Examiners shall charge for each applicant for examination, the sum of [thirty-five] FIFTY pesos, and for each certificate of registration, ten pesos.

"SEC. 8. The members of the Board shall each receive as compensation, the sum of [ten] FIFTEEN pesos for each applicant examined AND REGISTERED. All authorized expenses of the Board shall be

paid by the [Bureau of] Civil Service COMMISSION. All fees shall be received by the disbursing officer of the [Bureau of] Civil Service COMMISSION, and said officer shall pay all authorized expenses of the Board, including the compensation provided hereinabove for members of the Board.

"SEC. 12. All applicants for registration as [master plumber] PLUMBING ENGINEERS shall be required to pass an examination as hereinafter provided.

"Persons applying for admission to the examination as herein provided, shall, prior to the date of the examination, establish to the satisfaction of the Board of Examiners, that he:

- "(a) Is at least twenty-one years of age ;
- "(b) Is a citizen of the Philippines;
- "(c) Is of good moral character;
- "(d) Is [at least a high school] a graduate OF PLUMBING ENGINEERING[:].
- "[(e) Has at least five years experience in actual plumbing work under the supervision of a registered master plumber.]

"SEC. 13. Applicants for registration as [master plumbers] PLUMBING ENGINEERS shall [be examined in the following subjects:

- "(a) Plumbing arithmetic, ten per cent;
- "(b) Plumbing Code, ten per cent;
- "(c) Sanitation, plumbing design and installation, forty per cent;
- "(d) Practical problems, twenty per cent;
- "(e) Oral practical problems and experience, twenty per cent.]

"PASS WRITTEN AND PRACTICAL TESTS, WHICH SHALL COVER MATHEMATICS, PLUMBING ENGINEERING DESIGN AND SANITATION, ACTUAL FIELD WORK PRACTICE, INCLUDING KNOWLEDGE OF STRUCTURAL SAFETY AND SANITATION TO INSURE PROTECTION TO LIFE, AND PUBLIC HEALTH, AS WELL AS ECONOMY AND PUBLIC

CONFORT, AND SUCH SUBJECTS AS THE BOARD MAY DECIDE IN ACCORDANCE WITH THE CURRICULUM PRESCRIBED BY THE DEPARTMENT OF EDUCATION."

SEC. 9. The last paragraph of Section fifteen of the same Act is hereby amended to read as follows:

"The issuance of a certificate of registration by the Board to a registrant shall be evidence that the person named therein is entitled to all rights and privileges of a registered [master plumber] PLUMBING ENGINEER, while said certificate remains unrevoked."

SEC. 10. Sections sixteen and twenty of the same Act are hereby amended to read as follows:

"SEC. 16. All successful candidates shall be required to take an oath before the Board or any other government official authorized to administer oaths, prior to engaging in the [trade of registered master plumber] PRACTICE OF REGISTERED PLUMBING ENGINEER.

"SEC. 20. Any person who shall engage in plumbing in the Philippines without being registered in accordance with the provisions of this Act, or any person presenting or attempting to use as his own the certificate of registration of a registered [master plumber] PLUMBING ENGINEER, or any person who shall give any false or forged evidence of any kind to the Board, or any person who shall impersonate any registered [master plumber] PLUMBING ENGINEER, or any person who shall attempt to use a revoked or suspended certificate of registration, or any person who shall use in connection with his name or otherwise assume, use, or advertise any title or description tending to convey the impression that he is a registered [master plumber] PLUMBING ENGINEER, without holding a valid certificate of registration, or any person who shall violate any of the provisions of this Act shall be guilty of a misdemeanor and shall, upon conviction, be sentenced to a fine of not less than five hundred pesos nor more than two thousand pesos, or to suffer imprisonment for a period of not less than six months nor more than one year, or both, in the discretion of the court."

SEC. 11. The second paragraph of Section twen-

ty two of the same Act is hereby amended to read as follows:

"All master plumbers duly registered and examined under the provisions of [city ordinances in force one year prior to the effectivity of this Act and all persons with at least five years of continuous practice as plumbers and certified to as capable to practice the trade by the Board of Examiners within one year after the effectivity of this Act, shall be automatically registered under the provisions hereof. Certificates of registration held by such persons in good standing shall have the same force and effect as though the same had been issued under the provisions of this Act] THIS ACT SHALL APPLY FOR REGISTRATION AS PLUMBING ENGINEERS WITHIN ONE YEAR FROM AND AFTER THE APPROVAL OF THIS AMENDATORY ACT."

SEC. 12. Section twenty-three of the same Act is hereby repealed.

SEC. 13. This Act shall take effect upon its approval.

SPONSORSHIP SPEECH OF SENATOR TOLENTINO

Senator TOLENTINO. Mr. President, your humble colleague will sponsor this bill. This bill, Mr. President, introduces some amendments to the law that regulates the trade of master plumber. The main purpose of this bill is to professionalize the trade so that master plumbing, instead of being considered as just a simple trade, will be elevated to the status of a regular profession. And so, in all portions of the law referring to master plumber or trade, the change introduced is that instead of "master plumber," it should be "plumbing engineer" and instead of a "trade" it should be regarded as a "profession."

Incident to this change, there is a slight amendment with respect to the office of the members of the Board of Examiners now for plumbing engineering and that a transition provision is made that the board members now for master plumbers holding office at the time this Act takes effect, shall continue to serve as such until their successors shall have been appointed and qualified.

They will, therefore, continue as examiners for plumbing engineering. And as to the qualifications now, while to be qualified formerly as a candidate for registration for master plumber it was enough that a person should be a high school graduate, but now, since this is going to be a profession for plumbing engineering instead of merely being a high school graduate, the applicant should be a graduate of plumbing engineering. The subjects indicated in the amendment as to what shall be given in the examination for plumbing engineering. Although the subjects are not given specifically, the subject matters are indicated. The tests, written and practical, are to be given to cover mathematics, plumbing engineering, design and sanitation, actual field work practice, including knowledge of structural safety and sanitation, public health and such other subjects as the board may decide in accordance with the curriculum that may be prescribed by the Department of Education.

Mr. President, if there are no questions on this bill, I ask that we go to the period of amendments.

The PRESIDENT. Any interpellations?

Senator PADILLA. Will the distinguished Majority Floor Leader yield to some questions just for clarification?

The PRESIDENT. The Minority Floor Leader may address the Chair first before he can occupy the floor.

Senator TOLENTINO. Very gladly, Mr. President.

Senator PADILLA. May we be informed whether the Department of Education has already prescribed the minimum requirements for this profession or this degree of plumbing engineering?

Senator TOLENTINO. There are already courses being offered, Mr. President, with respect to this plumbing engineering. In fact, many colleges now undertake this.

Senator PADILLA. Are there several schools offering this course leading to this profession of plumbing engineering?

Senator TOLENTINO. Usually engineering schools. These are usually in engineering schools.

Senator PADILLA. I suppose that the law which is sought to be amended for the purposes that Your Honor mentioned in your brief sponsorship speech prescribes minimum standards or requirements. Because before it was a master plumber, now, it will be a plumbing engineer.

Senator TOLENTINO. Yes. That is why as I said, Mr. President, before, it is enough for a high school graduate to be a master plumber. But now the candidate must be a graduate of plumbing engineering before he can be a master plumber.

Senator PADILLA. Does this bill contemplate a two-year or four-year course after high school?

Senator TOLENTINO. This is a four-year course, Mr. President.

Senator PADILLA. Now, after finishing the course, a four-year course after high school, or college course, the law provides for a qualifying examination.

Senator TOLENTINO. A board examination is provided for.

Senator PADILLA. A board examination is provided for.

Senator PADILLA. Just like the different board examinations as a prerequisite for the practice of the profession.

Senator TOLENTINO. That is right, Mr. President.

Senator PADILLA. Now, is the degree of bachelor or graduate of plumbing engineering a prerequisite to any civil service eligibility, or qualification for appointment, to any government position?

Senator TOLENTINO. Well, if a candidate successfully passes an examination in plumbing engineering given by the Board, then under Republic Act No. 1080 there will be an automatic eligibility for any position in the government requiring the knowledge of plumbing engineering.

Senator PADILLA. When was this basic law, Republic Act No. 1378, approved by this Chamber or enacted into law?

Senator TOLENTINO. I think that was somewhere in 1955.

Senator PADILLA. 1955.

Senator TOLENTINO. Yes, Your Honor. More than ten years ago.

Senator PADILLA. Thank you, Your Honor, for answering my inquiry.

Senator TOLENTINO. Mr. President, if there are no further questions, I ask that we go to the period of amendments.

The PRESIDENT. We are now in the period of amendments.

Senator TOLENTINO. Mr. President, there are proposed amendments by the committee. On page 2, line 12, delete the word "INTO."

The PRESIDENT. Is there any objection? (Silence.) There being none, the amendment is approved.

Senator TOLENTINO. On page 2, line 29, between the words "ENGINEERING," and "and" insert the following:

"AND THOSE PROJECTS, PRIVATE AND/OR PUBLIC, WHERE PLUMBING ENGINEERING IS INVOLVED AND THEREFORE BOARD INSPECTIONS ARE NEEDED FROM TIME TO TIME TO INSURE PUBLIC SAFETY, ENFORCEMENT FULFILLMENT OF THE NATIONAL PLUMBING LAW AND THE NATIONAL PLUMBING CODE PROVISIONS."

The PRESIDENT. Is there any objection?

(*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 3, line 13, delete the opening bracket after the word "principles" and on the same page line 17, eliminate the closing bracket after the word "loss."

The PRESIDENT. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 4, line 20, delete the opening bracket after the word "Is" and the closing bracket after the word "school."

The PRESIDENT. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 4, line 21, delete the opening and closing brackets to thereby restore the colon after the word "ENGINEERING."

The PRESIDENT. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 4, line 22, delete the opening bracket before the letter "(e)" and on line 24 of the same page, eliminate the closing bracket after the word "plumber."

The PRESIDENT. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 4, line 24, insert the following sentence after the word "plumber": "AFTER THE LAPSE OF 4 YEARS FROM THE APPROVAL OF THIS ACT, IN ADDITION TO THE REQUIREMENTS (a), (b) AND (c) ABOVE, ONLY GRADUATES OF PLUMBING ENGINEERING SHALL BE ALLOWED TO TAKE THE EXAMINATIONS HEREIN PROVIDED."

The PRESIDENT. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 5, line 7, between the words "SANITATION" and "TO" insert the following: "SPECIALLY IN MULTI-STORIED BUILDINGS, STORAGE PLANTS, INDUSTRIAL PROJECTS, WATER RESOURCES AND HOUSING SUBDIVISIONS."

The PRESIDENT. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 6, line 27, delete the words "This Act" after the closing bracket, and in lieu thereof, insert the phrase "REPUBLIC ACT NUMBERED THIRTEEN HUNDRED SEVENTY-EIGHT."

The PRESIDENT. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 6, line 30 to 31, eliminate Section 12 and renumber the succeeding sections correspondingly.

The PRESIDENT. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, we are through with the committee amendments.

The PRESIDENT. Is there any individual amendment?

APPROVAL ON SECOND READING OF SENATE
BILL NO. 1058

Senator TOLENTINO. Mr. President, if there are no individual amendments, I move for the approval of the bill on second reading as amended.

The PRESIDENT. We shall now vote on the bill as amended on second reading. As many as are in favor of the bill as amended will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) Senate Bill No. 1058 is approved on second reading as amended.

CONSIDERATION OF HOUSE BILL NO. 6125
(Continuation)

Senator TOLENTINO. Mr. President, I move that we now resume consideration of House Bill No. 6125 being sponsored by the distinguished gentleman from Nueva Vizcaya, Senator Perez.

The PRESIDENT. Resumption of the consideration of House Bill No. 6125 is now in order.

The sponsor may proceed.

Senator PEREZ. Mr. President, when we suspended consideration of this measure yesterday we were in the process of receiving suggestions from our colleagues in this Chamber, and at this juncture, Mr. President, in accordance with our announcement yesterday that we have indicated our willingness to consider favorably certain suggestions, I would request now that we consider the following amendments which are offered by the committee.

The PRESIDENT. Before we proceed to the period of amendments, are there no other interpellations?

Senator PADILLA. Mr. President.

The PRESIDENT. The Minority Floor Leader.

Senator PADILLA. Precisely, I believe we are still in the period of interpellations. So, will the distinguished sponsor yield to some questions?

The PRESIDENT. The gentleman may yield if he so desires.

Senator PEREZ. With pleasure, Mr. President.

Senator PADILLA. We are in favor of helping the tobacco industry and helping the 200,000 farmers that Your Honor mentioned in your sponsorship speech and, indirectly, the two million people dependent on the tobacco industry. But it seems, Mr. Sponsor, that the subsidy to the tobacco industry does not go to the benefit of the farmers. That is the most important issue. If the subsidy is to be enjoyed by the farmer's, well

and good. In fact, it appears that the subsidy is only being enjoyed by the officials and employees of the PTA, the Philippine Tobacco Administration.

Senator PEREZ. I beg to disagree with that statement, Mr. President. While there have been charges of that nature, that the employees and the members of the Board of Directors of the PTA were the ones who benefited from the subsidy, it is to be remembered that such charges have never been established. And I recall that when I was still a member of the House of Representatives, former Congressman Albano of Isabela, the province which produces the greatest bulk of our native leaf tobacco production, denounced certain officials of the PTA precisely along the same lines which the distinguished Minority Floor Leader has stated. But up to now these charges have never been established.

Senator PADILLA. Your Honor, I am not hurling any charges. I am not making any denunciation. Please do not identify me with any other member of Congress, past or present, because, first of all, I do not even know what were those allegations or charges that Your Honor has made reference to. My only point is this: The subsidy of the tobacco industry is essentially for the farmers, but it seems that the subsidy is being absorbed by the expenses of the Philippine Tobacco Administration. I am not making any charge against any particular member, against the manager or against the members of the board. I am not saying that they are diverting funds or that they are misusing the funds, but it seems, from what appeared in the interpellations of the distinguished senator from Batangas and verified by the administrative expenditures of the office, that the subsidy is being absorbed by administrative expenses contrary to law. The farmers' interest is always the justification for subsidy appropriation, but unfortunately they do not get, they do not receive, they do not benefit from this subsidy. If this subsidy were to go to the farmers or were uti-

lized to develop the tobacco industry, well and good.

Senator PEREZ. Mr. President, I just recalled that statement of Congressman Albano because it is really true that there have been criticisms that the funds of the Philippine Tobacco Administration are not being used to directly benefit the farmers. But I did not mean to say that you are making similar charges, Your Honor. Precisely such a practice of some officials of the Philippine Tobacco Administration being able to use the funds more for themselves than for the direct benefit of the farmers has been possible for lack of certain restrictions in the present charter of the Philippine Tobacco Administration. That is why in this amendatory bill which is now under consideration there is a provision which restricts the use of funds. For instance it is provided here that not more than 15 per cent of the funds will be spent for operating expenses. Before there was no limitation as to the amount for operating expenses.

Senator PADILLA. That is not correct, Your Honor. The basic law, Republic Act 1135 approved June 16, 1954 only provided for P2 million. There was a limitation and may I read Section 15 of the original basic law, Republic Act 1135: "To carry out the purpose of this Act there is created a special fund to be known as the Tobacco Industry Promotion Fund which shall be taken from taxes derived from the tobacco industry to be made available as follows: Two million pesos which is hereby appropriated and thereafter an annual appropriation of P2 million is authorized for a period of four years." I am continuing reading Section 15, Republic Act 1135. "This fund will be apportioned in the following manner: 20 per cent will be spent for operating expenses, 70 per cent will be used for tobacco trading and 10 per cent for researches to improve the tobacco industry in all its phases". 55. So there has been always a limitation. Now 20 per cent of P2 million is P400,000. So that is the maximum for operating expenses.

Senator PEREZ. This Republic Act 1135 has been amended by two subsequent Act, Your Honor.

Senator PADILLA. I know. I am only trying to disprove your statement that the basic law does not provide for any apportionment. The basic law provides for limitations.

Senator PEREZ. It says "above" but it does not say you cannot go beyond.

Senator PADILLA. No, Your Honor. It says 20 per cent will be spent for operating expenses. The appropriation was P2 million. Twenty per cent of P2 million is P400,000, and that is the maximum under the basic law for operating expenses. If this bill will increase that percentage further, then the subsidy will be used for administrative expenses. There will be nothing left for the farmers.

Senator PEREZ. Mr. President, the law, Republic Act 1135, as I just indicated was amended by Republic Act 2233 and Republic Act 4114 so that the amount of P2 million which was mentioned originally under Republic Act 1135 was increased to P10 million and that annually for five years after Fiscal Year 1964-1965 there will be an appropriation of P10 million. The wording of the limitation as to expenditures says, instead of 10 per cent under Republic Act 1135 it was increased to 10 per cent for operating expenses.

Senator PADILLA. But Your Honor, even as amended by Republic Act 2233 and Republic Act 4114 there are these limitations: 15 per cent for operating expenses, 75 per cent for native tobacco cigar filler trade and 10 per cent for researches. So there has always been these limitations, and that is natural because the board cannot be given full discretion to spend the appropriation which is in the nature of subsidy to the tobacco industry.

Senator PEREZ. Mr. President, I would like to bring to the attention of this Chamber the interpretation of the PTA board which virtually has also been concurred in by the corporate auditor.

that since it says merely "15 per cent to be spent for operating expenses" they understood it to mean that they can go beyond 15 per cent. That is why under this amendatory proposal we are putting here, 'NOT MORE THAN FIFTEEN PER CENT.' There has been nobody to check on this kind of interpretation which they have attached to this provision of the existing law. That is why Congress must come in to make it very clear that it should not be more than 15 per cent.

Senator PADILLA. I think that is an absurd interpretation of the law, Your Honor. If it says 20 per cent in the original law and in the amendatory law the percentage was reduced to 15 per cent, the interpretation that although the law says 20 per cent and the amendatory law says 15 per cent, the Philippine Tobacco Administration can spend even the entire subsidy, because the words "not in excess" or "not more than," do not appear, such interpretation would be absurd.

Senator PEREZ. Yes, indeed, Your Honor. I agree with you that it is absurd, but that is the interpretation which is controlling up to now as far as the Philippine Tobacco Administration is concerned.

Senator PADILLA. How can the interpretation of the Philippine Tobacco Administration for its own purposes be controlling? As a matter of fact this is a violation of the law.

Senator PEREZ. But there are no penalties for violations of the law. That is why in this amendatory proposal, Your Honor, we are providing penalties for violations of the provisions of this law with respect to the percentage.

Senator PADILLA. There is no penalty in this House Bill No. 6125.

Senator PEREZ. The Committee is going to propose amendments to provide for penalties because it is vague and idle on our part to provide

certain limitations or ceilings and yet if these are violated there are no sanctions. This would merely be a basis for the corporate auditor to disallow expenditures.

But even the corporate auditor seems to have adopted the interpretation that changed the meaning of the law and which does not mention whether there is an excess or not more than the percentage provided. So, they have been able to do what they wished. That is why we have been the necessity of providing in this amendatory proposal a very clear and categorical limitation by saying not more than 15% and beyond that —

Senator PADILLA. What is the use of saying, "not more," "not less," "not exceeding," when according to Your Honor's interpretation this 15% or 20% is meaningless as it will depend upon the sole discretion of the PTA manager?

Senator PEREZ. That is not my interpretation.

Senator PADILLA. Such an interpretation of our laws is wrong, would render the limitation meaningless and would show bad faith instead of good faith.

Senator PEREZ. I agree with Your Honor. That is why we are now providing this in a more categorical and unqualified term and more than that we are also providing sanctions by way of penalties for violation of this limitation. I was not the one who interpreted it for them. I beg to disagree with Your Honor, that is not my interpretation. I just cited to Your Honor the present state of their attitude.

Senator PADILLA. In Your Honor's sponsorship speech reference was made to the fact that from 1962 to 1969 the amounts released were never more than P3 million, sometimes P2.6 million, sometimes P1.5 million, but never more than P3 million. I suppose the PTA considers the 20% or 15% for operating expenses as not based on the

amount available and actually released but on the amount authorized to be appropriated.

In other words, if the law authorizes the appropriation of P10 million, but the amount released was only less than P3 million and, actually, this is the amount been released from year to year during several administrations, the Board members probably think that if they have P10 million appropriation and they are allowed by law 20% or 15%, they can appropriate out of whatever is released 20% or 15% of the P10 million. Because from all available data, although the sum released is less than P3 million, the expenses for salaries amount to already P2.5 million. If the release is less than P3 million and the appropriation for salaries is already P2.5 million, then what amount is left for the tobacco farmers?

Senator PEREZ. That is precisely the purpose of this amendment, Mr. President. I would like to call the attention of the Senate to an opinion rendered by the Office of Government Corporate Counsel precisely on this point. All along we have been under the impression that when we say 15% will be spent for operating expenses — referring to salaries of employees — there should be no charges against the other portions of the fund for salaries, except within the limitation of 15%.

We have here, as I have stated, an opinion which seems to indicate that salaries were allowed to be charged to the other portions of the funds. For instance, I would like to read this —

Senator PADILLA. Which Your Honor must admit is irregular if not illegal.

Senator PADILLA. I personally believe that it is illegal, but it seems there is an authority with proof consisting of an opinion from the Office of the Corporate Counsel, which I would like to read..

Senator PADILLA. What date is that?

Senator PEREZ. It is dated December 18, 1953, and it was rendered by Government Corporate Counsel Simeon M. Gopengco.

Senator PADILLA. I was the Government Corporate Counsel from 1954 to 1957. I am sure I have not rendered that opinion contrary to law.

Senator PEREZ. No, it is not Your Honor's opinion. But, as I said, this seems to have been used as the authority or the basis for charging the salaries for operation expenses, not only against the authorized 15% but also against other portions. This opinion states, and I quote:

"The salaries and wages of employees and laborers employed in tobacco trading country and other expenses incurred incident to the buying operations may be charged against the 70% allocation for tobacco trading."

Senator PADILLA. May be charged to?

Senator PEREZ. To the 70%, because under the state of the law in 1958 the percentage allowed for tobacco trading was 70%. Under the ruling of the Government Corporate Counsel expenses incurred incident to buying operations, which includes salaries and wages of employees and laborers employed in such trading, may be charged against the 70% allocated for tobacco trading. That is precisely the basis.

Senator PADILLA. But that opinion has reference to buying activities, which are part of trading, and that cannot be the justification for increasing the operating expense — the salaries and administrative expenses.

Senator PEREZ. Personally, I disagree with this.

Senator PADILLA. The writer of that opinion, the Government Corporate Counsel, now Judge Simeon Gopengco, made reference to expenditures that are necessarily incurred in the buying activities of the Administration, according to what Your Honor quoted as I have not seen the entire opinion.

(At this juncture, 11:34 a m., The Honorable

President of the Senate ceded the Chair to Honorable Salvador Laurel.)

Naturally, purchasing and buying are covered by trading. That is the second portion of the limitation, which is the greater portion of the subsidy — the trading, and that refers to the buying of the tobacco harvest from tobacco farmers. And that is really the way by which the Government, through the PTA, can help the tobacco farmers. Philcag, I think, Mr. President, is a subterfuge.

How can we help them if we will be spending only for salaries of personnel in the office or in their branches? We help them by buying their tobacco products at reasonable levels or even at Government subsidized prices.

And so that opinion is not a justification. I am not justifying the opinion of Judge Gopengco, for it does not really make the salaries, representation expenses, allowances, per diems of officers and members of the board chargeable against the major portion of the subsidy. It mentions the necessary expenditures in the buying and the trading — and that is a correct opinion. But it should not be used to justify

Senator PEREZ. Precisely, Your Honor, this opinion has been the basis of certain employees and officials to charge the salaries of employees against the amount allocated for trading. And that is the basis of the statement that sometimes when this kind of practice continues, the tobacco farmers are deprived of the funds which should go directly to the promotion of the industry. Precisely, because of this situation, Mr. President, we have seen the necessity of introducing amendments so as not allow such a practice to continue — so as to assure that the funds for the Philippine Tobacco Administration should go more for the benefit of the tobacco farmers.

Senator PADILLA. Your Honor, this bill as drafted does not plug those loopholes because it is exactly the same provision of the law. The only difference is that the release is every month,

from the 10 per cent of the tobacco taxes or that it be released every quarter. That is the only amendment. We are not trying to improve the law so as to plug the loopholes.

Senator PEREZ. We have committee amendments, Your Honor, which would include and reflect the statement I have made. As I state, Mr. President, yesterday we suspended consideration of this bill because we wanted to get the views of other members of this Chamber which we could incorporate in our committee amendments.

Senator PADILLA. May I suggest that these penal provisions and these amendatory provisions to be recommended by the Committee be prepared in advance and circulated to the members so that in case those amendments will cover the points that may be raised on interpellations, that procedure might even save time. But let us have an improved bill, maybe an amendment by substitution, maybe the insertion of several paragraphs, as may be recommended by the Committee, then let us reconsider it. Perhaps the interpellations of the other members yesterday, and those of your humble servant today may not have to be lengthened if those amendments to be proposed by the Committee will satisfy the doubts and correct the irregularities that have been attending the excessive and illegal over-expenditures out of operating expenses — I mean, administrative expenses. Would Your Honor not agree to have these amendments in writing so that we can consider them and postpone in the meantime consideration of this bill until we have these amendments?

Senator PEREZ. If that is the pleasure of the distinguished Minority Floor Leader, Mr. President, we are ready to accommodate him, although we are running against time. I understand that we are going to start deliberations on the budget this afternoon.

Senator PADILLA. I understand that there are other gentlemen of this Chamber who would

want to interpellate — not only the gentleman from Nueva Ecija but also the gentleman from Albay. That is my suggestion.

Senator PEREZ. We are going to consider that, Your Honor.

Senator AYTONA. Mr. President.

The PRESIDENT OFFICER. The gentleman from Albay.

Senator AYTONA. Will the distinguished sponsor of this measure yield to some questions?

The PRESIDING OFFICER. The sponsor may yield if he so desires.

Senator PEREZ. With pleasure, Mr. President.

Senator AYTONA. Mr. President, the purpose of my interpellation is merely to suggest some thoughts for the consideration of the distinguished sponsor. With respect to the point raised by the Minority Floor Leader, I would like to call the attention of the distinguished sponsor to the practical difficulty in the implementation of this provision. This provision reads as follows: "This fund will be apportioned in the following manner: NOT MORE THAN fifteen per cent will be spent for operating expenses; NOT LESS THAN seventy-five per cent will be used for native tobacco cigar fillers trading; and NOT MORE THAN ten per cent for researches to improve the tobacco industry in all its phases." As Your Honor will realize, this is a special fund. It is a revolving fund. In other words, for example the 75 per cent — let us start with P10 million — or the P7,500,000 that will be used for trading operations will come back to the fund in the form of cash. Now, how are we going to apply these percentages? I think that these percentages were intended for the original amount. But when these funds revolve, Your Honor will realize that this cannot be implemented anymore. All right. Your Honor's intention is to limit operating expenses to 15 per cent. Fifteen per cent

of P10 million is P1,500,000. But when the whole P50 million shall have been released, this 15 per cent will be 15 per cent of whatever remained of the P50 million. Therefore, the ceiling becomes impractical. So, Mr. President, I would like to suggest to the distinguished sponsor that a more practical limitation be provided for in this bill. If it is the intention to limit the operating expenses to P1,500,000, then let us say so — P1,500,000. But as it is now provided — 15 per cent of the fund — it may be 15 per cent of P50 million. That is a lot of difference. So I would just like to suggest that a more definite limitation be provided for, whatever it is. I leave that to the distinguished sponsor.

Senator PEREZ. We will consider the proposal, Mr. President, although it is my understanding that any amount of the 10 million which is not used within the fiscal year does not remain with the PTA. It reverts to the general fund.

Senator AYTONA. It is going to revert to the general fund, Your Honor?

Senator PEREZ. Yes, Your Honor. Because if they do not need it for the fiscal year, why should we give them more and more?

Senator AYTONA. But, Your Honor, this bill provides for capitalization — capitalization. This section provides for the establishment of a special fund — and the budget of the President, the unreleased amounts out of the 10 million are considered continuing appropriations, which should be available for release to the Philippine Tobacco Administration. I do not think, Your Honor, it is correct to say that the unreleased balances of this annual 10 million appropriation reverts to the general fund. I doubt it very much.

Senator PEREZ. I said that, Your Honor, because the law provides that "thereafter, an annual appropriation of ten million pesos is authorized for a period of five years."

Senator AYTONA. Yes, five years.

Senator PEREZ. So this will have to be incorporated in the General Appropriations Bill.

Senator AYTONA. No more, Your Honor, because this is already an appropriation in itself. And that is why in the President's budget, the unreleased balances of this 10 million annually are considered continuing appropriation, available for release if there are funds.

Senator PEREZ. There will be funds here under the proposed amendments. . .

Senator AYTONA. That is why.

Senator PEREZ. Because there will be quarterly releases.

Senator AYTONA. Anyway, Mr. President, I am merely making this interpellation just to help clarify this issue.

Now, Mr. President, the second point that I would like suggest to the distinguished sponsor is not to amend anymore, as indicated in my copy. line 2 — 1964 is made 1969; 1965 is made 1970; and five years is made ten years. I would like to suggest, Mr. President, that these amendments should not be made anymore because, as I have earlier stated, under the President's budget there are continuing appropriations amounting to P39,400,000 available for the capitalization of the Philippine Tobacco Administration which cannot be released because of lack of funds. Now, the purpose of this bill is to fund this appropriation by setting aside a portion of taxes on native tobacco. The only provision needed in this bill, Mr. President, is that last part: to set aside a portion of the taxes derived from native tobacco to fund these unreleased appropriations of the Philippine Tobacco Administration so that the capitalization can be provided for. It is not necessary, Mr. President, to amend Section 15 for the purpose. It is enough to provide that a certain portion of the taxes derived from native tobacco should be set aside to fund the appropriation provided in Section 15 of the charter of the Philip-

pine Tobacco Administration. I think, Mr. President, that that would be simpler.

Senator PEREZ. The purpose of this bill, Your Honor, is precisely to make the release of funds more stable from the Philippine Tobacco Administration.

Senator AYTONA. Yes.

Senator PEREZ. And if that objective will be attained through the means which you have outlined, I believe that the Committee will feel justified in accepting such a proposal.

Senator AYTONA. Thank you, Mr. President. and thank you, Your Honor.

Senator LIWAG. Mr. President.

The PRESIDING OFFICER. The gentleman from Nueva Ecija.

Senator LIWAG. Well, I understand that practically we are now in the period of suggesting to the Committee the necessary amendments to achieve the objective, that is, to help the local tobacco growers. I also would like to pursue the same line so that the Committee can find its way to achieving the desired objective.

So, Mr. President, will the distinguished sponsor yield to a few questions along that line?

The PRESIDING OFFICER. The gentleman may yield if he so desires.

Senator PEREZ. With pleasure, Mr. President.

Senator LIWAG. I understand, Your Honor, that the amount of these specific taxes collected from the native tobacco industry is more than P150 million a year.

Senator PEREZ. I would like to refer to the records, Your Honor.

Senator LIWAG. Please.

(There was a pause.)

Senator PEREZ. Actually, Your Honor, I believe that there has been a typographical error in the explanatory note. The annual amount of specific taxes collected on native-leaf tobacco industry is not P150 million yearly. I have here the figures, and if the distinguished gentleman from Nueva Ecija would like to go over them, I would like to show him the figures.

Senator LIWAG. No, just give me the amount, Your Honor.

Senator PEREZ. In 1968, the total amount of taxes collected from the native tobacco industry was P57,057,000, and this consists of excise taxes in the amount of P55,354,000, licenses and inspection fees, P683,000.

Senator LIWAG. So the correct figure therefore on the specific taxes collected from the native tobacco industry is not more than P150 million yearly but only about P57 million yearly?

Senator PEREZ. I would not say that, Your Honor, because this only for 1968.

Senator LIWAG. More or less.

Senator PEREZ. More or less, we can safely say an acreage annual collection of P50 million for the last five years.

Senator LIWAG. Now, in order to implement further Section 15 of Republic Act No. 1135, as amended by Republic Act No. 2233 and Republic Act No. 4114, we are now providing in this bill that the Commissioner of Internal Revenue shall segregate and credit to the tobacco industry promotion fund 10 per cent of these gross collections — that is, 10 per cent from this P50 million.

Senator PEREZ. That is correct.

Senator LIWAG. And how much will that amount be?

Senator PEREZ. Ten per cent of P50 million.

P5 million.

Senator LIWAG. So, how can Your Honor, then say that you are effectively implementing this statute which you are amending if the amount that will be realized is only P5 million when your objective is at least P10 million a year?

Senator PEREZ. The thinking, Your Honor, is that if the industry will get a steady release of P5 million, it will be able to increase the acreage and, perhaps, through scientific research and proper inspection and guidance, our tobacco farmers will be able to increase their production and, consequently, when the acreage in production increases, we will also expect an increase in the collection of taxes.

Senator LIWAG. Well, we cannot have differences as to the laudable objectives that Your Honor wants to achieve. All that I want to impress upon the Chamber is that we are again raising false hopes to the people in my region, in your region and in all other regions growing native tobacco by having this law amended, when in truth and in fact we will not be practically helping them because actually the release will only amount to P3 million. Now, we are going to add about P2 million by the passage of this bill. We will not be adding anything substantial to the demands of the local tobacco growers. So I have raised this question in order to impress upon the Committee that it should be very careful in raising false hopes when in truth and in fact, by the annual figures of the government you will only be adding P2 million to the present releasable funds, so you will not be able to embark on a program of improving the quality of local tobacco, especially the rotting tobacco, neither will you be able to help in tobacco procurement.

And so it is with this objective that I have risen, Your Honor, because I have been made to believe before that we will be adding P10 million, but actually we will not be adding that amount.

Senator PEREZ. I would like to correct myself, Your Honor. This P57 million, or the average of P50 million which I cited was only from excise taxes, licenses and inspection fees. But according to the staff from the Philippine Tobacco Administration, there are other sources which in its aggregate together with this P57 million, would really go to P150 million. So that the amount would go to P50 million not P5 million.

Senator LIWAG. So, the committee, I believe, should make it definite that there should at least be segregated to this fund every year no less than P10 million because if it is only P5 million, I believe that it won't help the situation.

Senator PEREZ. I have the assurance of the staff of the Philippine Tobacco Administration Mr. Senator, that the amount on which the 10% will be charged would be more or less P150 million annually and this will be not less than P10 million for the PTA.

Senator LIWAG. So, every year 10%, which according to Your Honor is not less than P10 million, must be available for this tobacco fund. Now, I would like to call Your Honor's attention to the PVTA Law where Congress has made a definite percentage as to the amount that shall go to the PVTA. For example, in 1967 according to the Bureau of Internal Revenue records, it should receive P94 million in round figures, Actually, it only received P51 million and P42 million has disappeared into thin air. They don't know where that amount went, to which they are entitled under the law. Again in 1968, they were entitled in round figures to P87 million. They only received P43 million and there is a balance of P43 million also that is still unaccounted for. Now, if we apportion or if we provide that an amount of not less than P10 million should be segregated and placed into this fund every year — what assurance do we have that the administration will release the full amount?

Senator PEREZ. Precisely, Mr. President.

Senator LIWAG. So that must be provided by

the bill which your committee is to improve upon because we are all dependent upon the release of the funds. There is the law — P10 million will be used, but actually if the President needs money somewhere else, he diverts this and we do not receive the P10 million.

Senator PEREZ. Precisely, Mr. President, the purpose of this after we amend the law is to provide for certain guarantees that releases of funds as stipulated in the law and in the proper amendment should be complied with.

Senator LIWAG. We have all these laws already and yet they have not been complied with. The President, unless it is for his political advantage, does not release funds.

Senator PEREZ. For instance in this bill, Mr. President, the release of 10% on the tobacco taxes on native leaf tobacco should be released to the Philippine Tobacco Administration by the Commissioner of Internal Revenue quarterly, and this should be released in four equal instalments within 20 days after the end of every quarter. Now, there have been some suggestions that failure of the Bureau of Internal Revenue Commissioner to make the release should be punishable.

Senator LIWAG. Well, we shall see.

Senator PEREZ. After all, there will be quarterly collections and therefore he cannot say that there are no funds. It will be 10% of the taxes collected during the quarter and if he fails to remit the 10% of the collections then the proposal is to penalize him for such omission or failure.

Senator LIWAG. Yes, Your Honor, but his defense is that the budget commissioner and the Office of the President have not countersigned the release. How can you punish him? That is the actual fact, Your Honor. Your Honor knows perfectly well that that is what is happening.

Senator PEREZ. That is true.

Senator LIWAG. We put in the law that it is mandatory for the Commissioner of Internal Revenue to deliver a certain percentage of this collection, but yet how can you punish him when according to him the release of funds is subject to the approval of the Budget Commissioner and the countersignature of the President? I believe that we are only deceiving ourselves by putting that provision and making a guarantee. The people now in the PVTA know that.

Senator PEREZ. I beg to disagree, Mr. President, because even if we only say that will be the Commissioner of Internal Revenue who will be culpable, I believe that any other official of the government who participates in such a failure or causes or obstructs the compliance by the BIR Commissioner of this mandatory performance of release should also be considered as guilty of the same. So, if it is the wish of the Chamber that we indicate in clear terms the responsibility of all other officials who participate in the process of releasing funds so as to make them also liable, I believe that that would indeed be putting more teeth. Our concern, Your Honor, is to help the tobacco industry. And we want to put more teeth into the law so that here will be greater security on the part of tobacco farmers by way of the releases that they receive.

Senator LIWAG. I hope that in the amendment that the committee will prepare it should involve this practical aspect of releases of public funds. Because, Mr. President, so many vile things are being committed in the name of tobacco farmers. We always invoke their welfare and the improvement of their lives and yet those are merely lip service, empty words. And I would not like to have another legislation along this line for them just to be disillusioned and disappointed. I am therefore stopping my interpellations until such time when all of these several suggestions can be properly studied by the committee and presented again in time when we resume consideration of this bill. Thank you, Mr. President.

President PUYAT. Mr. President.

The PRESIDING OFFICER. Gentleman from Pampanga.

President PUYAT. Will the sponsor allow me to make a statement and then propose some questions?

Senator PEREZ. With pleasure to the distinguished Senate President.

President PUYAT. Yesterday when we started consideration of this bill we got into informal huddle to make suggestions on how to improve it. I am glad that this bill came up because really the huddle provided one of the few opportunities to enable us to go over our special funds. And this is the reason why, when I was chairman of the Committee on Finance, I was against the proliferation of special funds because once a special fund has been created, until that fund is exhausted or until there is need for replenishing it Congress practically has not opportunity to review how is being used or misused.

So, today, instead of going into technicalities, I would like to go into the basic questions because I remember along with Senator Osias I was one of the sponsors of the original bill when it came up for approval in the Senate, and I did that believing that the tobacco industry is one of the industries that we should protect since it is one of the export products that have tremendous potentials, potentials that we are now dissipating because we have not improved the quality of our tobacco.

Now, in the statements of the PTA that I saw, I was really alarmed because I saw in them, sales of P9 million and expenses of P7,900,000. I know a little business, Mr. President. With a sales income of a million pesos and expenses of P7,900,000.00, I know what will happen to that corporation. I was told, "Well, a great portion of this fund was spent to stabilize the price of tobacco." I inquired, "May I know from those statements

how much of this fund was spent for that purpose? This fund was created primarily to enable the PTA to stabilize the price of tobacco so that our farmers will not be at the mercy of middlemen, especially the Chinese. Now, may I know how much of this fund was used for purposes of buying and selling tobacco to stabilize the price of tobacco, and to what extent the corporation has been able to achieve that basic objective?" I have seen the statement. Nobody can give me the information.

Mr. President, I know that those statements were hurriedly presented because I have seen the statements. Those statements, if I may suggest, should be prepared so that the operation for stabilizing the price of tobacco should be shown separate from administration, and then there should be a separate accounting for research. Those statements are not prepared to give us this information. They are not. The accounts are mixed up.

Suppose I go to another question — research. Can we tell the Senate how many research projects this corporation has undertaken and how much has been spent for such researches?

Senator PEREZ. Mr. President, according to the figures submitted to your humble sponsor by the staff of the PTA, in 1968 the amount for research was P593,860.00.

President PUYAT. What projects were financed out this fund? Who undertook the researches, and what researches were undertaken? I would like to know.

Senator PEREZ. According to the information given to me by the staff, the researches that were undertaken were with respect to the breeding of tobacco seeds, the improvement and selection of two outstanding varieties.

President PUYAT. What varieties?

Senator PEREZ. The shimada and the Viz-

caya. These are the varieties recommended to the growers to replace the old and poor tobacco varieties.

President PUYAT. Have these varieties been planted on a commercial scale, and what was the result? Say, in yield, has there been any improvement in the yield and in the quality of the tobacco?

Senator PEREZ. There are other researches in the

President PUYAT. No, no. Let us go to the yield, Mr. President. I commiserate with the sponsor because I know the handicap under which he is sponsoring this bill. The staff is not prepared to assist the sponsor.

Let us go back to the breeding of new seeds. Let us find out, has this new seed been planted on a commercial scale, and what has been the result increased yield and in improved quality?

Senator PEREZ. Mr. President, the figures that have been given your humble sponsor are for all varieties.

President PUYAT. How many varieties are there, Mr. President?

Senator PEREZ. Mr. President, according to the information, aside from the two that I have mention — the Shimaba and the Vizcaya — they also have the Espada and the Repolyo; and from my own knowledge, Mr. President, in Nueva Vizcaya we grow the so-called Sumatra, which is for wrapping purposes.

President PUYAT. May I know in what areas these different seeds are being planted and what hectarage is covered?

Senator PEREZ. Mr. President, the figures submitted to me by the staff of the PTA only indicate the production and the areas by region. They do not show the variety that are planted.

President PUYAT. Let us say the Ilocos region because that is the principal region that produces the local tobacco.

Senator PEREZ. In the Ilocos region, which is the premier area for the native leaf tobacco, particularly the Cagayan Valley, the two most common varieties are the Shimaba and the Vizcaya

President PUYAT. And how much was spent for this particular project in that area?

Senator PEREZ. The amount of P593,860.00, which I cited as the expenses for research in 1968.

President PUYAT. How much of the P593,000.00 went to salaries?

Senator PEREZ. I do not believe that the staff of the PTA is ready to give us that information by area.

President PUYAT. They should know. Roughly, what percentage of the P593,000.00 was spent for salaries and wages? 60%, 80%, 95%?

Mr. President, I know that this will take up a lot of time. These questions are intended to establish how much we actually spent in research.

Many many years ago, when we started the Bureau of Agricultural Extension, what did your Committee on Finance find? Practically the whole budget was being spent for personnel in Manila. That is why your Committee on Finance placed a special provision in the budget that not more than 10 per cent of the personnel of the bureau should be in Manila. The rest should be out doing agricultural extension work. I want to find out if really these personnel are out undertaking research or whether they are sitting here in Manila.

Senator PEREZ. According to this report this shows the distribution of personnel by department. There are 512.

President PUYAT. Five hundred twelve. May I know the qualifications of these 512? How ma-

ny are chemists? How many are doctors in pharmacology?

Senator PEREZ. In the Office of the Board of Directors, Mr. President, there are six technical assistants.

President PUYAT. Technical assistants. What are they doing?

Senator PEREZ. The report that I have here does not show their qualifications, Mr. President.

President PUYAT. I would like to know what these technical assistants are doing. Are they undertaking research? How about the rest? There are 512. Let us forget the technical assistants.

Senator PEREZ. These are distributed among the various offices. In the Office of the Board of Directors — 12; Office of the Corporate Secretary — 18; Office of the Chairman-General Manager — 25; Office of the Assistant General Manager — 1; Office of the Head Executive Assistant — 65; Personnel Department — 34; Treasury Department — 57; Accounting Department — 25.

Senator PEREZ. Research Department — 105.

President PUYAT. No, I am referring to research. Are there 25 research people in the Accounting Department? What are they doing in the Accounting Department? What research are they doing there?

Senator PEREZ. Mr. President, these personnel which I have cited do not perform research but they are the personnel in the office.

President PUYAT. No, I was limiting my questions to the research personnel. I am trying to help the sponsor.

Senator PEREZ. According to this report, the Research Department has a personnel of 105.

President PUYAT. One hundred five. Where are they working? Does the corporation have la-

laboratories? Do they have connection with Los Baños? Do they have connection with our agricultural schools to undertake research?

Senator PEREZ. I am not ready to answer those but I would like to read the position because these may indicate more or less the kind of work that they do. Plant pathologist —

President PUYAT. How many plant pathologist —

Senator PEREZ. One, Mr. President.

President PUYAT. Only one out of the 105?

Senator PEREZ. There are several plant pathologists but there is one chief pathologist. Then there is a head of agricultural research; then there a supervising agronomist. There is an agronomist; senior plant entomologist; supervising agronomist; there are eight agronomist there are also other agronomist positions in other parts of the report. They have a farm supervisor; supervising agronomist.

President PUYAT. Do the research personnel work under one section or one department, or are they scattered all over?

Senator PEREZ. This is the Central Office, Mr. President.

President PUYAT. Central Office working under one section.

Senator PEREZ. Working under one section. The research department.

President PUYAT. Do they have research personnel in the field?

Senator PEREZ. These personnel while they belong to the Central Research Department, according to the information relayed to me, are assigned to work in the field, Mr. President.

President PUYAT. They are assigned to the field every now and then. How much of their time is spent in the field?

Senator PEREZ. According to the staff of the PTA, Mr. President, out of the 105 personnel under the Research Department there are about 10 who stay permanently in the Central Office and the others are in the field.

President PUYAT. Can we be shown some papers produced by the technical research people, any scientific papers that they prepared, any report? You see, Mr. President, I am observing the performance budget. After all I was the one who sponsored the performance budget. We really want to find out whether the people's money is spent well. What is the result of the expenditure?

Senator PEREZ. According to the staff of the PTA they are ready to submit papers on completed researches and they are also ready to render reports on researches that are current.

President PUYAT. That is good. Can they not mention one or two right now?

Senator PEREZ. They have made research on plant diseases affecting the tobacco industry and tobacco breeding.

President PUYAT. Good. Now, let us go back to the more important aspect — trading. I have it on good information that it is still the Chinese middlemen who dictate the price in the tobacco-producing area. It is not the PTA that sets the price level. It is still the middlemen most of whom are Chinese. How correct is this, Mr. President?

Senator PEREZ. That is a report that has been received every year. Precisely, the complaint of our tobacco farmers is that when they are ready to sell their products the government agency concerned — in this case the PTA — is not in a position to buy because the releases for trading operation are not given on time.

President PUYAT. So it is a fact now that because of the tardiness and the small release made

it is still the middlemen, mostly Chinese, who dictate the price of the tobacco paid to the Filipino farmer. We can accept that as a fact.

Senator PEREZ. That is a practice that has been going on, Mr. President, a practice which we consider as one of the serious setbacks of our tobacco farmers, a setback which we would like to correct or remedy.

President PUYAT. Mr. President, when I helped sponsor this bill and I voted for it, I said that we must correct this maladjustment in our economy. The Filipino farmer toils in the field; he is the one who adds the most economic value to the product; and yet he is the one who gets the least in return. And here is a middleman who practically adds nothing to the economic value of the product but gets the most out of the product. That is why I was very enthusiastic in my support of this bill. But I can understand the position of the corporation now, and that is also the disadvantage of our RCA. When the harvest is on, this corporation has no fund. What happens? The middlemen who have the money are the ones who buy it and the RCA and PTA come later on after most of the harvest has been bought at lower prices to the detriment of our farmers. That is why, Mr. President, if we want to preserve this corporation, let us make it function effectively. If it will not function effectively, we better close it; but if we want to keep it, let us give it the means so that it will be able to perform the objectives of the law.

Our Chairman of the Committee on Finance is right, we do not have to amend this bill; what is needed is to ask for the release of appropriations which have been provided. Now, I can also understand the difficulties under which the management will operate, 20%, 15%, for administration. I am going to amend that amendment so that it will be 15% on sums actually released, not authorized; because, as the Minority Floor Leader said, if your authorized release is P10 million, 15% of which is set aside for administration, that is P1.5 million, and your release is

only P1.5 million or P3 million, then you will be spending for administration sums way out of proportion to your trading and research activities. So, when the period of amendments comes, I will insert that particular word, but I am warning the Sponsor that that will be bad for the management. If we do that, the management will not be able to plan because we do not know how the Budget Commission will make releases. So, we have to look for a way now so that it will be mandatory for the Budget Commission to make periodic releases, so that the management will know that at certain times during the year it can count on so much, it can do this and do that. Without that kind of planning the management can never compete with these Chinese middlemen.

Now, if the Sponsor will allow me, if I would be shown the amendment, I would like to contribute my small share because the purpose of my questions is not to criticize. If we want this corporation to continue, let us keep it, but let us give it the means so that it could function effectively. Thank you, Mr. President.

Senator PEREZ. As I have stated, Mr. President, the purpose of this bill is to assure our tobacco farmers that release, particularly for the tobacco trading, which affects them very much, should not be upon the whims and caprices of certain officials but should be dependent upon the needs of the industry.

Senator GANZON. Mr. President.

The PRESIDING OFFICER. Gentleman from Iloilo.

Senator GANZON. I would like to thank my peer, the distinguished Senate President, for his very searching and microscopic questions to the distinguished gentleman from Nueva Vizcaya. As Your Honor very well knows, this is the Puyat Wing of the Nacionalista Party (Laughter) against the Marcos Wing of the Nacionalista Party.

Senator PEREZ. Mr. President, I would like to state that. . .

Senator GANZON. I have not finished yet. . .

Senator PEREZ. In behalf of the tobacco industry, I hope that there are no wings here.

Senator GANZON. I was making a statement of fact. I thank Senator Puyat for the filibuster on this bill.

But, *compañero*, you will recall that last night we went home past midnight. We returned this morning at eight. Many senators were at their offices; there were committee hearings; and many senators were studying bills. By and by, we will have the session of the Commission on Appointments.

I think the plan of the Majority Floor Leader is to let us stay tonight until midnight again. It is already 12:30 p.m., and borrowing the language of the distinguished Minority Floor Leader: Because of the advance hour, can we ask for a postponement until this afternoon?

Senator PEREZ. I was really going to propose that we do that, Your Honor, to allow your humble sponsor to collate all the proposals or amendments.

Senator GANZON. At any rate, I am thankful for the filibuster by the Puyat Wing of the Nacionalista Party.

Senator PEREZ. I do not believe that that was a filibuster. It was a very enlightening dialog which will contribute to the perfection of this measure.

Senator TOLENTINO. Mr. President.

The PRESIDING OFFICER. The Majority Floor Leader.

Senator TOLENTINO. I ask that we suspend consideration of this bill until this afternoon or tomorrow.

The PRESIDING OFFICER. Is there any objection? (*Silence*) There being none, the motion is approved.

SPECIAL ORDERS

Senator TOLENTINO. Mr. President, the Committee on Finance has reported out House Bill No. 18676, the annual Appropriations Bill. I ask that this bill be included in the Calendar for Special Orders to be taken up this afternoon and to include also in the same Calendar for Special Orders the following bills: Senate Bills Nos. 879, 1157, 1118, 980, 597, 675, and House Bill No. 16630.

The PRESIDING OFFICER. Is there any objection? (*Silence*) There being none, the motion is carried.

SUSPENSION OF THE SESSION

Senator TOLENTINO. Mr. President, I ask that we suspend the session until this afternoon at five o'clock.

The PRESIDING OFFICER. Is there any objection? (*Silence*) There being none, the session is suspended until five o'clock this afternoon. It was 12:31 p.m.

At 5:38 p.m. the session was resumed with the President of the Senate, Hon. Gil J. Puyat, presiding.

The PRESIDENT. The session is resumed.

The Majority Floor Leader has the floor.

Senator TOLENTINO. Mr. President, I ask that the Secretary read the supplementary agenda.

The PRESIDENT. The Secretary is so ordered.

REFERENCE OF BUSINESS

The SECRETARY:

(Committee Report No. 2484)

Mr. President:

The Committee on Natural Resources, to which was referred: H. B. No. 17538—6th C.R.P.; introduced by Congressman Magsaysay, Jr., entitled:

"AN ACT DECLARING A PORTION OF LAND WITHIN THE OLONGAPO WATERSHED FOREST AND OLONGAPO REFORESTATION PROJECT SITUATED AT BARRIO OLD CABALAN, OLONGAPO CITY, AS AGRICULTURAL AND ALIENABLE LAND, TO BE SOLD TO EONA FIDE OCCUPANTS THEREOF."

has considered the same and has the honor to report it back to the Senate with the following commendation:

THAT IT BE APPROVED WITHOUT AMENDMENT.

Respectfully submitted:

(SGD.) HELENA Z. BENITEZ
Chairman
Committee on Natural Resources

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2485)

Mr. President:

The Committee on Culture, to which was referred: S. B. No. 1168 — 6th C.R.P., introduced by Senators Puyat, Teves, and Laurel, entitled:

"AN ACT TO GRANT A CHARTER TO THE JORGE B. VARGAS FILIPIANA FOUNDATION, AND TO DEFINE ITS POWERS AND OBJECTIVES, AND FOR OTHER PURPOSES."

has considered the same and has the honor to report it back to the Senate with the following commendation:

THAT IT BE APPROVED WITHOUT AMENDMENT.

Respectfully submitted:

(Sgd.) HELENA Z. BENITEZ
Chairman
Committee on Culture

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2486)

Mr. President:

The Committee on Natural Resources, to which was referred: H. B. No. 15443—6th C.R.P., introduced by Cong. Pelaez, entitled:

"AN ACT DECLARING THAT PORTION OF THE FOREST LAND ON WHICH BARRIO TANGCUB-MUNICIPALITY OF LIBERTAD, PROVINCE OF MISAMIS ORIENTAL, IS NOW SITUATED, AND CONSISTING OF TWENTY-TWO HECTARES MORE OR LESS, AS ALIENABLE AND DISPOSABLE LAND AND CONVEYING THE SAME IN FAVOR OF SAID MUNICIPALITY TO BE USED AS BARRIO HALL SITE FOR BARRIO TANGCUB, AND FOR OTHER PURPOSES."

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITHOUT AMENDMENT.

Respectfully submitted:

(SGD.) HELENA Z. BENITEZ
Chairman
Committee on Natural Resources

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2487)

Mr. President:

The Committee on Natural Resources, to which was referred S. No. 860 and H. B. No. 17140 — 6th C.R.P., introduced by Senators Almendras, Antonino & Benitez, entitled:

S.D. No. 860—"AN ACT AUTHORIZING THE PRES.

IDENT OF THE PHILIPPINES TO SELL A CERTAIN PARCEL OF LAND OF THE PUBLIC DOMAIN SITUATED IN DAVAO CITY TO THE DAVAO NURSES ASSOCIATION, INCORPORATED OF DAVAO CITY."

the Bureau of Lands Plan Psd-10672, as follows:

Lot No. 2730_B
BSD-10672

and H. B. No. 17140 introduced by Cong. Loyola, entitled:

A parcel of land (Lot 2730_B of the subdivision plan Bsd-10672, being a portion of Lot 2730 of Davao Townsite, G.L.R.O. Record No....), situated in the City of Davao, Island of Mindanao. Bounded on the N. by lot 2730-A of the subdivision plan; on the E. and S. by Proposed Street; and on the W. by Ma. Guerero Street. Beginning at a point marked "1" in the plan, being N. 67 deg. IS'E., 899.14 m. from Mon. 19, Davao Townsite,

AN ACT AUTHORIZING THE PRESIDENT OF THE PHILIPPINES TO SELL A CERTAIN PARCEL OF LAND OF THE PRIVATE DOMAIN OF THE N. TO DNA OF DAVAO CITY.

Thence S. 86 deg. 59' W., 75.04 m. to point "2";
Thence N. S. deg. 46' W., 52.45 m. to point "3";
Thence N. 86 deg. 45' E., 80.12 m. to point "4";

has considered the same and has the honor to report it back to the Senate with the following recommendation:

Thence S. 3 deg. 12' E., 52.52 m. to the point of beginning; containing an area of four thousand and sixty two (4,062) square meter, more or less. All points referred to are indicated on the plan and are marked on the ground as follows: points and 2, by 01 P.L.S./B.L. Conc. Mons.; and points 3 and 4 by P.L.S./B.L. Conc. Mons.; bearings true; declination a deg. 08' E., date of the subdivision survey, Nov. 2, 1951.

THAT IT BE APPROVED WITHOUT AMENDMENT

THAT S. B. 860 IN CONSOLIDATION WITH H. No. 17140 BE APPROVED AS PER ATTACHED AMENDMENT BY SUBSTITUTION WITH SENATORS ALMENDRAS, ANTONINO AND BENITEZ AS CO-AUTHORS.

Respectfully submitted:

(SGD.) HELENA Z. BENITEZ
Chairman

Committee on Natural Resources

The Honorable
The President of the Senate
Manila

NOTE: Lots 2730_B Lot 3103 of Davao Townsite, identical to Lot 4, Sta. Ana Reservation.

(Amendment By Substitution to S. No. 860 and H. No. 17140 Attached to Committee Report No. 2487)

AN ACT AUTHORIZING THE PRESIDENT OF THE PHILIPPINES TO SELL A CERTAIN PARCEL OF LAND OF THE PUBLIC DOMAIN SITUATED IN DAVAO CITY TO THE DAVAO NURSES ASSOCIATION, INC.

SEC. 2. This conveyance is made for the exclusive purpose of enabling the Davao Nurses Association, Inc. to establish, maintain, and operate charitable Maternity or General Hospitals, Clinics or similar institutions for the care of the poor and indigent of the City and Province of Davao, as well as to promote and elevate the standards of the nursing profession: Provided, That the conveyance shall be made after said Davao Nurses Association shall have become a none-profit, non-Stock Foundation.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SEC. 3. The title the land conveyed by this Act shall not be transferred by the Davao Nurses Association to another person without previous authorization by the Congress of the Philippines.

SECTION 1. The President of the Philippines is hereby authorizing to sell to the Davao Nurses Association, Inc. for the nominal price of one peso a parcel of land of the public domain with an area of 4,062 square meter, more or less, situated in the City of Davao, and more particularly described in

SEC. 4. The property shall not be leased but any space in the buildings to be constructed therein may be leased: Provided, That the proceeds from such leases shall be utilized exclusively for purposes for

which the Davao Nurses Association has been established.

SEC. 5. The Davao Nurses Association is hereby authorized to mortgage the above-described property for the purpose of constructing the building or buildings to government owned or controlled corporations only.

In case the Davao Nurses Association is dissolved or ceases, for any reason, to undertake its objectives, or ceases to need the land for any reason, the said land shall *ipso facto* revert to the National Government without compensation.

All the foregoing conditions shall be included in the deed of transfer to be executed by the President of the Philippines and annotated at the back of the title.

SEC. 6. This Act shall take effect upon its approval.

The PRESIDENT. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2488)

Mr. President:

The Committee on Justice, to which was referred: House Bill No. 18075—6th C.R.P., introduced by Congressmen Murillo, Zafra, Roman, Bascon, Macias, Ubay and Clemente, Jr., entitled:

"AN ACT AMENDING SECTION TWENTY-SIX OF ACT NUMBERED FOUR HUNDRED NINETY-SIX, AS AMENDED, BY SPECIFYING THE EVIDENCE REQUIRED IN LAND REGISTRATION."

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITHOUT AMENDMENT.

Respectfully submitted:

(SGD.) SALVADOR H. LAUREL
Committee on Justice

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2489)

Mr. President:

The Committee on Prov. & Mun. Govts. & Chartered Cities, to which was referred: House Bill No. 18003—6th C.R.P., introduced by Congressman Laurel, Jr., entitled:

"AN ACT CREATING THE MUNICIPALITY OF SAN PASCUAL IN THE PROVINCE OF BATANGAS," has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITHOUT THE FOLLOWING AMENDMENT.

1. In page 1, lines 15 to 17, delete the phrase "elected in the next general elections for local officials in November nineteen hundred seventy-one" and in lieu thereof, insert the following: "APPOINTED BY THE PRESIDENT OF THE PHILIPPINES UPON APPROVAL OF THIS ACT AND SHALL HOLD OFFICE UNTIL THEIR SUCCESSORS SHALL HAVE BEEN ELECTED AND QUALIFIED."
2. In page 1, lines 19 to 21, delete the phrase "and the indebtedness to be incurred as a consequence of the creation of the Municipality of San Pascual."

Respectfully submitted:

(SGD.) LEONARDO B. PEREZ
Chairman
Committee on Provincial and
Municipal Governments and
Chartered Cities

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2490)

Mr. President:

The Committee on Natural Resources, to which was referred Senate Bill No. 1176--6th C.R.P., introduced by Senators Benitez and Laurel, entitled:

AN ACT DECLARING THE PITHECOPHAGA JEFFERYI COMMONLY KNOWN AS MONKEY-EATING EAGLE AS A PROTECTED BIRD IN THE PHILIPPINES, PROVIDING FOR THE PRESERVATION OF THE SAME, AND AUTHORIZING THE APPROPRIATION OF FUNDS FOR THE PURPOSE,

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITHOUT AMENDMENT

Respectfully submitted:

(SGD.) HELENA Z. BENITEZ
Chairman
Committee on Natural Resources

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2491)

Mr. President:

The Committee on Natural Resources, to which was referred: Senate Bill No. 1177--6th C.R.P., introduced by Senators Benitez and Laurel, entitled:

"AN ACT DECLARING MOUNT IGLIT, MOUNT BALCO AND THE ADJOINING AREAS SITUATED IN SABLAYAN, OCCIDENTAL MINDORO AND BONGABON, ORIENTAL MINDORO AS A NATIONAL PARK. AUTHORIZING THE APPROPRIATION OF FUNDS NECESSARY FOR THE DEVELOPMENT THEREOF, AND FOR OTHER PURPOSES."

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITHOUT AMENDMENT.

Respectfully submitted:

(SGD.) HELENA Z. BENITEZ
Chairman
Committee on Natural Resources

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2492)

Mr. President:

The Committee on Finance, to which was referred: S. No. 1139 and H. No. 18897--6th C.R.P., introduced by Senator Laurel as to S. No. 1139 and Cong. Ubay, Crisologo, Veloso (m.), Concordia, Durano and Barbero, as to H. No. 18897, entitled:

"AN ACT FIXING THE SALARY OF JUDGES OF THE COURTS OF AGRARIAN RELATIONS AND THE SOLICITOR GENERAL, AND FOR OTHER PURPOSES."

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT H. NO. 18897 AND S. NO. 1139 BE CONSOLIDATED THE LATTER TO BE MADE THE BASIS OF DISCUSSION AND APPROVED WITH THE FOLLOWING AMENDMENTS:

1. On page 1, on lines 1 to 4, delete the words "judges" of the Courts of Agrarian Relations is hereby fixed at twenty-three thousand pesos; and that of the Solicitor General at twenty-eight thousand pesos." and in lieu thereof insert the words THE PRESIDING JUDGE OF THE COURT OF AGRARIAN RELATIONS IS HEREBY FIXED AT TWENTY-FOUR THOU.

SAND PESOS AND THAT OF THE JUDGES THEREOF AT TWENTY-THREE THOUSAND PESOS.

2. On page 1 change the title of the Bill to AN ACT FIXING THE SALARIES OF THE PRESIDING JUDGE AND THE JUDGES OF THE COURTS OF AGRARIAN RELATIONS AND FOR OTHER PURPOSES.

Respectfully submitted:

(SGD.) DOMINADOR R. AYTONA
Chairman
Committee on Finance

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Calendar of Ordinary Business.

The SECRETARY:

BILL ON FIRST READING

S. No. 1178 by Senator Benitez, entitled:

AN ACT PROVIDING FOR THE POLICY ON NATIONAL ENVIRONMENT PLANNING. CREATING THE NATIONAL PHYSICAL PLANNING OFFICE. AND FOR OTHER PURPOSES.

The PRESIDENT. To the Committee on Natural Resources.

CONSIDERATION OF S. NO. 1126

Senator TOLENTINO. Mr. President, I move that we now consider Senate No. 1126.

The PRESIDENT. Consideration of Senate No. 1126 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT TO ESTABLISH A UNIFORM AND STANDARDIZED RATE OF SALARY, BASED ON THE FUNDAMENTAL PRINCIPLE OF "EQUAL PAY FOR EQUAL WORK," FOR OFFICIALS OF THE COURTS OF FIRST INSTANCE WHOSE AP-

POINTMENTS ARE VESTED IN THE PRESIDENT OF THE PHILIPPINES, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Any provision of existing laws to the contrary notwithstanding, it is hereby declared to be the policy of the Congress of the Philippines that a uniform and standardized rate of salary be established for officials of the Courts of First Instance of the Philippines whose appointments are vested in the President of the Philippines, in consonance with the fundamental principle of "equal pay for equal work" which is applied to all District Judges of the Courts of First Instance throughout the Philippines.

SEC. 2. For this purpose, the rate of salary of the officials referred to in Section one hereof, which shall be based on the number of branches or salas a Court of First Instance has in the same city or municipality, shall be as follows:

(a) One Branch or Sala:

Clerk of Court P12,000.00 per annum

(b) Two to twelve Branches or Salas:

Clerk of Court P13,200.00 per annum

Assistant Clerk of Court 12,600.00 per annum

Branch Clerk of Court 12,000.00 per annum

(c) Thirteen or more Branches or Salas:

Clerk of Court P14,400.00 per annum

Assistant Clerk of Court 13,200.00 per annum

Branch Clerk of Court 12,000.00 per annum

SEC. 3. There is hereby authorized to be appropriated out of any funds in the National Treasury not otherwise appropriated such sums as are necessary to carry out and implement the provisions of this Act.

SEC. 4. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, your humble colleague will sponsor this bill.

The PRESIDENT. The distinguished Majority Floor Leader may proceed.

Sponsorship Speech of Senator Tolentino

Senator TOLENTINO. Mr. President, there have been bills and actual laws increasing the salaries of judges of courts of first instance but no corresponding law with respect to the clerks of courts of first instance. What has been happening, Mr. President, is that everytime the annual Appropriations Bill is considered by Congress, the office of the clerk of court has been almost regarded as a pork barrel — so that there are individual raises on salaries and there is no more uniformity in the salary scale among clerks of court even if they are in the same category with respect to the courts in which they are employed.

The purpose of this bill is to standardize the salaries of clerks of court depending upon the courts in which they are employed. We believe that by fixing by law the salary scale of these clerks of court, then there will be no temptation to just amend the budget any time it comes to us, increasing the salaries of individual clerks of court in different places where some members of Congress may be able to effect an increase for clerks of court of their provinces.

So, Mr. President, the bill itself contains the classification of clerks of court, depending upon the court. If there is only one branch or sala in the court, the salary fixed is P12,000. In courts where there are several branches—from two to 12 branches — then there is a slight increase in salary, which is P13,200; there is the assistant clerk of court, P12,600; and the branch clerk of court, P12,000. And when the court — let us say, like in Manila — has more than 13 branches, then the rate is a little bit higher. No appropriation is carried in this bill; it is merely a standardization bill — and authority is provided for inclusion of the appropriation in the Appropriation Act.

Mr. President, if there are no questions on this

bill, I will move for its approval.

Senator PADILLA. Mr. President.

The PRESIDENT. The Minority Floor Leader.

Senator PADILLA. I am one of the co-authors of this bill. So, I am in favor of this bill, especially because it is based on the fundamental principle of equal pay for equal work. This bill, under Section 2, specifies the clerks of court — whether deputy, assistant, or branch clerk. Does not Your Honor think that instead of the word "officials," it should be specified to refer to clerks?

Senator TOLENTINO. That is a very good suggestion, Mr. President — because actually, the bill refers only to the clerks of court, their assistants or deputies and not to any other official. That is a very good observatoin, Mr. President, and we will make the corresponding amendment.

Senator PADILLA. Thank you, Mr. President.

The PRESIDENT. Any other interpellations? If there are none, we will enter into the period of amendments.

Senator AQUINO. Mr. President.

The PRESIDENT. The gentleman from Tarlac.

Senator AQUINO. Will the distinguished sponsor yield to a few questions?

The PRESIDENT. The sponsor may yield if he so desires.

Senator TOLENTINO. Willingly, Mr. President.

Senator AQUINO. The bill is very laudable, Mr. President. I merely would like to inquire about the total effect. What would be the sum of the increases when implemented?

Senator TOLENTINO. I cannot answer that because that will require a computation. I would just state that the data we have show that the range of salary of the different clerks of court

now — as they appear in our budget — is from P5,100 to P13,800. Your Honor will notice, therefore, that the maximum salary now being received by a clerk of court of P13,800 is just a little less than what is proposed for the clerk of the court where there are 13 or more branches, which is P14,400. There is only about P600 difference.

Senator AQUINO. I bring this up, Mr. President, because this principle of "equal pay for equal work" is one of the most laudable principles. One of the most demoralizing situations is where personnel of the governmental service are made to work, almost slave, and do not get commensurate pay.

Senator TOLENTINO. Yes

Senator AQUINO. I bring up this question, Your Honor, because if we approve this and there is no follow-through from the finance committees or the people who will have to provide for the appropriations, we will only be creating frustrations.

Senator TOLENTINO. No, Mr. President.

Senator AQUINO. Mr. President, once we approve this bill and it is approved in the House of Representatives, they will be hoping and they will be praying that it will be implemented. Now, I am about to stand up, Mr. President, to denounce what I consider is a lapse in the budget proposal sent to us by the House of Representatives — where they eliminated a complete item, the gratuity and retirement fund. Here is a moral and legal obligation of the government, but it was eliminated. I would like to know therefore, how this bill of ours will fare once approved. May I know from the distinguished sponsor?

Senator TOLENTINO. Mr. President, there are actually two aspects in this bill, and the distinguished gentleman from Tarlac has touched upon only one aspect — that is, appropriating the necessary amount to the level that is provided for in this bill. Well, that will depend, of

course, upon the available funds — and therefore, it is very hard for us to state when this can be fully implemented because we know that the implementation may be slow in coming. Actually, for instance, when we standardized the salaries of public school teachers, the implementation came very gradually. Even now, for all the employees of the government, the implementation of salary increases is coming gradually. So, by setting this standard, we simply set the goal which shall be attained in the appropriations for clerks of court. That is one aspect. Of course, we may say that there might be frustration. I had the privilege of speaking to the convention of clerks of court the other day — and when I brought this out, I said: "You have to face reality — that even if we approve this bill that you are supporting — of which your humble servant is one of the co-authors — there is no assurance that you will actually get the pay that is provided for because there are so many measures already that we have passed standardizing salaries which have not been implemented." But their answer was: "It is better to have something to hope for than nothing at all."

Senator AQUINO. Well, that is true.

Senator TOLENTINO. That is one aspect of the problem. The other aspect however — which, to me, is quite important — is that this bill setting the standard of salaries would prevent the further practice of members of Congress putting in amendments in the budget to increase the salaries of favorites within their provinces, resulting therefore in a great deal of imbalance or disparity in salaries of clerks of court who are performing the same functions in actually the same kind of courts. This would stop such a practice. So even for that reason alone, I think we should approve this bill.

Senator AQUINO. Yes, I agree with Your Honor. As I said, I am all in accord with this bill. But Your Honor will recall that Congress annually appropriates anywhere in the magnitude of P8 billion — between the programmed and the

unprogrammed. In case of public works, all congressmen come in with P2 million. Everybody includes it. The barrios and the municipalities are all hanging on this expectation: that the pancea from the National Government will come. But it never comes.

I wonder if the distinguished sponsor will accept a suggestion that we will have a date, a target date — say, 1970. This will be implemented in 1970. And if it is not implemented in 1970, there will be a backpay when there are available funds. If they implement it in 1972, then it will retroact to 1970. This will be an urgency, Mr. President, to compensate these real work-horses of our judicial system, the people who really work so hard — the clerks of court. And we agree: equal pay for equal work.

Now, they will put a sense of urgency upon the Budget Commissioner and the programmers of our budget—so that they will not just take lightly the sense of Congress to equalize the pay for these clerks of court. It is just a suggestion, Mr. President.

Senar TOLENTINO. Yes, Mr. President, there is something worthwhile in considering that suggestion but this thing comes to my mind. If we put such a clause in this bill, there is no similar clause in previous laws that we have enacted standardizing salaries. And the Executive Department in implementing those different laws increasing salaries is placed in a position of beginning to choose which one shall be implemented. And if we talk of backpay, this will mean a big accumulation if not immediately implemented. That reminds me of my accompanying the officers of the municipal judges league to the President to ask that the salary increase they had several years ago be implemented. When they were talking to me, they wanted a backpay beginning at the time when we approved the increase in salary. And I told them very frankly: "If you are going to ask for a backpay, you can be sure you will never get anything." So, the only best way to do is to ask for immediate im-

plementation now of the salary increase." And that is what we did, and they got the salary increase. But if they had asked for the backpay, maybe they would never have gotten it. Now, if we provide that here, that if it is not implemented in 1970, then these clerks of court will be entitled to backpay. Well, logically perhaps that would be good because if the law says: "You increase the salary," and the salary is not increased in the budget, then there is that debt to pay and that would amount to what is called as backpay. But if we do that with respect to the clerks of court, we will actually be discriminating against the other employees and officials of the government for whom we have already enacted standardization laws without such a clause, because while these clerks of court would be entitled to a backpay, those people would not be entitled to the so-called backpay, and that might be discriminatory.

Senator AQUINO. Mr. President, I brought this up because the President of the Republic has been very cavalier in his treatment of Congress. Laws were passed here creating commissions, appropriating funds. But he did not implement the law and instead he went on to set up a Cultural Center of the Philippines by executive order. And this is my point.

Now we have a case where we feel very strongly for equal pay for equal work. But once we pass this law, they will: "Well, we will implement it when we see fit." Yet when they want funds for the President barrio politicking, they can generate the fund. They have it in the unprogrammed budget; yet they can transfer the unprogrammed funds. But in this particular instance, it does not amount to too much. I do not think this will amount to more than P2 million.

Senator TOLENTINO. Mr. President, may I say that it will not entirely depend upon the President the implementation of this if we pass it because the clerks of court form part of the Judiciary and the constitutional limitation upon

Congress about items of appropriation in the budget refers only to the Executive Department. It does not refer to the Judicial Department. Therefore, if the President submits to us a budget which does not carry salaries as provided in this law, Congress may increase the salary appropriation for clerks of court to conform with this standardization that we are going to approve. So, it does not depend entirely upon the President. It depends also upon Congress.

Senator AQUINO. No, Mr. President. My point is: it is the President that presents to us the budget annually. It is the President's budget message upon which all the salaries are based. The Budget Commissioner prepares the revenue estimates and then he prepares the budget that will be considered by the House of Representatives, not the unprogrammed budget.

I hold, therefore, that this should be included in the programmed budget. This is a mandate from Congress, and it should be done. I fear, however, that five or six years after we have done this, it will be made a mockery because we cannot even insist in the implementation of what we consider is a very vital function.

Senator TOLENTINO. No. But, Mr. President, if Congress feels that, let us say, we approve this bill now, it becomes a law this year. If in the next fiscal year, I mean, July 1, 1970 to 1971, the President does not recommend any appropriation for the clerks of court in the annual appropriation bill, well, Congress can raise the items of the clerks of court pursuant to this bill. Because the clerks of court are in the Judicial Department and we are not prohibited by the Constitution from increasing the salaries of the clerks of court in that budget.

Senator AQUINO. Which brings me to my final point, Mr. President. Congress did increase the salary of municipal judges from a low level to P660. Yet, in the implementation, we were told that some of them were delayed one year, some of them were delayed two years. And that is where my backpay theory comes in. My point

is. the moment Congress includes the amount and that amount is not released because of unavailability of fund, can't we say this is now an obligation of the government and when there is availability of fund, they should be paid from the date they have been increased?

Senator TOLENTINO. If the appropriation is in the Annual Appropriations Act, even if it is not paid immediately that is an indebtedness of the government. It can be recovered by the employee.

Senator AQUINO. It can be recovered?

Senator TOLENTINO. Yes, it can be recovered by the employee.

Senator AQUINO. Then, Mr. President, we will be doing the right thing. Because the moment we pass this — and it is prayed that our colleagues in the House of Representatives, where revenue measures will have to start, will approve it — we can bring in the moral suasion of this Chamber to hear upon our colleagues in the House of Representatives. We shall then have brought the dawn of those clerks of court of ours: And maybe by that time we shall have given not only a lip service to this principle of equal pay for equal work, but we shall have backed it up with the total force and influence of this Chamber.

I thank you, Mr. President.

Senator TOLENTINO. Thank you, Mr. President. If there are no further questions, Mr. President. I move that we go to the period of amendments.

On page 1, as suggested by the distinguished Minority Floor Leader, line 11, change the word "officials" to "CLERKS OF COURT."

The PRESIDENT. Any objections? *(Silence.)*
There being none, the amendment is approved.

Senator TOLENTINO. No further committee amendment, Mr. President. And if there are no individual amendments, I move that the bill as amended be approved on second reading.

The PRESIDENT. We shall now vote on the bill as amended on second reading. As many as are in favor of the bill as amended will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) Senate Bill No. 1126 is approved on second reading as amended.

CONSIDERATION OF HOUSE BILL NO. 18676

Senator TOLENTINO. Mr. President, I move that we now consider House Bill No. 18676, the Annual Appropriations Bill, to be sponsored by the distinguished Chairman of the Committee on Finance, the gentleman from Albay, Senator Aytona.

The PRESIDENT. Consideration of House Bill No. 18676 is now in order.

The Secretary will please read the title of the bill only if there is no objection in view of the voluminous nature of the bill. (*There was none.*)

The SECRETARY: "AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES DURING THE PERIOD FROM JULY FIRST, NINETEEN HUNDRED AND SIXTY-NINE TO JUNE THIRTIETH, NINETEEN HUNDRED AND SEVENTY AND FOR OTHER PURPOSES."

The PRESIDENT. The Chairman of the Committee on Finance and sponsor of the bill has the floor.

Senator AYTONA. Mr. President, may I ask for permission to have the staff on the floor.

The PRESIDENT. The technical staff of the Committee is authorized to sit beside the Chairman.

Senator AYTONA. Mr. President, may I ask for a suspension of one minute.

The PRESIDENT. Any objection? (*Silence.*) There being none, consideration of this bill is sus-

pendent for one minute.

(*After a pause of about 3 minutes*)

The PRESIDENT. Consideration of the bill is resumed. The distinguished sponsor, the gentleman from Albay, has the floor.

SPONSORSHIP SPEECH OF SENATOR AYTONA

Senator AYTONA. Mr. President, distinguished colleagues: It has been said that the first task of a government should be to decide upon the proportion which it can safely take of the national income and the directions in which public expenditures would be justified.

In considering today the General Appropriations bill for fiscal year 1970, H. No. 18676, we of this august chamber will be addressing ourselves to this vital task.

The President's Budget

Pursuant to the Constitution, the President of the Philippines submitted the budget of the National Government for fiscal year 1970 which proposed an over-all expenditure of ₱3,196 million to be supported by resources estimated at ₱3,502 million, including bond issues of ₱184 million, or a surplus of ₱306 million.

The Budget for fiscal year 1970 is geared to the achievement and implementation of the following broad fiscal policy objectives:

- 1) Adherence to fiscal discipline;
- 2) Provision for increased fund allocation for capital improvement;
- 3) Vigorous support for social services;
- 4) Greater reliance on tax revenues to finance national development;
- 5) Allocation of sizeable portion of resources for the prosecution of more meaningful and lasting economic projects such as infrastructure and social development;
- 6) Monetary restraints complemented by fiscal

discipline to prevent inflation that could prejudice economic growth and full awareness of the serious implications of an expansionary expenditure policy;

- 7) Budgetary policy restraint without jeopardizing essential public services;
- 8) A balanced budget for current operating expenditures and the continuation of the policy of spending the proceeds from the sale of bonds for capital improvement projects, and whenever necessary, issuance of treasury bills as additional source of funding developmental programs;
- 9) Tax revenues will continue to be the mainstay in financing government operations and programs; and
- 10) Sound management of the public debt to maintain and enhance the credit standing of the Government.

Notwithstanding limited financial resources, performance in the past three years was "extremely" gratifying as borne out by the achievements in the following:

- 1) Self-sufficiency in rice. Efforts are now directed towards the production of fish, livestock, poultry and other foodstuffs;
- 2) Broadening of social services for education, health, labor and social welfare;
- 3) Infrastructure development as shown by the vast network of asphalt and concrete highways, main and feeder roads, airports, power, ports and harbor, telecommunications, irrigation and waterworks;
- 4) Economic progress as reflected in the rising level of production, employment and income. In 1968, the growth rate of our gross national product at constant prices was 6.3 per cent as compared with the 6.2 per cent target rate envisaged in the 4-Year Economic Program. The average rate of growth was only 5.4 per cent from 1962 to 1965.

To achieve this favorable economic development, the country's balance of payments however was affected. Sustained and increased

importation, particularly of machinery and equipment to expand production contributed to a balance of payments deficit; and

- 5) Adoption of selective credit and currency measures by the Central Bank in order to curb importation of non-essential and luxury goods and to re-channel available credits from imports to production.

In terms of national aggregates, the accounts are impressive. Estimates of the National Economic Council show that in 1968 the growth rate of our gross national product at constant prices was 6.3 per cent over that of the preceding calendar period. This performance surpassed the target rate of 6.2 per cent envisaged in our Four-Year Economic Program. The average rate of growth was only 5.4 per cent from 1962 to 1965.

By industrial origin, the national income account shows that in calendar year 1967 at constant prices agriculture registered a gain of 7.6 per cent over that of the preceding year; manufacturing, 4.3 per cent; and mining, 14.2 per cent. Transportation and communications posted a 4.9 per cent increase and commerce, 6.7 per cent in calendar year 1967 over output in calendar year 1966.

The proposed expenditures aggregating ₱3,156 million include: for economic development, ₱1,104 million; for social development, ₱1,710 million; national defense, ₱393 million; for general government, ₱349 million; and for debt service, ₱181 million.

By departments, the proposed expenditures are broken down as follows:

(In million pesos)

Congress of the Philippines	₱ 41
Office of the President	189
Department of Foreign Affairs	28
Department of Finance	288
Department of Justice	77
Department of Agriculture & Natural Resources	127
Department of Public Works & Communications	701
Department of Education	845
Department of Labor	8
Department of National Defense	357

Department of Health	116
Department of Commerce and Industry	28
Department of General Services	16
Department of Social Welfare	15
National Science Development Board	59
University of the Philippines State Universities and Colleges	41
General Auditing Office	9
Commission on Elections	19
Supreme Court of the Philippines	4
Other Agencies and Funds	189
Total Expenditures	<u>P3,196</u>

There is a reduction of P132 million in expenditures for fiscal year 1970 over those for fiscal year 1969, representing 3.95 per cent. The reduction in expenditures is broken down by funds, as follows:

	(In millions of pesos)		
	1969 Estimate	1970 Estimate	Increase (Decrease)
General Fund	2,694	2,494	(200)
Special Funds	495	553	58
Fiduciary Funds	45	41	(4)
Bond Fund	174	184	10
Reparations Fund	7	3	(4)
Total gross expenditures	<u>3,415</u>	<u>3,278</u>	<u>(137)</u>
Less — Interfund transfers	<u>87</u>	<u>82</u>	<u>5</u>
Net expenditures	<u>3,328</u>	<u>3,196</u>	<u>(132)</u>

The Administration takes pride in that: "Our general fund budget for next fiscal year is P200 million less than the current program of expenditures. This is unprecedented in Philippine budgeting history."

But I am not sure we should be too happy that the bigger reductions in expenditures are: in economic development, P72.3 million; in national defense, P50.8 million; and social development, P22.5

million.

In economic terms, the budgetary expenditures are classified as follows:

	(In million pesos)	
	1969 Estimate	1970 Estimate
Current expenditures on goods and services	1,124	1,019
Gross capital formation	625	600
Developmental services	1,083	1,134
Total acquisition of goods and services	<u>2,832</u>	<u>2,753</u>
Current transfer	192	197
Subsidies	39	39
Capital transfers	107	107
Debt interest	61	75
Direct lending	107	25
Total transfers	<u>496</u>	<u>443</u>
Total expenditures	<u>3,328</u>	<u>3,196</u>

Classified into current operating and capital outlays, the expenditures are as follows:

Expenditures	% to		% to	
	1969	Total	1970	Total
Current operating	2,610	78.4	2,574.3	80.5
Capital outlays	717	21.6	622.4	19.5

It should be noted that capital outlays decreased percentage-wise from 21.6 per cent in 1969 to 19.5 per cent in 1970 and peso-wise, from P717.8 million in 1968 to P622.4 million in 1969.

The resources to finance the proposed expenditures will come from: General Fund, P2,714 million; Special Funds, P623 million; Fiduciary Fund, P51 million; Bond Fund, P184 million; and Reparations Fund, P11 million, less inter-fund transfer of P81 million, or net resources of P3,502 million.

Compared with the receipts for fiscal year 1969, the estimated resources in fiscal year 1970 represent an increase of P118 million.

Hearings of the Senate Finance Committee

Immediately upon submission of the President's Budget, the Senate Finance Committee started its public hearings. The heads of departments and chiefs of bureaus and offices were heard and questioned on their respective budgets by the members of the Committee. These hearings, which were held before the General Appropriation Bill was received from the House of Representatives, enabled your Committee to present its report within five days thereafter.

The hearings were extended and probed deeply into each agency's program and performance. Every item of expenditure was scrutinized thoroughly and examined carefully for conformity with the established budgetary policies of this Chamber, and tested against the touchstone of national interest. Therefore, we can assure our distinguished colleagues in this Chamber that the Committee, in presenting its report, does so in the firm conviction that approval of this budget will advance the social and economic progress of our country and people.

*The Budget Statement for FY 1969 as revised
by the Senate Finance Committee*

When we considered the Budget for the current fiscal year 1969 last year, we were informed then that the Government will be able to carry out its functions and activities within a total estimated expenditures of P3,013 million which will be covered by expected revenues of P2,919 million and by borrowings of P237 million or a total estimated receipts of P3,156 million.

The 1970 Budget Document, however, reveals that the estimated expenditures and receipts for the current fiscal year 1969 have been revised. Under this revision, it appears that by the end of this current fiscal year, that is on June 30, 1969, the government have spent P3,328 million or P315 million more than the original estimate. On the other hand, it is also expected that P20 million of the original estimated revenues of P2,919 million may not be collected. Accordingly, the revenue estimate was revised downward from P2,919 million to P2,899 million. In the light of the upward revision of expenditures and downward revision of revenues, the estimated amount of borrowings was accordingly increased from P237 million to P485 million or an increase

of P248 million.

A comparative analysis of the original and revised estimates of receipts and expenditures for the current fiscal year 1969, follows:

	Original Per 1969 Bud.	Est Revised Per 1970 Budget	Ext. Increase (Decrease)
<i>Receipts</i>			
Revenues—			
Tax revenues	2,465	2,391	(74)
Non-tax revenues	454	508	54
Borrowings	237	485	248
Total Receipts	3,156	3,384	228
<i>Expenditures</i>			
Current Operating	2,429	2,610	181
Capital Outlays	584	718	134
Total Expenditures	3,013	3,328	315
Excess of receipts over expend.	143	56	(87)

Upon examination of the revised budgetary estimates for the current fiscal year 1969, your Committee finds that the revised estimate of expenditures of P3,328 should be further increased by P156 million. This increase is explained as follows:

1. The estimate of expenditures for the current fiscal year 1969 of the Armed Forces of the Philippines should be increased by P60 million. An analysis of the estimated expenditures of the AFP for the current fiscal year 1969 as reflected in the 1970 budget document shows that they do not conform with the logical trend as shown in the following table:

<u>Years</u>	<u>Amount</u>	<u>Increase over Previous Year</u>
<u>Per Budget</u>		

1965 (actual)	252	—
1966 (actual)	283	31
1967 (actual)	357	75
1967 (actual)	406	61
1969 (estimate)	406	(12)
1970 (estimate)	353	(53)

took effect on February 6, 1969 9

3. Unreflected service income of the Bureau of Forestry which may be automatically spent by the Bureau under budgetary special provision 15

Per SFC

Total P39 M

1969 (estimate) 466 48

Moreover, fiscal officials of the AFP confirm the fact that the budget figures for 1969 are patently understated. According to them, fund releases in excess of budget estimates are currently being effected.

2. On the basis of the structure of our increasing public debt, and upon consultation with the Department of Finance, debt service expenditures for the fiscal year 1969 should be further increased by P33.63 million.

3. A number of government agencies have been authorized on the basis of budgetary special provisions to spend, subject to the provisions of existing budget laws, certain receipts. Your Committee found in the course of its budget hearings and in the process of analyzing and examining the 1970 budget document that the estimated expenditures based on such budgetary authority are not reflected in the budget estimates of the respective agencies for fiscal year 1969. Since this special provision will remain effective until the end of the current fiscal year 1969, your Committee estimated the amount of expenditures that will be incurred under said authority would amount to P62 million in fiscal year 1969.

Your Committee, on the other hand, finds that the revised estimated tax revenue for the current fiscal year 1969 should be increased by P39 million.

The revised estimate of revenues of P2,899 million failed to include the following:

1. Estimated tax revenue collection generated by the Special Education Fund in Fiscal Year 1969..... P15. M
2. Increase in import duties on account of Executive Order No. 166, increasing rates of duties on crude oil, etc. which

The following shows the revision effected by your Committee on the budget estimates for the current fiscal year 1969:

Revised		
1969 Est.		As Revised
<u>Per 1970 Bud. Correction by the SFC</u>		

<u>Receipts</u>			
Revenues—			
Tax Revenues	2,391	24	2,415
Non-Tax Revenues	508	15	523
Borrowings	485	116	601
	—	—	—
Total Receipts	3,384	155	3,539
	—	—	—
<u>Expenditures</u>			
Current Operating	2,610	156	2,766
Capital Outlays	718	—	718
	—	—	—
Total Expenditures	3,328	156	3,484
	—	—	—
Excess of Revenues over Expenditures	56	(1)	55
	—	—	—

The correction relating to the additional borrowing of P116 million which will be incurred by the General Fund on account of the correction in the income and expenditure estimates, as explained above, is computed as follows:

General Fund

1969 Estimated Receipt per 1970 Budget	P2,694.35
1969 Estimated Expenditure per 1970	
Budget	2,693.80
Excess of Receipts over Expendi-	

tures .....	.55
Add: Additional expenditure per correction	155.63
Deficit to be covered by borrowing	P 116.08

The Budget Statement for FY 1970 as revised by the Senate Finance Committee

Current Operating	2,574	296	2,870
Capital Outlay	622	15	637
Total Expenditures	<u>3,196</u>	<u>311</u>	<u>3,507</u>
Excess of Receipts over Expenditures	306	(240)	66

The Committee revised the budget estimates for fiscal year 1970. The corrections are considered necessary in order that the estimates will reflect the findings of the Committee in the course of its budget hearings and in its review and examination of the 1970 budget document.

The corrections on the budget estimates are explained as follows:

Generally, the Committee finds that the 1970 expenditure estimates in the budget suffer from understatement. Although the Technical Staff of the Committee originally thought that P80 million of the revenue estimates may not be collected in fiscal year 1970, the Secretary of Finance stated before the Committee during the budget hearings that he firmly believes that the revenue estimates in the budget will be realized on account of measures which his Department has adopted to intensify tax collections. In view of that assurance, the Committee has accepted the revenue estimates in the budget. The revenue estimates in the budget, however, did not reflect the additional revenues which would be generated as a consequence of recent developments and failed to include some recurring non-tax revenues. The revisions being introduced by the Committee on the revenue estimates are based on such findings.

1. Tax Revenues—P19 million

The budget estimate does not include the projected increase in import duties on account of the increase in tariff rates on crude oil and other oil products by virtue of Executive Order 166 which took effect on February 6, 1969.

2. Non-Tax Revenues—P22 million

The budget estimate does not include—

a) The service income of the Bureau of Forestry which by virtue of budgetary special provisions in past years may be spent P 15M

b) Annual contribution of the Central Bank to subsidize Rural Banks per RA No. 2702 P 22M

3. Additional Expenditures—P311 million

a) Understatement of debt service expenditures P 33M

b) Additional requirements of the Bureau of Public Schools and Bureau of Vocational Education 38

c) Understatement of the 1970 obligation of the Bureau of Public Highways 20

d) Expenses in connection with the November, 1969 elections, including other purposes of the COMELEC, not accounted for in the budget estimates 28

e) Amount needed to authorize the AFP to maintain its obligational ceiling in 1969 in fiscal year 1970 plus amounts needed to implement the increase in the subsistence allowances

The following shows the extent to which the budget estimates should be revised:

1970	As Revised	
	Corrections	
	(In million pesos)	
<u>Budget</u>	<u>by SFC</u>	
<u>Receipts</u>		
Revenues—		
Tax Revenues	2,778	19 2,797
Non Tax Revenues	525	22 547
Borrowings	199	30 229
Total Receipts	<u>3,502</u>	<u>71 3,573</u>
<u>Expenditures</u>		

of military personnel and fund re-
quirement needed to cover increase
in retirement pay 157

Continuing Appropriations 8,436

T o t a l P12,924

f) Amount needed to subsidize the
salaries of local police officers not con-
sidered in the 1970 expenditures esti-
mates of the POLCOM 35

Broken down by funds, these appropriations are:

General Fund 8,771

Special Funds 821

Reparations Fund 18

Fiduciary Funds 10

Bond Fund 3,304

T o t a l P311

Total (All Funds) P12,924

4. Borrowings—P30 million

a) Needed borrowings to cover the expected
deficit of the General Fund on account of the
correction of the Committee, is explained as
follows:

General Fund

Estimated receipts per 1970 Budget 2,714

Estimated expenditures per 1970 Budget. 2,484

Excess of receipts over expenditures 220

Add: Additional revenues per correction 41

Deduct: Additional expenditures less
P20 M pertaining to the Special Fund
per correction (291)

Estimated deficit to be covered by bor-
rowing (30)

Of the total appropriations of P12,924 million, P9,727 million is unprogrammed because it cannot be funded by the estimated resources available to the National Government. Therefore, only P3,196 million of these appropriations will be programmed for expenditure during fiscal year 1970. Clearly, this is indicative of the seriousness of the problem of long-term budgetary balance and the need for additional revenues if Congress expects the President to implement its mandate under the various appropriations made by law.

It may be mentioned in this connection that un-
less the recommendation of your Committee elimin-
ating all the special provisions in the budget author-
izing certain agencies to spend the receipts is adopt-
ed, additional expenditures of about P62 million in
the fiscal year 1970 may be incurred which natur-
ally will increase the expected budgetary deficit in
1970.

H. No. 18676 (FY 1970 General Appropriations Bill)

Based on Budget, the President recommended to Congress a general appropriation measure involving total appropriations of P4,249 million to provide funds for the operations of the Government in the ensuing fiscal year. The President, however, informed Congress that P1,700 million of the appropriations recommended will not be programmed for expenditure in line with his policy of budgetary restraint. In other words, funds in the National Treasury will not fully cover the recommended appropriations in the Budget.

*Authorized Appropriations and Proposed
Appropriations for Fiscal Year 1970*

The estimated expenditures for fiscal year 1970
will be covered by the following appropriations as
per Budget submitted by the President:

(In millions of pesos)

General Appropriations Bill P 4,249

Fixed Expenditures (automatically ap-
propriated) 239

We must commend the House of Representatives for making drastic reductions in the appropriations recommended in the President's Budget for fiscal year 1970. H. No. 18676, as approved by the House of Representatives, provides for appropriations totalling P3,046,788,094. This is P1,202,355,906 less than

the President's Budget, to wit:

President's House House

Recommendations No. 18676 Cuts

(In Million Pesos)

General Fund	3,789.91	2,642.17	1,147.74
Special Fund	448.91	395.91	53.90

Reparations Funds	2.66	2.07	.59
Fiduciary Funds	7.66	7.45	.21
Total	4,249.14	3,046.79	P1,202.35

Under the General Fund, the recommended appropriations were reduced by P1,147.74 million as follows:

	<u>President's</u>		<u>Increase</u>
	<u>Budget</u>	<u>H. No. 18676</u>	<u>(Decrease)</u>
Congress	48,468,000	48,578,100	110,100
Office of the President	262,692,000	228,859,618	(33,832,382)
Office of the Vice President	158,000	158,000	—
Department of Foreign Affairs	29,485,000	22,109,840	(7,375,160)
Department of Finance	135,638,000	87,923,159	(47,714,841)
Department of Justice	105,464,000	101,865,380	(3,598,620)
Department of Agri. & Nat. Res.	172,638,000	154,445,152	(18,192,848)
Department of Public Works & Com.	93,597,000	91,509,751	(2,087,249)
Department of Education	786,028,000	786,024,606	(3,394)
Department of Labor	8,806,000	7,210,818	(1,595,182)
Department of Nat'l Defense	1,481,002,000	548,813,184	(932,188,816)
Department of Health	175,536,000	175,532,164	(3,836)
Department of Commerce & Industry	76,791,000	70,637,039	(6,153,961)
Department of General Services	3,440,000	3,251,663	(188,337)
Department of Social Welfare	14,732,000	14,732,000	—
Nat'l Science Development Board	12,232,000	12,232,000	—
Office of Economic Coordination	879,000	879,000	—
University of the Philippines	43,090,000	43,090,000	—
Other State Univ. & Colleges	27,186,000	27,186,000	—
General Auditing Office	9,370,000	9,209,317	(160,683)
Commission on Elections	33,541,000	18,541,000	(15,000,000)
Supreme Court	4,257,000	4,609,262	352,262
Court of Appeals	4,229,000	4,174,550	(54,450)
Presidential Electoral Tribunal	600,000	481,442	(118,558)
Contingent Fund	5,000,000	5,000,000	—
Foreign Exchange Fund	22,000,000	15,000,000	(7,000,000)
Calamity Fund	13,000,000	13,000,000	—
Peso Support Fund	2,895,000	1,952,377	(942,623)
Consultants Fund	2,500,000	2,500,000	—
Salary Adjustment Fund	134,060,000	92,060,000	(42,000,000)
Retirement Gratuity Fund	20,000,000	—	(20,000,000)
Rural Improvement Fund	60,000,000	50,000,000	(10,000,000)
Joint Local Gov't Reform Comm.	600,000	600,000	—
Total	* 600,000	600,000	—
	P3,789,914,000	P2,642,166,022	(1,147,747,978)

Senate Finance Committee Action

The Senate Finance Committee recommends that the General Appropriation Bill requested by the President be reduced from P4,249 million to P2,899 million, or a reduction of P1,350 million. Of this reduction, P1,202 million was already effected by the House of Representatives and P147 million is recommended by the Committee on Finance, as follows:

President H. No. Budget	H. No. (2)	Reduction S.F.C.		Reduction H. of Rep. (4=1,2) (5=2,3)
		Senate Fin. Com. (3)		
General Fund	P3,790	P2,642	P2,449	P1,148 P193
Special Funds ..	449	395	443	54 (48)
Reparations Fund	3	2	2	1 —
Fiduciary Funds .	7	7	5	2
<hr/>				
New General Appropriation	<u>P4,249</u>	<u>P3,046</u>	<u>P2,899</u>	<u>P1,202 P147</u>

It should be pointed out that the Senate Finance Committee recommendations involve a further reduction of P193 million under the General Fund.

Compared with the general appropriations for the current fiscal year 1969, the Senate Finance Committee recommendations involve reductions of P91.0 million under the General Fund; P1.3 million under the Reparations Fund; P0.3 million under the Fiduciary Funds; and P15.0 million under the Bond Fund. However, there is an increase of P96.7 under the Special Funds. There is therefore, a net reduction of P11.0 million, as follows:

	In millions of pesos		
	FY 1969 RA 5432, etc.	FY 1970 Per SEC Report (Decrease)	Increase
General Funds	3549.6	3448.6	(91.0)
Special Funds	347.1	443.8	96.7
Reparations Fund ..	3.1	1.8	(1.3)
Fiduciary Funds ...	6.1	5.8	(0.3)
Bond Fund	15.0	—	(15.0)

Total General Appropriation	...	2,910.9	2,899.9	(11.0)
<hr/>				

Your Committee very sparingly used the pruning knife with respect to the budgetary requests intended to bolster social and economic development, such as those for education, health, development of agriculture and industry, improvement of transportation and communication facilities and the promotion of science and technology. If there had been reductions in the appropriations for such purposes, your Committee took care to effect the cut on the unprogrammed portions of the recommended appropriations. Appropriation requests of agencies principally involved in activities intended to promote peace and order were given greater support.

As may be noted from the report of the Committee, the biggest cut was effected in the budgetary proposals of the Armed Forces of the Philippines. Your Committee was told by ranking officers of our Armed Forces that the reason behind their request for an extraordinarily high level of appropriation is premised on the ground that in maintaining our national security as a sovereign nation we have only ourselves to primarily depend on. We believe in the philosophy of this approach. But in the light of the present financial condition of the Government, and after assessing the relative merits of the proposal vis-a-vis other demands on the government, your Committee had to reduce the budgetary proposals of the AFP to a level consistent with our needs and the limitation of our finances. Thus, the appropriation recommended by your Committee for the Armed Forces has been set at the level of its obligation ceiling for the current fiscal year 1969 plus the amount needed to implement the increase in the daily subsistence allowance of officers and enlisted men from P2.00 to P3.50 authorized under Republic Act No. 5254 and the additional requirement for the payment of claims, pensions and gratuities of retired military personnel.

Your Committee has broken down the lump sum appropriation for the Foreign Exchange Fund and distributed to the various agencies of the Government their respective shares of the fund. This has been done by the Committee to allay the fears of many that there are some officials of the Government who derive personal benefits from allocations

out of this item when they travel abroad, particularly the members of Congress. The truth of the matter is that this item of appropriation is being used to augment the peso appropriations of the various agencies of the Government which maintain offices in or have transactions with foreign countries in the performance of their functions under existing laws.

We have found great difficulty in formulating the proper budgetary policy to guide us in considering appropriations that should be provided out of the Special Education Fund created under Republic Act No. 5447. Your Committee has not been informed of the amount of actual collections accruing to this Fund since the law became effective. Neither was your Committee informed of the actions taken by the various local school boards in implementing the provisions of said law. We, therefore, are not in a position to properly assess the deficiencies of the new system of financing the additional needs of our public school system under the Special Education Fund which have been placed under the Office of the Secretary of Education, Bureau of Public Schools, Bureau of Private Schools and Bureau of Vocational Education, aggregating P45 million, be lumped into one item without any specific breakdown to give time and flexibility to the Department of Education during the first year of implementation of Republic Act No. 5447. However, your Committee introduced certain guidelines to be observed in the expenditure of this lump sum appropriation. Your Committee has likewise inserted a provision in this lump sum appropriation so that the Chairman of the House Appropriations Committee and the Chairman of the Senate Finance Committee will be fully informed periodically of the actions taken by our school officials in Manila and the local school boards in various areas of the country with respect to the implementation of Republic Act No. 5447.

In the interest of fiscal discipline and better fiscal management, your Committee involved itself more than ever before in breaking down lump sum appropriations for special purposes. Whenever possible your Committee itemized lump sums for casual employment in order to convert the positions of casual employees into regular plantilla positions.

In the Bureau of Posts, your Committee is propos-

ing the conversion of 2,080 new laborer positions into mail sorters, mail carriers and postal clerks, etc. as these designations are more appropriate to and in consonance with the sensitive functions of the Bureau. The Postmaster General admitted before the Committee that the "laborer" designation would make possible the integration into the regular service of the more than 1,000 casuals who are now employed in the Bureau of Posts. We believe that this is highly irregular as the Bureau will continue to be saddled with "casuals" without contributing effectively in improving the postal service.

We also discovered that there are still 139 municipalities without post offices for which no items are provided in this Budget. We are recommending the creation of 139 postmaster positions through the special provision authorizing the use of 20 per cent of the proceeds from the sale of stamps in accordance with the provisions of R.A. No. 2066.

Your Committee has fully supported the appropriation proposal of P50 million out of the special Science Fund established in pursuance of the provisions of Republic Act No. 5448 which we approved last year. The Committee thoroughly reviewed and examined the projects to be financed out of this appropriation. We are convinced that the expenditure of this appropriation next fiscal year will usher in new approaches in the development of the national economy. Specifically, the research and development projects to be undertaken with funds provided from this source are directed at:

- (1) continually increasing the economic utilization of the nation's resources;
- (2) upgrading and expanding the nation's export products;
- (3) processing of waste products of agriculture and industry into dollar-earning export products;
- (4) establishing a reservoir of competent scientists and technologists in conventional and nuclear sciences; and
- (5) improving the variety and quality of local agricultural and industrial products for home consumption and exports.

Your Committee took pains in eliminating budgetary riders. Budgetary special provisions authorizing agencies to spend their receipts without prior Congressional review were eliminated. By this elimination your Committee estimates that government expenditures will be reduced by some P85 million in fiscal year 1970. Special provisions in the budget authorizing the use of appropriation savings and unallotted balances of funds for some other authorized purposes, and the use of current year's appropriation to cover prior year's obligations have likewise been eliminated.

Other budgetary policies which the Committee on Finance has consistently adopted in the consideration of the budget in the many years past have also been observed this year.

Since there is an ever-increasing need for the government to reduce its cost of operations, a new general provision in the budget is being introduced to promote economy in government operations. Under this proposal, incentive awards will be granted to any official or employee who would be able to recommend any system of cost reduction to the satisfaction of the agency concerned for which awards payable out of savings that have been realized as a result of the cost reduction program recommended by the corresponding official or employee will be granted.

Some Problems and Recommendations

At this juncture, we wish to bring to the attention of our distinguished colleagues in this august Chamber three chronic and nagging problems affecting public finance in this country, namely: (1) the problem of longterm budgetary balance; (2) the problem of dormant government accounts; and (3) the inability of Congress to approve the budget during the regular session.

There is ample evidence in the proceedings of the Constitutional Convention that the intent and spirit of the Constitution do not countenance deficit spending. The reason why the Constitution prohibits Congress from increasing the appropriations recommended by the President for the executive departments as specified in the budget is precisely to prevent Congress from approving appropriations in excess of funds available in the Treasury. And yet today, as we have earlier said, the total authorized

appropriations under the General Fund consisting of continuing appropriations of P8,436 million; P239 million of fixed expenditures and new general appropriations of P3,790 million which already aggregate P8,771 million, while the estimated income of the General Fund for fiscal year 1970 is P2,714 million only. All appropriation acts invariably read: "There is hereby appropriated out of any funds in the National Treasury not otherwise appropriated." It may be argued therefore from the strictly legal point of view that appropriations in excess of funds available in the National Treasury are inoperative. But the practice since time immemorial has always been to set up all appropriations made by law in the books of the unappropriated surplus of the General Fund kept by the Auditor General regardless of whether funds are available or not. We therefore recommend consideration of Senate Bill No. 1093 which provides that all balances of appropriations which would not be released as of June 30, 1969 due to lack of funds shall be deemed rescinded or repealed and that hereafter the Auditor General shall set up in the books of the unappropriated surplus of the General Fund only such appropriations made by law which are within the estimated income of the General Fund.

The financial statements of the national government show unbelievably enormous balances of accounts receivable, cash advances, and in the hands of cash collecting officers and cash disbursing officers. In due time, the Committee will recommend enactment of bills which will regulate these accounts and provide penalties for violations.

Likewise, we call attention to the fact that outstanding treasury warrants of the national government are in excess of cash in the National Treasury. We shall also recommend appropriate accounting and auditing controls to avoid such a situation.

Lastly, the difficulty on the part of the House of Representatives and the Senate to approve the budget during the regular sessions has been nagging all of us year in and year out. It is our considered view that if existing law providing for the performance budget system is fully implemented, the problem can be easily solved. Much time and effort can be saved. The preparation and printing of the line-item budget which require about one month after the submission of the President's bud-

get within the period fixed by the Constitution will be eliminated and the House of Representatives can immediately act without waiting for the line-item budget. And if the General Appropriation Bill is also re-fashioned on performance basis, we believe that the number of pages of the Appropriation Bill can be reduced to one-third. But more than this, the performance budget provides Congress a more meaningful information thus permitting sound policy determination and providing a basis for exercising effective control over government services and expenditures.

The Economic Plan and the Budget

The budget is the program of government operating expenditures and more important, for development of government capital expenditures. It is related to the 4-Year Program precisely because the success of the Program largely depends on the national government's accomplishment of its capital expenditures.

The 4-Year Program proposes to increase our GNP from P20,500 million in 1966 to P26,140 million in 1970. This requires increasing public and private investment from 14.6% of GNP to 21.3%. In money terms, total investment is programmed to increase from P4,070 million in FY 1967 to P6,160 million in FY 1970, or a total of P20,270 million for the four-year period. Of this total, 83% will be made by the private sector. Only 17% or P3,413 million will have to be undertaken by the public sector, mostly for public works or infrastructure projects. The annual Budget, therefore, performs the task of translating into fiscal terms the stated objectives of the plan.

For fiscal year 1968, the plan called for a current outlays budget of P1,951 million, comprising the expenditures on goods and services, developmental services and interest payments. The actual figure for current outlays is P2,140 million for fiscal year 1968. The actual budget was, therefore, 109.7% close to the plan. For the same fiscal year, actual total revenue exceeded estimated revenue by 8.6%. For the current fiscal year, the budget program of expenditures for current outlays is running 107.6% of targets, while revised estimates of revenue exceed target by 15.6%.

As far as the budget is concerned, for fiscal year

1968, P376 million was provided for gross capital formation against a target of P601 million, a 62.6% provision ratio. For fiscal year 1969, 89.4% of target is programmed and for FY 1970, 78.3% of target is estimated to be provided for the capital formation activities of the National Government.

An analysis of the budget for fiscal year 1970, as it relates to the plan target, shows that the proposal appears to be more than fair approximation of the plan targets. By broad categories, the comparison follows:

	<i>Plan</i>	<i>Budget</i>	<i>% of Targets</i>
1. Total Current Outlays	2,264	2,229	98.5%
2. Total Revenues at Existing			
Ratios	3,193	3,307	103.6%
3. Direct Capital Formation	766	600	78.3%
4. Other Capital Expenditures	504	368	73.0%

It may be pointed out that in spite of the absence of program loan financing, the budget pursued the general direction of the plan as provision for capital formation has shown an increasing trend: P376 million actually provided in fiscal year 1968, P625 million programmed for fiscal year 1969 and P600 million proposed for fiscal year 1970.

Concluding Remarks

Before I close, I would like to underscore the fact that the Fiscal Year 1970 National Budget is an indispensable instrument for national progress, a dependable and effective tool for the social and economic development of our country upon which the hopes, the aspirations and the high ideals of the Filipino people can find fulfillment.

Finally, I would like to express my deepest thanks and gratitude to the distinguished members of the Committee on Finance as well as to the officials and employees of the Finance Technical Staff whose interest and patience on the Budget are incomparable.

Thank you, Mr. President.

Senator TAÑADA. Mr. President.

The PRESIDENT. The gentleman from Que-

zon.

Senator TAÑADA. Will the distinguished sponsor yield just for one question?

The PRESIDENT. The gentleman may yield if he so desires.

Senator AYTONA. Very gladly, Mr. President.

Senator TAÑADA. Before I ask the distinguished sponsor my question, a question that has been bothering me for many years already, I would like to congratulate him for the splendid work that he has done, and to congratulate also the members of his staff who helped him prepare the report.

Now, Mr. Senator, on page 3 of Your Honor's sponsorship speech, we read the following:

"The proposed expenditures aggregating P3,196 million include: for economic development, P1,104 million; for social development, P1,170 million; national defense, P393 million; for general government, P349 million; and for debt service, P181 million."

In other words, Mr. Senator, we are going to spend for national defense...

Senator AYTONA. P393 million.

Senator TAÑADA. ...very much more than what we would spend for the general operations of the government.

Senator AYTONA. General government.

Senator TAÑADA. We will spend only for economic development P1,104 million as differentiated from P393 million for national defense.

Senator AYTONA. Yes.

Senator TAÑADA. Now, in view of these great discrepancies between the amount that we will spend for economic development and the amount that we will spend for national defense, I would like to ask Your Honor if he really thinks that there is reason for our people to hope that there will be an acceleration in our economic growth

considering the small amount that we devote for economic development compared to the amount that we devote for national defense.

I believe, Your Honor, that we cannot really hope for an accelerated economic growth of our country under the present setup spending P393 million — that is 390 times more than we spent for our economic development.

Senator AYTONA. No, Mr. President. *(At this juncture, Senator Aytona conferred with Senator Tañada.)*

Senator TAÑADA. Oh, I am very sorry. I beg your pardon. I withdraw that statement because I was thinking that it was bigger than the economic development. But I am referring to government in general.

Senator AYTONA. But, Mr. President, the observation of the distinguished gentleman from Quezon is correct. The rate of progress in our economic development is really indicated by the amount of government funds we are dedicating to that purpose and as pointed out by the distinguished gentleman from Quezon, we are providing for economic development, P1,104 million which is only second in the functional classification. The first is social development, P1,170 million. And I agree that the more we can shift funds to economic development, the more hope we can have.

Senator TAÑADA. For the social development.

Senator AYTONA. The more hope we can have for the progress of our country.

Senator TAÑADA. Then why don't we reduce this appropriation for national defense? I understand from Your Honor's sponsorship speech that now we are spending more for national defense than before.

Senator AYTONA. Mr. President, the percentage of national defense is 12.2% of the total. These figures that we are talking about now, Mr. President, are figures as per President's budget,

and the Committee on Finance has effected drastic cuts in this appropriation for national defense, precisely in line with the thinking of the distinguished gentleman from Quezon. But after the cuts being recommended by the Committee on Finance shall have been approved, then the expenditure for national defense will go down and more funds will go to economic and social development. That is the guideline followed by the Committee on Finance.

Senator TAÑADA. I am very glad to hear that, Your Honor. But as reduced by the Committee on Finance, how does the appropriation compare with last year's appropriation for national defense?

Senator AYTONA. Mr. President, the expenditure for national defense recommended by the Committee on Finance for fiscal year 1970 will be less than the expenditure for the current fiscal year, and the reason for this, Mr. President, is this: It is rather difficult to appreciate these figures because the 1969 expenditure for national defense as shown in the President's budget is understated compared with what they are spending now.

Senator TAÑADA. Precisely, Your Honor has said that in your sponsorship speech.

Senator AYTONA. So that, Mr. President, if we compare the recommendation of the Committee on Finance with what we are now spending for national defense . . .

Senator TAÑADA. Actually spending.

Senator AYTONA. Actually spending, it will be less. But if we compare it with the understated figure in the budget, it will be more because we have provided for the implementation of the increase in subsistence allowance from P2.00 to P3.50 a day and we have added funds for the retirement of military personnel. That is the situation, Mr. President.

Senator TAÑADA. So, compared with actual expenses . . .

Senator AYTONA. Compare with actual expenses, our recommendation for 1970 will be less. But as compared with what is shown in the budget for 1969, it will be more. But the recommendation of the Committee on Finance, Mr. President, follows the thinking of the distinguished gentleman from Quezon.

Senator TAÑADA. I wish to thank Your Honor for that remark. I am raising this question, Your Honor, because I have been informed that one of the reasons why Japan has grown, economically speaking, very much is due to the fact that it has very little appropriation for national defense.

Senator AYTONA. Yes.

Senator TAÑADA. And I believe it is about time that we start reducing our expenditure for national defense and the amount that we get by reducing our expenditure for national defense we devote to social development which eventually will contribute to the economic development of the country.

Senator AYTONA. Mr. President, the distinguished gentleman from Quezon is absolutely right, and not only Japan. The economic recovery of Germany is also due to that thing.

Senator TAÑADA. That is true.

Senator AYTONA. Shortly after the war, Germany had no army to maintain so that she made a tremendous economic progress because she hardly has any expenditure for national defense.

Senator TAÑADA. Now, is it not possible to further reduce the present appropriation for national defense?

Senator AYTONA. Mr. President, the committee has done its best. If there are other suggestions from the floor or amendments from the floor to further effect reduction for national defense, the committee will be very glad to accept those amendments.

Senator TAÑADA. Thank you very much. I will see if I can introduce some amendments.

Senator AYTONA. The committee will be greatly indebted to the distinguished gentleman from Quezon.

Senator TAÑADA. Thank you very much.

The PRESIDENT. No more interpellations?

Senator PADILLA. Mr. President.

The PRESIDENT. The Minority Floor Leader.

Senator PADILLA. Will the distinguished chairman of the Committee on Finance yield to some questions?

The PRESIDENT. He may yield if he so desires.

Senator AYTONA. Very willingly, Mr. President, to my distinguished Minority Floor Leader.

Senator PADILLA. I have been listening to Your Honor's sponsorship speech but considering that there are so many figure involved, I tried to follow through the mimeographed copy but so far I have only received eleven pages thereof.

Senator AYTONA. There is the complete copy, Mr. President, that was distributed.

Senator PADILLA. Of course, I have not had sufficient time to carefully consider the many explanations in this sponsorship speech but without prejudice to further interpellations, I was struck by this statement on page 7 regarding "our increasing public debt which is an undisputed fact, fact because our public debt, I believe, has already reached more than P5 billion. And on page 6 of the sponsorship speech, there is repeated mention of borrowings, but strangely borrowings are included among receipts. So that according to the figures on page 6 the borrowings as per the 1969 budget were P237 million. Now in this 1970 budget the borrowings are proposed to be increased to P485 million. So there would

be an increase of the figures on page 6 from P237 million to P485 million, or an increase of P248 million, and that means that borrowings in this 1970 budget, as compared to the 1969 budget, would more than *double*, because P485 million versus P237 million, the increase is P248 million. The 1970 borrowings mentioned here amount to P485 million. Are my figures, based on Your Honor's sponsorship speech, correct, Your Honor?

Senator AYTONA. May I just clarify to the distinguished Minority Floor Leader that the figures he is referring to on page 6 are for fiscal year 1969. The figure for borrowings of P237 million shown in the first column is as shown in the 1969 budget last year. But as Your Honor knows, in the 1970 budget that figure is revised to P485 million. So, the P485 million still refers to fiscal year 1969. The borrowings, therefore, for fiscal year 1969 are being increased from P237 million to P485 million. This is fiscal year 1969. The figure for borrowings for 1970 as shown in the 1970 budget is only P199 million.

Senator PADILLA. Where is that figure of P199 million?

Senator AYTONA. That is on page 10, Your Honor.

Senator PADILLA. As revised by the Senate Committee on Finance, that figure is increased to P229 million. Now, the figure I mentioned appearing on page 6 shows that P237 million is under the column for 1969 budget.

Senator AYTONA. Yes. That is the budget document submitted to us last year.

Senator PADILLA. Now, the amount of P485 million is under the column for 1970 budget.

Senator AYTONA. Yes. But it is also pertaining to 1969. You see, Your Honor, there are two budget documents, the budget document for 1969 which was submitted to us last year and the budget document for 1970 submitted to us this year. Both those two documents contain columns for 1969. Now, there is a discrepancy in the 1969

column in the 1969 budget document and the 1969 column in the 1970 budget document, in that the figure for borrowings shown in the 1969 budget document is P265 million, but the figure for borrowings shown in the budget document of 1970 is P485 million. But both figures are not fiscal year 1969.

Senator PADILLA. Which is correct, therefore?

Senator AYTONA. This is the latest, P485 million.

Senator PADILLA. And that means that from that budget document, the actual borrowings for 1970 would represent an increase of P284 million over 1969.

Senator AYTONA. Yes, Your Honor.

Senator PADILLA. In other words, we have more than doubled the estimate for borrowings, or whatever Your Honor may call it.

Senator AYTONA. The estimate made last year.

Senator PADILLA. As proposed in the 1969 budget.

Senator AYTONA. Correct, Your Honor.

Senator PADILLA. Now, what surprises me is, we have increased to P485 million the borrowings, which represent P248 million more than the 1969 estimate, and yet, on this sponsorship speech we are made to believe that there is an excess of receipts over expenditures. It is always made to appear that borrowings are income.

Senator AYTONA. No, no, Your Honor.

Senator PADILLA. Excess of receipts over expenditures is made to appear when the truth is that the expenditures are in excess of income, revenues or receipts and the deficiency is proposed to be covered by borrowings.

Senator AYTONA. Mr. President, the distinguished Minority Floor Leader is correct. But may I just clarify that borrowings are not con-

sidered income. They are considered receipts. What is stated is excess of receipts over expenditure. Receipts come from two sources, income and borrowings. There is an excess of expenditure over income, but there is excess of receipts over expenditure.

Senator PADILLA. Well, that is a matter of terminology.

Senator AYTONA. But the terminology is correct.

Senator PADILLA. But on the principle of balanced budget, and we always proclaim adherence to the principle of balanced budget, my layman's understanding of a balanced budget is that the estimated or actually realized and collected income equals the estimated or proposed expenditures. Just like in any business firm or even in the household, if the expenditures are more than the income, then there is deficit, and so there is no balanced budget.

Senator AYTONA. That is true, Mr. President, that as far as current operating expenditures are concerned, like a family, for the sustenance of the family, we must live within our income. But Mr. President, it is prudent for a family, for example, to borrow money from the bank to buy a piece of land, develop that land, and out of the increased income to be derived from that land he can amortize the loan from the bank until, eventually, after the loan is paid, he is that much richer.

Senator PADILLA. That is true if the investment is income producing.

Senator AYTONA. Of course, Mr. President.

Senator PADILLA. And the income to be received would exceed the interests due on the loan plus the monthly, quarterly, or yearly amortizations. Now, applied to a business firm, if the income or the receipts in the operation of the business is so much, but the disbursements, including salaries, operating expenditures, and other

items are in excess of what has been derived or is expected to be derived in the operation of the business, *that excess means loss or deficit.*

Senator AYTONA. Yes, Mr. President. But even in private business sound business management permits a 70-30 debt-equity ratio. In other words, one can have 30 per cent in capital with 70 per cent debt. The important thing, Mr. President, in public debt as in business debt or private debt is proper management. That is the important thing.

Senator PADILLA. But there has always been an increasing public debt. Under the examples that Your Honor mentioned the indebtedness, if any, from proceeds of loans or borrowings that are invested profitably, the result is to diminish or to decrease the debt. But in these particular budget years, the public debt has not only been increasing but increasing tremendously. Therefore the conclusion would be that the administration does not know proper management.

Senator AYTONA. No, Mr. President. Not necessarily. That is not what gives us concern. We must also understand the nature of public debt. For example we incur dollar loans from the World Bank to put up power plants in Maria Cristina, in Binga, in Ambuklao in order to provide power. The question is this: Is it fair, is it just that the cost of this infrastructure should be charged solely to the present generation and the future generations who are going to benefit also from the same facility shall not be made to share the burden with us? That is one aspect of proper management of public debt that we must not lose sight of.

Senator PADILLA. Well, Your Honor, power plants are hardly within the proper concept of infrastructure.

Senator AYTONA. If, Mr. President, we reduce public debt and, hopefully, make it zero that will not be fair to the people of the present generation. There are matters having to do with public debt that we should not also lose sight of. We

cannot charge everything to the people of this present generation. We must also consider the *just burden that the future generations must share with us.*

Senator PADILLA. Your Honor, if the public debt be continuously increased and in huge amounts neither will it be fair for the next generation, or even the Filipinos who will have to bear the burden for the next ten years.

Senator AYTONA. That is why the important thing is the judicious use of the public borrowing authority and its proper management. Those are the two essential elements with respect to public debts. It is not the fact that it is increasing. No, Mr. President. It is the judicious use of the public borrowing authority and its proper management.

Senator PADILLA. Yes, but there is no judicious use of public borrowings nor proper management, when instead of providing a sinking fund to provide for payment even in future years of accrued public borrowings, the public debt, in great proportion, constantly increases. And with respect to Your Honor's example, well, we authorize loans even from abroad for productive ventures, for income-producing projects which not only will produce income but that income should be sufficient to liquidate the indebtedness within a certain number of years. Of course we cannot expect to borrow for capital goods, especially for a very important project, and expect to satisfy the cost thereof within one, two or even five years. But in applying the principle of judicious use of borrowings and proper management, which Your Honor has been restating, we should see to it that the borrowings are properly directed, so that the indebtedness may not be increased tremendously because that burden will have to be shouldered somehow in the future. For example, the Philippine National Bank or its subsidiary, the NIDC has authorized several new sugar centrals guaranteed by the bank and the huge investments are supposed to be repaid for the next ten years. If the income out of pro-

duction cannot exceed even the interests and much less the amortizations, then the indebtedness will not only remain big but will grow bigger.

Senator AYTONA. Mr. President, I think we have no disagreement with the distinguished Minority Floor Leader as far as judicious use of the public borrowing authority and as far as the proper management of the public debt are concerned. Where we disagree is on this point: I understand from the distinguished Minority Floor Leader that the fact that the public debt is increasing shows or indicates that there is injudicious use of the public borrowing authority or improper management. That does not necessarily follow, Mr. President. It is common knowledge to all of us that the bigger the business, the more prosperous the business; the more stable the business the bigger is its debt.

Senator PADILLA. Provided there is in the result some net income. How could a business be profitable if the indebtedness continues growing and there is no net income?

Senator AYTONA. Mr. President, only to prove the point. The fact that the debt is increasing does not necessarily mean that there is injudicious use of public borrowing or that there is improper management. That does not necessarily follow. That is the only point I wanted to point out.

Senator PADILLA. I may agree with Your Honor...

Senator AYTONA. Thank you.

Senator PADILLA. . . . that some of the expanding financial institutions mainly in the private sector take advantage of their credit facilities. But the fact that a business firm has accounts payable or mortgage loan obligations does not mean that the business is bad, but it is necessary to determine how much is the actual income realized from the operation of the business and the necessary expenditures in conducting the business.

Senator AYTONA. We have no quarrel as to that, Mr. President.

Senator PADILLA. But to be a good, growing and prosperous business concern, the net results of operation must show profits and net income.

Senator AYTONA. We have no disagreement on that point, Mr. President.

Senator PADILLA. Your Honor, the budget is hardly to be compared with a business firm. The budget is merely to support the expenditures of the government for its fiscal requirements and other general services, for essential government services and for necessary public improvements, but when we make it appear that there is an excess of receipts over expenditures, because there is an increase of borrowings, I do not believe we are giving the true picture.

At this juncture, 7:01 p.m., the Honorable President of the Senate ceded the Chair to Hon. Wenceslao Lagumbay.

Senator AYTONA. What picture does the distinguished Minority Floor Leader want? Compare income with expenditures, not receipts. I suppose that is what Your Honor wants.

Senator PADILLA. As I stated earlier, there are these revenues, estimated and collected; there are also expenditures. Expenditures are in excess of income, therefore, there is really a deficit on the operation and this deficit is being covered by borrowings.

Senator AYTONA. Correct.

Senator PADILLA. That is the correct picture.

Senator AYTONA. And that is the picture shown in the budget, Mr. President.

Senator PADILLA. Your Honor, here there are figures of total receipts and of total expenditures and then there is excess of receipts over expenditures.

Senator AYTONA. That is how it is shown in

the budget, Mr. President. We can see from the budget the excess of expenditures over income. We can also see in the budget the excess of receipts over expenditures. So, what Your Honor is looking for is here.

Senator PADILLA. Let us go to page 8 of Your Honor's sponsorship speech, the same picture appears. The borrowings as per 1970 budget, P485 million, as revised by the Senate Finance Committee. I suppose SFC means Senate Finance Committee.

Senator AYTONA. Yes, Your Honor.

Senator PADILLA. It has further increased the borrowings by P116 million, so that now the borrowings would be P601 million. Is that correct, Your Honor?

Senator AYTONA. Mr. President, may I call the attention of the distinguished Minority Floor Leader to the last line of page 8. It says here "deficit to be covered by borrowings." This will be in addition to the P485 million deficit. So, in this presentation we show, Mr. President, the excess of expenditures over income. We also show the excess of receipts over expenditures and we also show the borrowings. So, everything is found here, nothing is hidden.

Senator PADILLA. Your Honor mentioned the last line in which I underlined the word "deficit," but in the middle, after "borrowing" on page 8, it says here, "excess of revenues over expenditures, P55 million." Now, that is not really correct.

Senator AYTONA. This is not correct, Mr. President.

Senator PADILLA. Because there are really more expenditures over the revenues.

Senator AYTONA. I grant, Mr. President, that there is a typographical error here. This should be "excess of receipts over expenditures." That is what we have been talking about. This is not "revenues," this is "receipts."

Senator PADILLA. While the principal source of these receipts are tax revenues, a great portion of so-called receipts comes from borrowings.

Senator AYTONA. That is so reflected in the statement, Mr. President. That fact is not hidden at all. It is disclosed in bold relief.

Senator PADILLA. Now, on page 10, "Borrowings — P199 million." But as revised by the Senate Finance Committee it was increased by P30 million to the sum — P229 million.

Senator AYTONA. That is correct, Mr. President.

Senator PADILLA. The alleged excess of P66 million is really due to the fact that there will be a borrowing of P229 million.

Senator AYTONA. Correct, Mr. President.

Senator PADILLA. So that if there were no borrowings, there will really be a big deficit.

Senator AYTONA. Correct, Mr. President, and it is so stated in the statement.

Senator PADILLA. Now, the only time "deficit" is mentioned "to be covered by borrowing" is on page 8 in reference to the General Fund.

Senator AYTONA. I think there are other funds where I stated that, Mr. President. I can assure the distinguished Minority Floor Leader that we have no quarrel as to that. We cannot be hiding that fact. On the contrary, we are disclosing it.

Senator PADILLA. I am not saying, Your Honor, that there is any attempt to conceal...

Senator AYTONA. No, I am only giving the assurance, Mr. President.

Senator PADILLA. I only want to check whether my simple appraisal is ..

Senator AYTONA. Your Honor is correct.

Senator PADILLA. And my far from expert

interpretation of some of these figures are . . .

Senator AYTONA. But Your Honor is correct.

Senator PADILLA. Correct? Thank you, Your Honor. I cannot continue with my interpellations because I have only gone up to page 10.

Senator AYTONA. Yes, Mr. President, but I would be glad to accommodate the distinguished Minority Floor Leader when he is ready.

Senator PADILLA. Perhaps, it would be better, if the distinguished sponsor has no objection, that we postpone the interpellations for tomorrow.

Senator AYTONA. Mr. President, if the distinguished Minority Floor Leader will have no objection to allowing our other colleagues to interpellate me, those who may want to interpellate now, I would appreciate his consideration.

Senator PADILLA. Thank you, Your Honor.

Senator AYTONA. Thank you very much, distinguished colleague.

Senator PADILLA. I think it is time for dinner. *(Laughter.)*

SUSPENSION OF THE SESSION

The PRESIDING OFFICER. The session is suspended for one minute, if there is no objection. *(There was none.)*

It was 7:39 p.m.

RESUMPTION OF THE SESSION

At 10:27 p.m., the session was resumed with the Senate President Pro Tempore, Hon. Jose J. Roy, presiding.

The PRESIDENT PRO TEMPORE. The session is resumed.

Senator TOLENTINO. Mr. President.

The PRESIDENT PRO TEMPORE. The Ma-

jority Floor Leader.

CONFERENCE COMMITTEE REPORT ON H. B. 17479

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing votes of the two Houses on the amendments of the Senate to House Bill No. 17479 has already submitted its report and the report is signed by all the conferees both on the part of the Senate and on the part of the House of Representatives. The recommendation is that House Bill No. 17479 as passed by the Senate be approved with the amendments and the other amendments incorporated in the report. This refers only to a franchise. I ask that the Secretary read the conference committee report.

The SECRETARY.

Sixth Congress of the Philippines
Fourth Session

CONFERENCE REPORT

The Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to House Bill No. 17479, entitled:

AN ACT AMENDING THE TITLE AND SECTIONS ONE AND FOUR OF REPUBLIC ACT NUMBERED FOUR THOUSAND SIX HUNDRED AND FIVE, AS AMENDED,

having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That H. No. 17479 as passed by the Senate with amendments be approved with the following for their amendments:

1. On page one, line 5, delete the words "and cold storage";
2. On same page, line 6, delete the brackets inclosing the words "Province of Laguna";
3. On same page, line 8, between the words "and" and "supply" insert the words "to operate, maintain and";

4. On same page, line 9, before the word "within", insert the words "in any of the municipalities and cities";

5. On page 2, line 6, delete the words "and cold storage";

6. On same page, line 7, delete the brackets inclosing the word "Province of Laguna", and after the word "Laguna", insert the words "and to sell ice, and to operate, maintain and supply";

7. On same page, lines 9 and 10, delete the clause "for the purpose of manufacturing and distributing ice and supplying", and insert after the word "storage" the words "in any of the municipalities and cities";

8. On same page, line 11, delete the words "the city of San Pablo and";

9. On same page, line 21, delete the words "and cold storage";

10. On same page, line 23, delete the words "manufacture" and in lieu thereof insert the word "sale";

11. On same page, line 24, delete the words "the city of San Pablo, AND", and before the second word "the" insert the words "the municipalities and cities in," and place a comma (,) after the word "Laguna";

12. On page 3, line 5, delete the words "and cold storage."

CONFEREES ON THE PART OF THE HOUSE

- (Sgd.) FERMIN Z. CARAM JR.
- (Sgd.) ARTEMIO E. MATE
- (Sgd.) MANUEL A. CONCORDIA

CONFEREES ON THE PART OF THE SENATE

- (Sgd.) RODOLFO T. GANZON
- (Sgd.) LORENZO G. TEVES
- (Sgd.) TECLA SAN ANDRES ZIGA

Senator TOLENTINO. Mr. President, I move that the conference committee report be approved.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none,

the conference committee report on House Bill No. 17479 is approved.

CONFERENCE COMMITTEE REPORT ON
H. B. No. 7170

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing votes of the two Houses on the amendments of the Senate to House Bill No. 7170, also a franchise, has submitted its report to the effect that the bill as passed by the Senate be adopted. The report is signed by all the conferees.

Mr. President, I move that the conference committee report on House Bill No. 7170 is approved.

CONFERENCE REPORT

The Committee on Conference on the disagreeing votes of the two Houses on the amendment of the House Bill No. 7170 entitled:

AN ACT GRANTING HELDELITA SANCHEZ AB-RANTES A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN AN ICE PLANT AND COLD STORAGE IN THE PROVINCE OF AGUSAN, THE CITY OF BUTUAN AND THE CITY OF GINGOOG AND TO SELL AND TO SUPPLY COLD STORAGE THEREIN.

having met, and full and free conference have agreed to recommend and do recommend their respective Houses as follows:

THAT HOUSE BILL NO. 7170 AS PASSED BY THE SENATE BE ADOPTED. WITH THE FURTHER AMENDMENT TO DELETE THE PHRASE "CITY OF GINGOOG" WHENEVER IT APPEARS ON THE BILL.

Conferees on the part of the Senate:

- (Sgd.) RODOLFO T. GANZON
- (Sgd.) WENCESLAO R. LAGUMBAY
- (Sgd.) TECLA S. ZIGA

Conferees on the part of the House:

- (Sgd.) FERMIN Z. CARAM, JR.
- (Sgd.) ARTEMIO MATE
- (Sgd.) FRANCISCO M. LECAROS

Senator TOLENTINO. Mr. President, I move that we now consider some local measures.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is approved and the Majority Floor Leader may proceed.

CONSIDERATION AND APPROVAL ON
SECOND READING OF HOUSE
BILL NO. 18749

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18749.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18749 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT CHANGING THE NAME OF THE BAUTISTA ELEMENTARY SCHOOL IN THE BARRIO OF BAUTISTA, CITY OF SAN PABLO, TO FERNANDO QUISUMBING ELEMENTARY SCHOOL.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The name of the Bautista Elementary School in the Barrio of Bautista, City of San Pablo, is hereby changed to Fernando Quisumbing Elementary School.

SEC. 2. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move for its approval on second reading.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18749 is approved on second reading.

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18470.

The PRESIDENT PRO TEMPORE. Considera-

tion of House Bill No. 18470 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT CHANGING THE NAME OF BARRIO SUAVIT IN THE MUNICIPALITY OF BATAAC, PROVINCE OF ILOCOS NORTE, TO BARRIO NALUP-TA.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The name of Barrio Suavit in the Municipality of Bataac, Province of Ilocos Norte, is hereby changed to Barrio Nalupta.

SEC. 2. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move for its approval on second reading.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18470 is approved on second reading.

CONSIDERATION AND APPROVAL ON
SECOND READING OF HOUSE BILL
NO. 18471

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18471.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18471 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT CHANGING THE NAME OF BARRIO PAL-PALICONG IN THE MUNICIPALITY OF BATAAC, PROVINCE OF ILOCOS NORTE, TO BARRIO FRANCO.

Be it enacted by the Senate and House of Repre-

sentatives of the Philippines in Congress assembled:

SECTION 1. The name of Barrio Palpalicong in the Municipality of Batac, Province of Ilocos Norte, is hereby changed to Barrio Franco.

SEC. 2. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move for its approval on second reading.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18471 is approved on second reading.

CONSIDERATION AND APPROVAL ON
SECOND READING OF HOUSE BILL
NO. 17819

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 17819.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 17819 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT NAMING THE PUBLIC HIGHWAY FROM THE MUNICIPALITY OF TANZA TO THE MUNICIPALITY OF NAIC IN THE PROVINCE OF CAVITE ANTERO SORIANO AVENUE.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The public highway from the Municipality of Tanza to the Municipality of Naic in the Province of Cavite is hereby named Antero Soriano Avenue.

SEC. 2. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move

for its approval on second reading.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 17819 is approved on second reading.

CONSIDERATION AND APPROVAL ON
SECOND READING OF HOUSE
BILL NO. 18475

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18475.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18475 is now in order. The Secretary will please read the bill.

The SECRETARY:

AN ACT CHANGING THE NAME OF BARRIO PANAPAAN IN THE MUNICIPALITY OF BACOR, PROVINCE OF CAVITE, TO BARRIO PEDRO ESPIRITU.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The name of Barrio Panapaan in the Municipality of Bacoor, Province of Cavite, is hereby changed to Barrio Pedro Espiritu.

SEC. 2. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move for its approval on second reading.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18475 is approved on second reading.

CONSIDERATION AND APPROVAL
ON SECOND READING OF HOUSE BILL
NO. 16814

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 16814.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 16814 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT CREATING THE MUNICIPALITY OF MALUNGON IN THE PROVINCE OF SOUTH COTABATO.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The barrios and sitios of Upper Malungon, Tagaytay, Malalag-Cogon, Malungon, Diangan, Mantao, Lower Mantao, Mainit, Kiblat, Upper Mainit, Kabang, Kitakal, Lumabat, Cabatuan, Lutay, Tamban, Lampanal, Labay, Malandag, Alta-i, Lambatot and Lubay, in the Municipality of General Santos, Province of South Cotabato, are separated from said municipality, and constituted into a distinct and independent municipality, to be known as the Municipality of Malungon, same province. The seat of government of the new municipality shall be in the present site of Barrio Malungon.

The Municipality of Malungon shall be bounded as follows:

"Beginning at a point on the summit of Mt. Matutum, thence going directly to the summit of Mt. Magolo, (Atmodok); thence following the watershed that divides the waters that flow into Davao Gulf from those that flow into Sarangani Bay, to a point directly east of Mt. Latian; thence going directly west to the summit of Mt. Latian; thence going in a straight line directly to the summit of Mt. Matutum, the point of beginning."

SEC. 2. The first mayor, vice-mayor and councilors of the new municipality shall be appointed by the President and shall hold office until their successors shall have been elected in the next general elections for local officials and shall have qualified.

SEC. 3. This Act shall take upon its approval.

Senator TOLENTINO. Mr. President, there are

Committee Amendments.

COMMITTEE AMENDMENTS

No. 1. On page 1, line 1, delete the words "Upper Malungon"; on same page, line 2 delete the words "Tagaytay, Malalag-Cogon and Diangan"; same page, line 3, delete the words "Mainit, Kiblat, Upper Mainit, Kabang, Ki-"; on same page 4. delete the words "takal, Lumabat, La-"; same page, line 5, delete words "bay and Lambatot". I move for the approval of the amendments.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being no objection, the amendments are approved.

Senator TOLENTINO. No. 2. On page 1, line 2, insert the word "Lower" before the word "Malungong". I move for the approval of the amendment.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being no objection, the amendments are approved.

Senator TOLENTINO. No. 3. On page 2, line 10, delete the words beginning from the word "appointed" including all the words in line 11, 12, and 13 and in lieu thereof substitute the words "ELECTED IN A SPECIAL ELECTION TO COINCIDE WITH THE ELECTIONS OF NOVEMBER, 1969." I move for the approval of the amendment.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being no objection, the amendments are approved.

Senator TOLENTINO. Mr. President, I move for the approval of the bill as amended.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 16814 is approved on second reading, as amended.

CONSIDERATION AND APPROVAL ON
SECOND READING OF HOUSE BILL NO.
18554

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18554.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18554 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT CREATING THE MUNICIPALITY OF MAT-I IN THE PROVINCE OF SURIGAO DEL NORTE.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The Barrios of Mat-i, Poctoy, Nabago, Slop, Capalayan, Rizal, Ipil, Mabua, Sukailang and Anomar in the Municipality of Surigao, Province of Surigao del Norte, are separated from said municipality, and constituted into a distinct and independent municipality, to be known as the Municipality of Mat-i, same province. The seat of government of the new municipality shall be at the present site of Barrio Mat-i.

SEC. 2. The new municipality shall acquire corporate existence upon the assumption to office of the first mayor, vice-mayor and councilors who shall be elected in the general elections next following the approval of this Act.

SEC. 3. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move for the approval of the bill.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18554 is approved on second reading.

CONSIDERATION ON SECOND READING
OF HOUSE BILL NO. 18675

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18675.

The PRESIDENT. Consideration of House Bill No. 18675 is now in order.

The Secretary will please read the bill.

The SECRETARY:

Senator PADILLA. Mr. President, I move to postpone the consideration of this bill in the next session.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is carried and the consideration of the bill is postponed to the next session.

CONSIDERATION ON SECOND READING
OF HOUSE BILL NO. 18803.

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18803.

The PRESIDENT. Consideration of House Bill No. 18803 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT CREATING THE MUNICIPALITY OF SALVACION IN THE PROVINCE OF SOUTHERN LEYTE.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The barrios of Esperanza, Alangalang Cabutan, Bitoon, Benit, Timba, Camang, Saub, Pinut-an, Kinatchawa and San Ramon in the Municipality of Pintuyan, Province of Southern Leyte, are separated from said municipality and created into a distinct and independent municipality to be known as the Municipality of Salvacion. The seat of government of the new municipality shall be in the present site of the barrio of Esperanza.

SEC. 2. The first mayor, vice-mayor and councilors of the new municipality shall be elected in the next general elections.

SEC. 3. This Act shall take effect upon its approval.

Senator PADILLA. Mr. President, I move to postpone the consideration of this bill.

Senator TOLENTINO. No objection, Mr. President.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is carried and consideration of the bill on second reading is postponed.

CONSIDERATION AND APPROVAL ON
SECOND READING OF HOUSE BILL
NO. 18650

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18650.

The PRESIDENT. Consideration of House Bill No. 18650 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT CREATING THE CITY OF OROQUITA

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

ARTICLE I. — *Title of Act*

SECTION 1. Title. — This Act shall be known as the "Charter of the City of Oroquieta."

ARTICLE II. — *The City as a Public Corporation*

SEC. 2. *Territory of the City of Oroquieta.* — The City of Oroquieta, which is hereby created, shall comprise the present territorial jurisdiction covering all the barrios and sitios comprising the Municipality of Oroquieta in the Province of Misamis Occidental.

SEC. 3. *Corporate Character.* — The City of Oroquieta, hereinafter called the city, constitutes a political body corporate and as such is endowed with the attribute of perpetual succession and possessed of the powers which pertain to a municipal corporation, to be exercised in conformity with the provisions of this Charter. The provisions of this

Charter shall be liberally construed in favor of the city, to the end that it may have all the necessary powers for the efficient conduct of its city affairs. The specific mention of particular powers in other sections of this Charter shall not be construed as limiting the powers of the city in the premises to those thus mentioned.

S53. 4. *Seal and General Powers.*—The City shall have a common seal, and may alter the same at pleasure. It may take, purchase, receive, hold, lease, convey, and dispose of real and personal property for the general interests of the city, condemn private property for public use, contract and be contracted with, sue and be sued, prosecute as well as defend to final judgment and execution, actions where its interests are involved, and exercise all the powers hereinafter conferred.

SEC. 5. *The City not liable for damages.* — The City shall not be liable or held for damages or injuries to persons or property arising from the fault, error of the City Mayor, the City Council, or any other employee, to enforce the provisions of this Charter, or of any law or ordinance, or from the negligence of said Mayor, city council or other city officers or employees while enforcing or attempting to enforce said provisions. *Provided, however,* That nothing herein contained shall prevent any aggrieved party from filing a personal action in the proper court against any official or employee of the city government for any act or omission in the performance of his duties.

SEC. 6. *Police jurisdiction of the City.* — The jurisdiction of the City for police purposes shall be co-extensive with its territorial jurisdiction and shall extend to three miles from the shores of the city; and for the purpose of protecting and insuring the purity of the water supply of the city, such police jurisdiction shall also extend over all territories within the drainage area of such water supply, or within five-hundred meters of any reservoir, conduit, canal, aqueduct, or pumping station used in connection with the water service. The City Courts shall have concurrent jurisdiction with the municipal courts of the respective municipalities to try crimes and misdemeanors committed within said drainage area, or within said spaces of five hundred meters. The courts first taking jurisdiction of such an offense shall thereafter retain exclusive jurisdiction thereof. The police forces of the several

municipalities concerned shall have concurrent jurisdiction with the police force of the city for the maintenance of order and the enforcement of ordinances throughout said zone, area and spaces. But any license that may be issued within said zone area or spaces shall be granted by the proper authorities of the municipality concerned, and the fees arising therefrom shall accrue to the treasury of the said municipality concerned and not to that of the city.

SEC. 7. *Income, receipts and profits derived from sale and administration of alienable and disposable lands of the public domain.* — All incomes, receipts and profits derived from the sale, disposition and administration of alienable and disposable lands of the public domain within the City shall accrue to the city notwithstanding any provision of law to the contrary.

ARTICLE III. — *The Mayor and the Vice-Mayors*

SEC. 8. *The Mayor.* — The Mayor shall be the chief executive of the city. He shall be elected at large by the qualified voters of the city. No person shall be eligible for the position of mayor unless at the date of the election he is at least twenty-five years of age, a resident of the city for at least two years prior to his election, and a qualified voter therein. He shall hold office for four years until his successor shall have been duly elected and qualified, unless sooner removed for cause, and shall receive a salary of nine thousand six hundred pesos *per annum*, which may be increased by the City Council to an amount not to exceed the limit fixed by existing laws, and a commutable allowance of two hundred pesos monthly.

SEC. 9. *The Vice-Mayor.* — There shall be a vice-mayor who shall perform the duties and exercise the powers of the mayor, in the event of the death, sickness, absence or other temporary incapacity of the mayor, or in the event of a definite vacancy in the position of mayor, until said office shall be filled, in accordance with law. The Vice-Mayor shall be elected in the same manner as the City Mayor and shall possess the same qualifications as the latter.

If, for any reason, the vice-mayor is temporarily incapacitated for the performance of the duties of the City Mayor, or said office of the vice-mayor is vacant, the duties and powers of the mayor shall

be performed and exercised by a member of the City Council who obtained the highest number of votes during the elections for members of the City Council. Whenever the vice-mayor performs the duties and exercises the powers of the mayor, he automatically ceases to be presiding officer of the City Council. Where a member of the city council exercises the functions of the vice-mayor, said member ceases temporarily to take part in the deliberations of the board except to preside. Where the offices of the city mayor and the vice-mayor are left vacant by virtue of the death or permanent disability of the incumbents, vacancies shall be filled in the manner provided by existing law.

The vice-mayor shall perform such other duties as may be assigned to him by the mayor or prescribed by law or ordinance. He shall receive a salary of three thousand six hundred pesos *per annum*, which may be increased by the City Council to an amount not to exceed the limit fixed by existing laws.

SEC. 10. *General powers and duties of the Mayor.* — The mayor shall have immediate control over the executive and administrative functions of the different departments of the city. He shall have the following general powers and duties:

(a) To comply with and enforce and give the necessary orders for the faithful enforcement and execution of the laws and ordinances in effect within the jurisdiction of the city;

(b) To safeguard all the lands, buildings, records, moneys, credits, and other property and rights of the city, and, subject to the provisions of this Charter, have control over all its property;

(c) To see that all taxes and other revenues of the city are collected and applied in accordance with appropriations to the payment of the city expenses;

(d) To cause to be instituted judicial proceedings to recover property and funds of the city whenever found, to cause to be defended all suits against the city, and otherwise to protect the interests of the city;

(e) To see that the executive officers and employees of the city properly discharge their respective duties. The mayor, may, in the interest of the

service and subject to the provisions of existing law, transfer officers and employees not appointed by the President of the Philippines from one section, division, or service to another section, division, or service within the same department without changing the compensation they receive;

(f) To examine and inspect the books, records and papers of all officers, agents, and employees of the city over whom he has executive supervision and control whenever occasion arises and at least once a year. For this purpose he shall be provided by the city council with such clerical or other assistance as may be necessary. Any employee who may be appointed for such assistance may be in the classified or unclassified civil service and regardless of age.

(g) To give such information and recommend such measures to the City Council as he shall deem advantageous to the City;

(h) To attend, if he wishes to do so, either in person or by a duly authorized representative, the session of the City Council, and participate in its discussions, but not to vote;

(i) To represent the city in all its business matters, and sign on its behalf all its bonds, contracts, and obligations made in accordance with law or ordinance;

(j) To submit to the City Council at least two months before the beginning of the ensuing fiscal year a budget of receipts and expenditures of the city;

(k) To receive, hear, and decide as he may deem proper, the petitions, complaints, and claims of the residents concerning all classes of city matters of an administrative or executive character;

(l) To grant or refuse city licenses or permits of all classes and to revoke the same for violation of the conditions upon which they were granted, or if acts, prohibited by law or city ordinance are being committed under the protection of such licenses or in the premises in which the business for which the same has been granted is carried on, or for any other good reason of general interest;

(m) To exempt, with the concurrence of the city superintendent of schools, deserving poor pupils from

the payment of school fees or of any part thereof;

(n) To take such emergency measures as may be necessary to avoid fires and floods, and to mitigate the effects of storms and other public calamities; and

(o) To perform such other duties and exercise such other powers as may be prescribed by law or ordinance.

SEC. 11. *Secretary to the Mayor.* — The mayor shall appoint one secretary who shall have charge and custody of all records and documents of the city and of any office or department thereof for which provision is not otherwise made; shall keep the corporate seal and affix the same with his signature to all ordinances and resolutions signed by the Mayor and all other official documents and papers of the government of the city as may be required by law or ordinance; shall attest all executive orders, proclamations, ordinances and resolutions signed by the mayor, and shall perform such other duties as the mayor may require of him; shall upon request, and upon payment of the prescribed fees, furnish certified copies of all city records and documents in his charge which are not confidential in nature.

He shall also perform such duties as are required by the heads of departments of the city government by Section nineteen hereof. The position of the secretary shall be regarded as within the unclassified civil service but may be filled in the same manner in which classified positions are filled, and if so filled, the appointee shall be entitled to all the benefits and privileges of classified employees, except that he holds office only during the term of the appointing mayor, and until a successor in the office of the secretary is appointed and qualified, or unless sooner separated. He shall receive a salary of two thousand one hundred sixty pesos *per annum*, which may be increased by the City Council to an amount not to exceed the limit fixed by existing laws.

ARTICLE IV — The City Council

SEC. 12. *Constitution and organization of the city council.* — The city council shall be the legislative body of the city, and shall be composed of the vice-mayor who shall be the presiding officer and eight councillors who shall be elected at large by the qualified voters of the city during every election for

provincial, city and municipal officials in conformity with the provisions of the Revised Election Code. The vice-mayor shall have no right to vote except in case of tie.

If the vice-mayor or a member of the city council shall be a candidate for office in any election, he shall be disqualified to act with said body in the performance of the duties thereof relative to such election, and if, for such reason, the number of members should be unduly reduced, the mayor shall appoint any qualified voter of the city to act in his place in such matters. The city councilors shall each receive a salary of two thousand one hundred sixty pesos each *per annum*, which may be increased by the City Council to an amount not to exceed the limit fixed by existing laws.

SEC. 13. *Qualifications, election, suspension and removal of members.* — The members of the city council shall, at the date of their elections, be qualified electors of the city, residents thereof for at least two years immediately prior to their election and not less than twenty-five years of age. Such members may be suspended or removed from office under the same circumstances, in the same manner, and with same effect, as elective provincial officers, and the provisions of law governing the suspension or removal of elective provincial officers are hereby made applicable in the suspension or removal of said members.

Elections for members of the council shall be held on the date of the regular election for provincial city and municipal offices, and elected members shall assume office on the first day of January next following their election, upon qualifying and shall hold office for four years and until their successors shall have been duly elected and qualified. The eight candidates receiving the highest number of votes shall be declared elected.

A vacancy in the city council shall be filled in accordance with the provisions of existing law.

SEC. 14. *Secretary of the city council.* — The city council shall have a secretary who shall be elected by it to serve during the term of office of the members. A vacancy in the office of secretary shall be filled temporarily or for the next term in like manner.

The secretary shall be in charge of the records of the city council. He shall keep a complete record of the proceedings of the council, and file all documents relating thereto; shall record, in a book kept for that purpose, all ordinances and all resolutions and motions directing the payment of money or creating liability, enacted or adopted by the council with dates of passage of the same, and of the publication of ordinances, shall keep a seal, circular in form with the inscription "City Council—City of Oroquieta," in the center of which shall be placed the 'Coat of Arms' of the city, and affix the same, with his signature, to all ordinances and other official of the council, and shall present the same for signature to the presiding officer; shall cause each ordinance passed to be published as herein provided; shall upon request, and upon payment of the prescribed fee, furnish certified copies of all records of public character in his charge under the seal of his office, and shall keep in his office all records therein which are not confidential in nature, open to public inspection during usual business hours. The compensation of the secretary shall be three thousand six hundred pesos *per annum*, which may be increased by the City Council to an amount not to exceed the limit fixed by law.

SEC. 15. *Legislative procedure.* — The city council shall hold one regular session for the transaction of business each week on a day which it shall fix by resolution, and as many special sessions as may be necessary for the public interest, as may be called by the mayor. It shall sit with open doors unless otherwise ordered by the affirmative vote of a majority of all the members. It shall keep a record of all its proceedings and determine its rules of procedure not herein set forth. A majority of all the members of the city council shall constitute a *quorum* for the transaction of business, but a smaller number may adjourn from day to day and may compel the immediate attendance of any member who is absent without good cause by issuing to the police of the city an order for his arrest and production at the session under such penalties as shall have been previously prescribed by ordinance. The affirmative votes of majority of all the members shall be necessary for the passage of any ordinance or of any resolution or motion directing the payment of money or creating liability, but other measures shall prevail upon the majority votes of the mem-

bers present at any session duly called and held. The *ayes* and *nays* shall be taken and recorded upon the passage of all ordinances, upon all resolutions or motions directing the payment of money or creating liability, and at the request of any member, upon any other resolution or motion. Each approved ordinance, resolution or motion shall be sealed with the seal of the City Council and recorded in a book kept for the purpose and shall, on the day following its passage, be posted by the Secretary at the main entrance to the City Hall and in at least two other public places, and shall take effect and be in force on and after the tenth day following its passage unless otherwise stated in said ordinance, resolution or motion, or vetoed by the mayor as hereinafter provided. A vetoed ordinance, if repassed, shall take effect ten days after the veto is overridden by the required votes unless otherwise stated in the ordinance, resolution or motion, or again disapproved by the mayor within said time.

Each ordinance and each resolution or motion directing the payment of money or creating liability, enacted or adopted by the city council shall be forwarded to the mayor for his approval. Within ten days after the receipt of the ordinance, resolution or motion, the mayor shall return it with his approval or veto. If he does not return within that time it shall be deemed approved. If he returns it with his veto, his reasons therefor in writing shall accompany it. It may then again be enacted by two-thirds affirmative votes of all the members of the city council and again forwarded to the mayor for his approval. If within said time he again returns it with his veto, it shall be forwarded forthwith to the President of the Philippines for his approval or disapproval which shall be final.

The mayor shall have the power to veto any particular item or items of an appropriation ordinance, or of any ordinance, resolution or motion directing the payment of money or creating liability, but the veto shall not affect the item or items to which he does not object. The item or items objected to shall not take effect except in the manner heretofore provided in this section as to ordinances, resolutions or motions returned to the council with his veto; but should an item or items in appropriation ordinance be disapproved by the mayor, the corresponding item or items in the appropriation ordinance of the previous year shall be deemed re-enacted.

SEC. 16. *Legislative powers.* — Except as otherwise provided by law, and subject to the conditions and limitations thereof, the city council shall have the following legislative powers:

(a) To provide for the levy and collection of taxes for general and specific purposes in accordance with law, including specially the power to levy real property tax not to exceed one and one-half *per centum ad valorem*: *Provided*, That the said maximum rate of one and one-half *per centum* shall not be imposed during the first five years of the effectivity of this Act;

(b) To fix the number and salaries of officials and employees of the city not otherwise provided for in this Act;

(c) To fix the schedule of fees and charges for all services rendered by the city or any of its departments, branches or officials;

(d) To provide for the erection and maintenance or the rental, in case of need, of the necessary buildings for the use of the city;

(e) To provide for the establishment and maintenance of public schools; and, except otherwise provided by law, to fix, with the approval of the Director of Public Schools and/or Vocational Education, reasonable matriculation and/or tuition fees for intermediate and secondary instruction therein and to acquire sites for school houses for primary and intermediate classes through purchases or conditional or absolute donation;

(f) To establish and maintain or aid in the establishment and maintenance of vocational schools and institutions of higher learning conducted by the National Government or any of its subdivisions, or agencies; and, with the approval of the Director of Vocational Schools, to fix reasonable tuition fees for instruction in the vocational schools and in the institutions of higher learning supported by the city;

(g) To provide for and maintain an efficient police force for the maintenance of law and order in the city, and make all necessary police ordinances, with a view to the confinement and reformation of vagrants and juvenile delinquents, disorderly persons, mendicant, prostitutes, and persons convicted for violating any of the ordinances of the city;

(h) To maintain the city court established by

law which shall have jurisdiction of all criminal cases under existing laws and the ordinances of the city, and such additional jurisdiction as may be herein or hereafter conferred;

(i) To provide for and maintain a city fire department and to establish and maintain engine houses, fire engines, hose trucks, hooks and ladders, and other equipment for the prevention and extinguishment of fires, and to regulate the management and use of the same;

(j) To establish fire zones, determine the kind of buildings or structures that may be erected within their limits, regulate the manner of constructing and repairing the same, and fix the fees for permits for the construction, repair, or demolition of buildings and other structures;

(k) To regulate the use of lights in stables, shops, and other buildings and places, and to regulate and restrict the issuance of permits for the building of bonfires and rockets, and other pyrotechnic display, and to fix the fees for such permits;

(l) To make regulations to protect the public from conflagrations and to prevent and mitigate the effects of famine, floods, storms and other public calamities, and provide relief for victims thereof;

(m) To tax, regulate and fix the amount of the license fees for the following: hawkers, peddlers, hucksters (not including hucksters or peddlers who sell only native vegetables, fruits, or foods, personally carried by the hucksters or peddlers), barbers, collecting agencies, manicurists, hairdressers, tattooers, jugglers, acrobats, wrestlers and boxers, shooting galleries, slot machines, merry-go-rounds and other similar riding devices, and the keeping, preparation, and sale of meat, poultry, fish, game, butter, cheese, lard, vegetables, bread, and other provisions; and to impose a city occupation tax, not to exceed fifty pesos *per annum*, on lawyers, physicians, land surveyors, architects, certified public accountants, agricultural, geodetics, industrial management, civil, electrical, chemical, mechanical or mining engineers, electronics engineers, veterinarians, dentists, opticians and optometrists, insurance agents and sub-agents, business agents and business consultants, professional appraisers or connoisseur of tobacco or other domestic or foreign products, music teachers, piano tuners, nurses, midwives, auctioneers, plumbers, electrical contractors, building contractors, mas-

seurs, physical culture instructors, chiropodists, money changers, real estate, commercial and other brokers, salesmen, detailmen, hostesses, and persons engaged in the transportation of passengers or freight by hire, including common carriers and transportation contractors: *Provided*, That persons exercising their professions or occupation only as salaried employees and not as independent practitioners shall be exempt from the city occupation tax herein prescribed;

(n) To tax, fix the license fee and regulate the business of hotels, restaurants, refreshment places, cafes, lodging houses, brewers, distillers, rectifiers, laundries, dyeing and cleaning establishments, beauty parlors, physical or beauty culture, and fashion schools, clubs, livery garages, public warehouses, pawnshops, theaters, cinematographs, and the letting or subletting of lands and buildings, whether used for commercial, industrial or residential purposes; and further to fix the location of, and to tax, the license fee on, and regulate the business of, livery stables, boarding stables, embalmers, public billiard tables, public pool tables, bowling alleys, dance halls, public dancing halls, cabarets, night clubs, and day clubs, circuses and other similar parades, public vehicles, public ferries, cockpits, dealers in second hand materials or merchandise, junk dealers, theatrical performances, boxing contests, public exhibitions, blacksmith shops, foundries, steam boilers, lumberyards, shipyards, the storage and sale of gunpowder, tar, pitch, resin, coal, oil, gasoline, benzine, turpentine, hemp, cotton, nitroglycerin, petroleum, or any of the products thereof, and of all other highly combustible or explosive materials and other establishments likely to endanger the public safety or give rise to conflagrations or explosions and, subject to the provisions of law, tanneries, fats and oil factories, tallow chandleries, bone factories, soap factories: *Provided*, That no license shall be granted to any theater or cinematograph unless the applicant for said license agrees to exhibit pictures made in the Philippines to the extent of five *per centum* of their annual exhibitions: *And provided, further*. That any violation of this condition shall cause the revocation of said license;

(o) To tax and fix the license fees on printers or bookbinders or both, tailor shops, milliners, manufacturers of jewelry, embroideries, sails or awnings or both, rope paper, leather goods, including

shoes, slippers, sandals, harnesses and valises or bags, sporting goods, plastics and celluloid products, hardware including glassware, cooking utensils, electrical goods, toilet articles, paints, dyes and inks, textiles, shall lamps or lamp shades or both, statues, or tombstones or both, sacks, furniture of all kinds, including rattan goods, wire, brass, beds or both, clothing, hats, eyeglasses, or optical goods or both, fertilizers or buttons.

Manufacturers above-mentioned shall not be subject to the payment of any city tax or license fees as retail dealers of their own products: *Provided*, That any manufacturing conducted solely by the immediate members of a family at their own home shall not be subject to any tax or license fee.

(p) To tax and fix the license fee on dealers in general merchandise, including importers and indentors, except those dealers who may be expressly subject to the payment of some other city tax under the provisions of this section.

Dealers in general merchandise shall be classified as: 1) wholesale dealers, and 2) retail dealers. For purposes of the tax on retail dealers, general merchandise shall be classified into four main classes, namely: 1) luxury articles; 2) semi-luxury articles; 3) essential commodities; and 4) miscellaneous articles. A separate license shall be prescribed for each class but where commodities of different classes are sold in the same establishment, it shall not be compulsory for the owner to secure more than one license if he pays the higher or highest rate of tax license as such, as may be provided by ordinance.

For purposes of this section, the term "general merchandise" shall include poultry and livestock, agricultural products, fish and other allied products.

(a) To tax, fix the license fee on the sale, trading in or disposal of alcoholic or malt beverages, wines, and mixed or fermented liquors, including *tuba*, *basi*, *tapuy*, *lambanog*, offered for retail sale:

(r) To impose a tax on all products or commodities manufactured or produced in the city and removed therefrom;

(s) To impose a sales tax of not exceeding one per centum of the gross value in money of all articles sold, bartered, exchanged or transferred within the city;

(t) To regulate the method of using steam engines and boilers, and all other motive powers other than marine, or belonging to the government of the Philippines; to provide for the inspection thereof, and fix a reasonable fee for such inspection and to regulate and fix the fee for the licenses of the engineers engaged in operating the same;

(u) To provide for the prohibition and suppression of riots, affrays, disturbances, and disorderly assemblies; houses of ill fame and other disorderly houses, gaming houses, gambling and all fraudulent devices for the purpose of obtaining money or property; prostitution, vagrancy, intoxication, fighting, quarrelling, and all disorderly conduct; and printing, circulation, exhibition, possession or sale of obscene pictures, books or publications thereof; good morals;

(v) To prohibit, regulate and fix the license fees for the keeping of dogs, and to authorize their impounding and destruction when running at large contrary to ordinances, and to tax and regulate the keeping or training of fighting cocks;

(w) To establish and maintain city pounds; to regulate, restrain, and prohibit the running at large of domestic animals, and provide for the distraining, impounding and sale of the same for the penalty incurred and the lost of the proceedings, and to impose penalties upon the owners or said animals for the violation of any ordinance in relation thereof;

(x) To prohibit, and provide for the punishment of cruelty to animals;

(y) To require property owners by ordinance to construct or repair, at their expense, sidewalks along the street or streets adjacent to their lots in accordance with the specifications of the city engineer as to quality, width and grades, and subject to his supervision and approval: *Provided*, That, in case of failure or inability of the property owners to comply with the requirement within a specified period of time after demand, the city engineer shall cause the work to be done and the cost thereof collected as a special assessment from such owners who may choose to pay the same in full, or in ten equal installments which shall be due and payable to the City of Oroquieta in the same manner as the annual tax levied on real estate, and shall be made subject to the same penalties for delinquency.

and enforceable by the same remedies, as such annual tax; and all said sums and amounts shall from the day in which they are assessed, constitute liens on the property against which the same were assessed, and shall take precedence over any and all other liens which may exist upon such property excepting only such as may have been attached as a result of the nonpayment of said annual tax;

(2) To regulate the inspection, weighing and measuring of brick, lumber, coal and other articles or merchandise.

aa) Subject to the provisions of existing law, to provide for the laying out, construction and improvement, and to regulate the use of streets, avenues, alleys, sidewalks, wharves, piers, parks, cemeteries, and other public places; to provide for lighting, cleaning and sprinkling of streets and public places; to regulate, fix license fees for and prohibit the use of the same for processions, signs, signposts, awning, awning posts, and the carrying or displaying of banners, placards, advertisements, or handbills, or the flying of signs, flags or banners, whether along, across, over, or from buildings along the same; to prohibit the placing, throwing, depositing, or leaving of obstacles of any kind, garbage, refuse, or other offensive matters liable to cause damage in the street and other public places, and to provide for the collection and disposition thereof; to provide for the collection and disposition thereof; to provide for the inspection of fix the license fees for, and regulate the openings in the same for the laying of water, sewer and other pipes, the building and repair of tunnels, sewers and drains, and all structures in and under the same, and the erecting of poles and stringing of wires thereon; to provide for, and regulate crosswalks, curbs and gutters therein; to name streets without a name and provide for, and regulate the numbering of houses and lots fronting thereon, or in the interior of the blocks; to regulate traffic and sales upon the streets and other public places; to provide for the abatement of nuisances in the name, and punish the authors or owners thereof; to provide for the construction and maintenance and regulate the use of bridges, viaducts, and culverts; to prohibit and regulate ball playing, kite playing, hoop rolling, and other amusements which may annoy persons using the streets and public places, or frighten horses or other animals, or

obstruct other vehicles; to regulate the speed of horse and other animal-driven vehicle within the limits of the city;

(bb) To provide for the construction and maintenance of, and regulate the navigation on, canals, and water courses within the city, and provide for the cleansing and purification of the same; unless otherwise provided by law, to provide for the construction and maintenance, and regulate the use of public landing places, wharves, piers, docks and levees, and those of private ownership; and to provide for, or regulate the drainage and filling of private premises when necessary in the enforcement of sanitary rules and regulations issued in accordance with law. To undertake and carry out the reclamation of submerged land from the sea adjoining the city limits at the expense of the city, the area thus reclaimed to belong exclusively to the city, or to cause to be undertaken by private contractors such reclamation work on terms and conditions approved by the city council and the mayor;

(cc) Subject to the provisions of existing law, to fix the charges to be paid by all water craft landing at, or using public wharves, docks, levees, or landing places owned, operated, managed or controlled by the city;

(dd) Any provision of law to the contrary notwithstanding, to provide for the maintenance of waterworks for the purpose of supplying water to the inhabitants of the city, and for the purification of the source of water supply and the places through which the same passes, and to regulate the consumption and use of water; to fix, subject to the provisions of the Public Service Law, and provide for the collection of rents therefor, and to regulate the construction, repair and use of hydrants, pumps, cisterns and reservoirs;

(ee) To provide for the establishment, maintenance, and to regulate the use of public drains, sewers, latrines and cesspools;

(ff) Subject to existing rules and regulations issued in accordance with law, to provide for the establishment, maintenance, and to fix the fees for the use of, and regulate public stables, laundries and baths, and public markets, and prohibit the establishment or operation within the city limits of public markets by any persons, entity, association.

or corporation other than the city;

(gg) To establish or authorize the establishment of slaughterhouses, to provide for their veterinary or sanitary inspection, to regulate the use of the same, and to charge reasonable slaughter fees. No fees shall be charged for veterinary or sanitary inspection of meat from large cattle or other domestic animals slaughtered outside the city, when such inspection was had at the place where the animals were slaughtered;

(hh) To regulate, inspect and provide measures preventing any discrimination or the exclusion of any race or races in or from any institution, establishments, or service open to the public within the city limits, or in the sale and supply of gas or electricity, or in the telephone service; to fix and regulate charges therefor where the same has not been fixed by national law, to regulate and provide for the inspection of all gas, electric and telephone conduit mains, meters and other apparatuses, and provide for the condemnation, substitution or removal of the same when defective or dangerous;

(ii) To declare, prevent and provide for the abatement of nuisances; to regulate the ringing of bells and the making of loud or unusual noises; to provide that owners, agents or tenants or buildings or premises keep and maintain the same in sanitary condition, and that, in case of failure to do so within sixty days from the date a written notice is served, the city health officer shall cause the same to be kept in a sanitary condition, and the cost thereof to be assessed against the owner to the extent of not to exceed sixty *per centum* of the assessed value, which cost shall constitute a lien against the property; and to regulate and/or prohibit, or fix the license fees for the use of property on or near public ways, grounds, or places, or elsewhere within the city, or display by electric signs or the erection or maintenance of billboards or structures of whatever materials erected, maintained, or used for the display of posters, signs or other pictorial or reading matter, except signs displayed at the place or places where the profession or business advertised thereby is in whole or in part conducted;

(jj) To provide for the enforcement of the rules and regulations issued by the Director of Health Services; and by ordinance to prescribe penalties for violation of such rules and regulations;

(kk) To extend its ordinances over all waters within the city, and over any boat or other floating structures thereon, and for the purpose of protecting and insuring the purity of the water supply of the city, over all territory within the drainage area of such water supply, and within five hundred meters of any reservoir, conduit, canal, aqueduct, or pumping station used in connection with the city water service;

(ll) To regulate any other business or occupation being conducted within the city not specifically mentioned in the preceding paragraphs, and to impose a license fee upon all persons engaged in the same or who enjoy privileges in the city;

(mm) To fix and regulate the size, speed, and operation of motor and other vehicles within the city; to regulate the lights used on such vehicles; to establish bus stops and terminals; and prohibit and regulate the entrance of provincial public utility vehicles into the city, except those passing through the city;

(nn) To grant fishing and fishery privileges subject to the provisions of the Fisheries Act;

(oo) To fix the date of holding of a fiesta in the city, not oftener than once a year and to alter, not oftener than once in three years, the date fixed for the celebration thereof;

(pp) To enact all ordinances it may deem necessary and proper for the sanitation and safety, the furtherance of the prosperity, and the promotion of the morality, peace, good order, comfort, convenience, and general welfare of the city and its inhabitants, and such others as may be necessary to carry into effect and discharge the powers and duties conferred by this Charter; and to fix penalties for the violation of ordinances, which shall not exceed two hundred pesos fine or six months imprisonment, or both such fine and imprisonment, for a single offense;

(q) Subject to the provisions of existing law, to exercise the power of eminent domain for the following purposes; the construction or extension of roads, streets, sidewalks, boulevards, seawalls, bridges, ferries, levees, wharves, or piers, airfields; the reconstruction of public buildings, including schoolhouses, and the making of necessary improve-

ments in connection therewith; the establishment of parks, playgrounds, plazas, market places, artesian wells, or systems for the supply of water, irrigation canals and dams, and the establishment of nurseries, breeding stations for animals, health centers, hospitals, cemeteries, drainage systems, cess-pools, or sewerage systems and abattoirs; and

(rr) To dispose by lease or otherwise all lands of the public domain ceded to it by the National Government pursuant to the provisions of this Charter.

SEC. 17. *Restrictive provisions.* — No commercial sign, signboard, or billboard shall be erected or displayed on public lands, premises or buildings. If, after due investigation, and having given the owners an opportunity to be heard, the mayor shall decide that any sign, signboard, or billboard displayed or exposed to public view is offensive to the sight or is otherwise a nuisance, he may order the removal of such sign, signboard or billboard, and if same is not removed within ten days from receipt of the order issued by him, he may himself cause its removal, and the sign, signboard, or billboard shall thereupon be forfeited to the city and the expenses incident to the removal of the same shall become a lawful charge against any person or property liable for the erection or display thereof.

ARTICLE V. — *Departments and Offices of the City*

SEC. 18. *City Departments.* — There shall be the following city departments over which the mayor shall have direct control and supervision, notwithstanding any existing law to the contrary:

1. Department of Finance
2. Department of Engineering and Public Works
3. Law Department
4. Prosecution Department
5. Department of Health
6. Police Department
7. Fire Department
8. Department of Assessment

Consistent with law, the city council may, from time to time, make such readjustment of the duties of the several departments as the public interest may demand, and with the approval of the City Mayor, may create, merge and/or consolidate any department, division or office of the city with any other department, division or office.

SEC. 19. *Powers and duties of heads of departments.* — Each head of department of the city government shall be in control of such department and shall possess such powers as may be prescribed herein or by ordinance. He shall certify to the correctness of all payrolls and vouchers of his department covering the payment of money before payment, except as herein otherwise expressly provided. At least four months before the beginning of each fiscal year, he shall prepare and present to the mayor an estimate of the appropriation necessary for the operation of his department for the ensuing fiscal year, and shall submit therewith such information for purposes of comparison as the mayor may desire. He shall submit to the mayor as often as required reports covering the operation of his department.

In case of absence, sickness or inability to act for any other reason of the head of any of the city departments, or in case of temporary vacancy, the officer next in rank of that department shall act in his place with authority to sign all necessary papers, vouchers, requisitions and similar documents.

SEC. 20. *Appointment and removal of officials and employees.* — The President of the Philippines, with the consent of the Commission on Appointments, shall appoint the city judge and the auxiliary judge of the city; the city treasurer, the city engineer, the city fiscal and his assistants, the city health officer, and the city superintendent of schools. Said officers shall not be suspended nor removed except in the manner and for causes provided by law. Subject to the provisions of the Civil Service Law, the mayor shall appoint with the consent of the city council all other officers and employees paid out of city funds, and they shall be suspended or removed in accordance with law.

SEC. 21. *Officers not to engage in certain transactions.* — It shall be unlawful for any city officer, directly or indirectly, individually or as a member of a firm, to engage in any business transaction with the city, or with any of its authorized officials, boards, agents, or attorneys, whereby money is to be paid, directly or indirectly, out of the resources of the city to such person or firm; or to purchase any real estate or other property belonging to the city, or which shall be sold for taxes or assessments, or by virtue of legal process at the suit of the city; or to be surety for any person having a contract or doing business with the city, for the performance of

which security may be required; or to be surety on the official bond of any officer of the city; and shall not be financially interested in any transaction or contract in which the national government or any subdivision or instrumentality thereof or provincial government is an interested party.

SEC. 22. *Statement of Assets.* — Before assuming office, every official and regular or temporary employee of the city government shall file a sworn statement of his assets and property holdings.

ARTICLE VI. — *Department of Finance*

SEC. 23. *The City Treasurer.* — His powers and compensation. — There shall be a city treasurer who shall have charge of the department of finance and shall act as chief fiscal officer and financial adviser of the city and custodian of its funds. He shall receive a salary of eight thousand four hundred pesos *per annum*, which may be increased by the City Council to an amount not to exceed the maximum rate allowed by existing laws. He shall at the same time be the *ex-officio* City Assessor and shall have the following general powers and duties:

(a) To collect all taxes due the city, all licenses authorized by law or ordinance, all rents due for lands, markets and other properties owned by the city, all further charges of whatever nature fixed by law or ordinance; shall administer markets and slaughterhouses, and shall receive and issue receipts for all costs, fees, fines and forfeitures imposed by the city court;

(b) To collect all miscellaneous charges made by the engineering department and by the other departments of the city government, and all charges made by the city engineer for inspections, permits, licenses and the installations, maintenance, and services rendered in the operation of the private privy system;

(c) Unless otherwise specifically provided by law or resolution, to perform in and for the city the duties imposed by law or resolution upon provincial treasurers in general as well as other duties imposed upon him by law;

(d) To purchase and issue all supplies, equipment or other property required by the city, through the

purchasing agent, or otherwise, as may be authorized, subject to the general provisions of law relating thereto;

(e) He shall be accountable for all funds and property of the city and shall render such accounts in connection therewith as may be prescribed by the Auditor General;

(f) To deposit daily all city funds and collections in any bank duly designated as government depository; and

(g) To disburse the funds of the city in accordance with duly authorized appropriations, upon properly executed vouchers bearing the approval of the chief of the department concerned, and on or before the twentieth day of each month he shall furnish the mayor and the city council for their information, a statement of the appropriation, expenditures and balances of all funds and accounts as of the last day of the month preceding.

ARTICLE VII. — *Department of Engineering and Public Works*

SEC. 24. *The City Engineer* — His powers, duties and compensation. — There shall be a city engineer who shall have charge of the department of engineering and public works. He shall receive a salary not to exceed seven thousand two hundred pesos *per annum*, notwithstanding any provision of law to the contrary. He shall have the following powers and duties:

(a) To have charge of all the surveying and engineering works of the city; care, cleaning and sprinkling of streets, canals and esteros, parks and public grounds, bridges, playgrounds and recreation centers, and shall perform such services in connection with public improvements, or any work entered upon or projected by the city, or any department thereof, as may require the skill and experience of a civil engineer;

(b) To ascertain, record, and establish monuments of the city survey and from thence extend the survey of the city, and locate, establish and survey all city properties, also private properties abutting on the same whenever directed by the mayor;

(c) To prepare and submit plans, maps, specific-

allons and estimates for buildings, streets, bridges, docks and other public works, and supervise the construction and repair of the same;

(d) To make such tests and inspection of engineering materials used in construction and repair as may be necessary to protect the city from the use of materials of a poor or dangerous quality;

(e) To have the care of all public buildings when erected, including markets and slaughterhouses and buildings rented for city purposes, and of any system now or hereafter established by the city for lighting the streets, public places or public buildings;

(f) To take care of all public streets, parks and bridges, and shall maintain and regulate the use of the same for all purposes as provided for by ordinance shall collect and dispose of all garbage, refuse, the contents of closets, vaults and cesspools, and all other offensive and dangerous substances within the city and, in the event the disposal and collection of such garbage, refuse and other offensive substances has been awarded to a private contractor, the disposal and collection thereof shall be under the supervision of the city engineer;

(g) To have the care and custody of all public docks, wharves, piers, levees and landing places owned by the city;

(h) To prevent the encroachment of private buildings and fences on the streets and public places in the city;

(i) To have general supervision and inspection of all private docks, wharves, piers, levees and landing places; and other properties bordering on the harbor, river, esteros and waterways of the city; and to issue permits for the construction, repair and removal of the same; and enforce all ordinances relating to the same;

(j) To have the care and custody of the public system of waterworks and sewers, and all sources of water supply; and shall control, maintain and regulate the use of the same in accordance with the ordinance relating thereto; shall inspect and regulate the use of all private systems for supplying water to the city and its inhabitants and all private sewers and their connections with the public sewer systems;

(k) To supervise the laying of mains and connections for the purpose of supplying gas to the inhabitants of the city;

(l) To inspect and report upon the conditions of public property and public works whenever required by the mayor;

(m) To supervise and regulate the location and use of engines, boilers, forges and other manufacturing and heating appliances in accordance with law and ordinances relating thereto. He is authorized to charge fees at rates to be fixed by the city council for the sanitation and transportation services and supplies furnished by his department;

(n) To inspect and supervise the construction, repair, removal and safety of private buildings, and regulate and enforce the numbering of houses in accordance with the ordinances of the city;

(o) With the previous approval of the mayor in each case, to order the removal of buildings and structures erected in violation of the ordinances; to order the removal of materials employed in the construction or repair of any building or structure made in violation of said ordinances; and to cause buildings and structures dangerous to the public to be made secure or torn down; and

(p) To file and preserve all maps, plans, notes, surveys and other papers and documents pertaining to his office.

SEC. 25. *Execution of authorized public works and improvements.* — All public works constructions, repair and improvement of the city shall be carried out by administration of the Office of the City Engineer under the direct supervision and direction of the city mayor. The approval of plans and specifications thereof by the city mayor with the favorable recommendation of the city council and the city engineer shall constitute sufficient warrant for the undertaking and execution of said projects.

For justifiable reasons, the mayor, with the advice and consent of the city council, may also have said work done totally or partially by contract, upon advertising for bids, therefor: *Provided*, That in the case where the funds are borrowed from private firms or institutions and not obtained from taxes or any other governmental source, public bidding may be dispensed with.

ARTICLE VIII. — *Law Department*

SEC. 26. *The City Attorney — His powers, duties and compensation.* — There shall be a city attorney who shall be the legal adviser of the city. He shall receive a salary of seven thousand two hundred pesos *per annum*. He shall have the following powers and duties:

(a) To represent personally or through any assistant, the city in all civil cases wherein the city, or any officer thereof in his official capacity, is a party; and to prosecute and defend all civil actions related to or connected with any city officer or interest;

To institute and prosecute in the city's interest, a suit on any bond, lease, or other contract and, upon any breach or violation thereof, when directed by the Mayor;

(c) To give his opinion in writing, when requested by the mayor or the council or any of the heads of the city departments, upon any question relating to the city or the rights or duties of any city officer thereof,

(d) To attend meetings of the council when requested to draw ordinances, contracts, bonds, leases and other instruments involving any interest of the city, and inspect and pass upon any such instrument already drawn;

(e) To investigate or cause the investigation, whenever it is brought to his knowledge, that any city officer or employee is guilty of neglect or misconduct in office, or that any person, firm, or corporation holding or exercising any franchise or public privilege from the city, has failed to comply with any condition, or to pay any consideration mentioned in the grant of such franchise or privilege and report the same to the mayor, and

(f) To render such official services as the mayor or city council may require, and shall exercise and perform such additional powers and duties as may be prescribed by law or ordinance.

ARTICLE IV. — *Prosecution Department*

SEC. 27. *The City Fiscal — His powers, duties and compensation.* — There shall be a city fiscal who shall discharge his duties and powers subject to the

general supervision of the Secretary of Justice. He shall act as City Attorney *ex-officio* until the City Council, by ordinance provides otherwise, at which time the City Attorney shall be appointed as heretofore provided. As City Attorney *ex-officio*, he shall receive a salary of six hundred pesos *per annum*. The city fiscal shall receive a salary of seven thousand two hundred pesos *per annum*, any provision of law to the contrary notwithstanding, and which may be increased by the City Council to an amount not to exceed the limit fixed by existing laws. He shall have the following powers and duties:

(a) To have charge of the prosecution of all crimes and violations of the city ordinances in the city court of the city, or the Court of First Instance, and shall discharge all the duties in respect to criminal prosecution as are enjoined by law upon provincial fiscals;

(b) To cause to be investigated all charges of crimes, misdemeanors and violations of laws and city ordinances, and have the necessary informations or complaints prepared or made against the persons accused. He or any of his assistants may conduct such investigations by taking oral evidence of reputed witnesses, and for this purpose may, by *subpoena*, summon witnesses to appear and testify under oath before him, and *subpoena duces tecum* for the production of documents and other evidence. The attendance of an absent or recalcitrant witness may be enforced by application for a warrant of arrest to the city court or to the Court of First Instance;

(c) To cause to be investigated the cause of sudden deaths which have not been satisfactorily explained and when there is suspicion that the cause arose from the unlawful acts or omissions of other persons, or from foul play. For that purpose, he may cause autopsies to be made in case it is deemed necessary and shall be entitled to demand and receive the aid of the city health officers; and

(d) To render such official services as the mayor or the city council may require, and shall exercise and perform such additional powers and duties as may be prescribed by law or ordinance.

ARTICLE X. *Department of Health*

SEC. 28. *The City Health Officer — His powers*

duties and compensation. — There shall be a city health officer who shall have charge of the department of health. The Provincial Health Officer of the Provincial Health Officer of the Province of Misamis Occidental shall at the same time be *ex-officio* city health officer until otherwise provided by city ordinance, and shall receive a salary of six hundred pesos *per annum* as such *ex-officio* health officer. He shall have the following powers and duties:

(a) To have general supervision over the health and sanitary conditions of the city, including the cleaning of crematories, cemeteries, stockyards, slaughterhouses and markets;

(b) To execute and enforce all laws, ordinances and regulations relating to the public health;

(c) To recommend to the city council the passage of such ordinances, as he may deem necessary for the preservation of the public health;

(d) To cause to be prosecuted all violations of sanitary laws, ordinances, or regulations;

(e) He shall make sanitary inspections and may be aided therein by such members of the police force of the city or the National police as shall be designated as sanitary police by the chief of police or proper national police officer and such sanitary inspectors as may be authorized by law;

(f) He shall administer the city cemeteries and shall have charge of the duties related to the issuance of burial and transfer permits, and permits for the conveyance of body to seal for burial;

(g) To have control and supervision over puericulture centers, health centers and social services of the city;

(h) To keep a civil register for the city and shall record therein all births, marriages and deaths with their respective dates, annulments of marriages, legitimations, adoptions, acknowledgement of natural children, naturalization and changes of names; and

(i) To perform such other duties, not repugnant to law or ordinance, with reference to the health and sanitation of the city as the Director of Health Services shall direct. In case of epidemic or when the inhabitants of the city are menaced by any infectious or contagious diseases, the Director of Health

and sanitation services of the city until such condition shall have ceased to exist.

ARTICLE XI. — Police Department

SEC. 29. *The Chief of Police — His powers, duties, and compensation.* — There shall be a chief of police who shall at least be a Bachelor of Laws from the school or college of law duly recognized by the government, in addition to other qualifications prescribed by existing laws. He shall have charge of the police department and shall receive a salary of three thousand six hundred pesos *per annum*, which may be increased by the City Council, to an amount not to exceed the rates fixed by, and adjustable in accordance with, existing laws. He shall have the following powers and duties:

(a) To issue supplementary regulations not incompatible with law or general regulations promulgated by the proper department head of the National Government, in accordance with law, for the government of the city police and detective force;

(b) To quell riots, disorders, disturbances of the peace; and shall arrest and prosecute through the city fiscal, violators of law or ordinances; shall exercise exclusive police supervision over all land and water within the police jurisdiction of the city; shall be charged with protection of the rights of persons and property whenever found within the jurisdiction of the city, and shall arrest, when necessary, or prevent the escape of offenders and violators of law or ordinance, all who obstruct or interfere with him in the discharge of his duty; shall have charge of the city prison, and shall be responsible for the safekeeping of all prisoners until they shall be released from custody, in accordance with law, or delivered to the warden of the prison or penitentiary;

(c) He may take good and sufficient bail for the appearance before the judge of the city court of any person arrested for violation of any city ordinance: *Provided, however,* That he shall not exercise this power in cases of violation of any penal law, except when the fiscal of the city shall so recommend and fix the bail to be required of the person arrested;

(d) He shall have authority, within the police li-

mits of the city, to serve and execute criminal processes of any court,

(e) He shall be the deputy sheriff of the city, and as such, shall personally or by representative, attend the sessions of the city court, and shall execute promptly and faithfully all writs and processes of said court;

(f) He shall exercise supervision over the police training school established in accordance with the rules and regulations of the police department; and

(g) He shall have such further powers and perform such further duties as may be prescribed by law or ordinance.

SEC. 30. *Deputy Chief of Police.* — There shall be a deputy chief of police whose duties shall be to act as chief in the absence or incapacity of the chief of police and, under the direction of the chief of police to look after the discipline of the police force and perform such other duties as may be imposed upon him by the chief or prescribed by law or ordinance. He shall receive a salary of two thousand one hundred sixty pesos *per annum*, which may be increased by the City Council to an amount not to exceed the rates fixed by, and adjustable in accordance with, existing laws.

SEC. 31. *Chief of Secret Service.* — There shall be a chief of the secret service who shall, under the chief of police, have charge of the detective work of the department and of the detective force of the city, and shall perform such other duties as may be assigned to him by the chief of police or prescribed by law or ordinance. He shall receive a salary of which may be increased by the City Council to an amount not to exceed the rates fixed by, and adjustable in accordance with, existing laws. In his absence or temporary incapacity, the chief of police shall be the same time *ex-officio* chief of secret service.

SEC. 32. *Peace Officer — Their powers and duties* — The mayor, the chief of police, the deputy chief of police, the chief of the secret service, and all officers and members of the city police and detective force shall be peace officers. Such peace officers are authorized to serve and execute all processes of the city court and criminal processes of all other courts to whomsoever directed with in the jurisdictional

limits of the city or within the police limits as herein before defined; within the same territory, to pursue and arrest, without warrant, any person found in suspicious places or under suspicious circumstances reasonably tending to show that such person has committed, or is about to commit, a crime, or breach of peace; to arrest or cause to be arrested, without warrant, any offender when the offense is committed in the presence of a peace officer or within his view, and in, such pursuit or arrest, to enter any building, ship, boat or vessels, or take into custody, any person therein suspected of being concerned in such crime or breach of the peace, and any property suspected of having been stolen; and to exercise such other powers and perform such other duties as may be prescribed by law or ordinance. They shall detain an arrested person only in accordance with the provisions of existing laws relative to such detention. Whenever the mayor shall deem it necessary to avert danger or to protect life and property, in case of riot, disturbance, or public calamity, or when he has reason to fear any serious violation of law and order, he may request the assistance of the Philippine Constabulary or other members of the Armed Forces of the Philippines and/or other police agencies.

Except upon the occurrence of any such conditions, police jurisdiction and supervision and the preservation of peace and order shall pertain exclusively to the peace officers herein mentioned, existing law to the contrary notwithstanding.

SEC. 33. When a member of the city police is accused in court of any felony or violation of law or ordinance by the city fiscal, the mayor shall immediately suspend the accused from office in accordance with existing law pending the final decision of the case by the court. In case of acquittal, the accused shall be entitled to payment of the entire salary he failed to receive during his suspension.

ARTICLE XII. — Fire Department . . .

SEC. 34. *Chief of Fire Department — his powers, duties and compensation.* — There shall be a chief of fire department who shall have the management and control of all matters relating to the administration and organization, government, discipline, and disposal of the fire forces. He shall receive a salary of three

thousand pesos *per annum*, which may be increased by the City Council to an amount not to exceed the limit fixed by existing laws, any provision of law to the contrary notwithstanding. The chief of police shall at the same time acts as *ex-officio* chief of fire department until otherwise provided by city ordinance. The chief of fire department shall have the following powers and duties:

(a) To issue supplementary regulations not incompatible with law or general regulations issued by the proper department head of the national government in accordance with law, for the governance of the fire zone;

(b) To have charge of the fire engine houses, the fire engine, hose trucks, hooks and ladders, trucks and all other fire apparatuses;

(c) To have police powers in the vicinity of fires;

(d) To have authority to remove or demolish any building or other property whenever it shall become necessary to prevent the spreading of fire or to protect adjacent property;

(e) To investigate and report to the mayor on the origin and cause of all fires occurring in the city;

(f) To inspect all buildings erected or under construction or repair within the city, and determine whether they provide sufficient protection against fire and comply with the ordinances relating thereto;

(g) To have charge of the city telegraph, telephone and fire alarm service;

(h) To have exclusive power, notwithstanding any law to the contrary, to supervise and regulate the stringing, grounding and installation of wires for all electrical connections with a view to avoiding conflagrations, interference with public traffic or safety, or the necessary operation of the fire department;

(i) To condemn all defective electrical installations and shall take the necessary steps to effect immediate corrective action informing the mayor of the action taken;

(j) To supervise the manufacture, storage and use of petroleum, gas, acetylene, gunpowder and other highly combustible matter and explosives;

(k) No permit for the construction or repair of buildings within the city shall be granted unless the plans relative thereto have been approved by the chief of the fire department. He shall have the power to alter or disapprove such plans as do not provide for adequate protection against the occurrence of fires; and

(l) To have such powers and perform such duties as may further be prescribed by law or ordinance.

SEC. 35. *Deputy Chief of the Fire Department.*— There shall be a deputy chief of the fire department whose duties shall be to act as chief in the absence or incapacity of the chief of the fire department, to look after the discipline of the fire force and perform such duties as may be imposed upon him by the chief as prescribed by law or ordinance. He shall receive a salary to be fixed by city ordinance, any provision of law to the contrary notwithstanding.

ARTICLE XIII.—*Department of Assessment*

SEC. 36. *The City Assessor — His powers, duties and compensation.* — There shall be a city assessor who shall have charge of the department of assessment and who shall receive a salary of three thousand six hundred pesos *per annum*, which may be increased by the City Council to an amount not to exceed the limit fixed by existing laws any provision of law to the contrary notwithstanding.

The city treasurer shall act as city assessor *ex-officio* with a salary of six hundred pesos *per annum* until the city council, by ordinance, provides otherwise, at which time the city assessor shall have the following powers and duties:

(a) The city assessor and his authorized deputies are empowered to administer any oath authorized to be administered in connection with the valuation of real estate for the assessment and collection of taxes;

(b) To make a list of the taxable real estate in the city, arranging in the order of the lot and block numbers the names of the owners thereof, with a description of the property opposite each such name and the cash value thereof. In making this list, the city assessor shall take into consideration any sworn statement made by the owners of the pro-

erty, but shall not be prevented thereby from considering any other evidence on the subject and exercising his own judgment in respect thereto. For the purpose of completing this list, he and his representative may enter upon the real estate for the purposes of examining and measuring it, and may summon witnesses, administer oaths to them, and subject them to examination concerning the ownership and the amount of real estate and its cost value; and

(c) He may, if necessary, examine the records of the register of deeds of the province showing the ownership of real estate in the city.

SEC. 37. *Real estate exempt from taxation.* — The following shall be exempted from taxation:

(a) Land or building owned by the Republic of the Philippines, the Province of Misamis Occidental and the City of Oroquieta, burying grounds, churches, adjacent personages and convents, lands or buildings used exclusively for religious, charitable, scientific or educational purposes, and not for profit; but such exemption shall not extend to lands or buildings held for investment, though income therefrom be devoted to religious, charitable, scientific or educational purposes;

(b) Lands or buildings which are the only real property of the owner, and the value of which does not exceed four hundred pesos; and

(c) Machinery, which term shall embrace machines, mechanical contrivances, instruments, apparatus attached to the real estate, used for industrial, agriculture or manufacturing purposes, during the first five years of the operation of the machinery.

SEC. 38. *Declaration to be made by persons acquiring or improving real estate.* — It shall be the duty of each person who, at any time, acquires real estate in the city, and of each person who constructs or adds to any improvements on real estate owned by him in the city, to prepare and present to the city assessor within a period of sixty days next succeeding such acquisition, construction or addition a sworn declaration setting forth the value of the real estate acquired real estate who fails to make and present the declaration therein required within the period of sixty days shall be deemed to have

waived his right to notice of the assessment of such property, and the assessment of the same in the name and binding on all persons interested and, for all purposes, as though the same has been assessed in the name of its present owner.

SEC. 39. *Action when owner makes no return, or is unknown, or ownership is in dispute or in doubt, or when land and improvements are separately owned.* — If the owner of any parcel of real estate shall fail to make a return thereof, or if the city assessor is unable to discover the owner of any real estate, he shall nevertheless list the same for taxation and charge the tax against the true owner if known, and unknown, then as against an unknown owner. In case of doubt or dispute as to the ownership of real estate, the taxes shall be levied against the possessor or possessors thereof. When it shall appear that there are separate owners of the land and the improvements thereon, a separate assessment of the property shall be made.

SEC. 40. *Action in case estate has escaped taxation.* — If it shall come to the knowledge of the city assessor that any taxable real estate in the city has escaped listing, it shall be his duty to list and value the same at the time and in the manner provided in the next succeeding section, and to charge against the owner thereof the taxes due for the current year and the last preceding one year, and the taxes thus assessed shall be legal and collectible by all the remedies herein provided, and if the failure of the city assessor to assess such taxes at the time when they should have been assessed was due to any fault or negligence on the part of the owner of such property, the penalties shall be added to such back taxes.

SEC. 41. *When assessment may be increased or decreased.* — The city assessor shall, during the first fifteen days of January of each year, add to his list of taxation real estate in the city the value of the improvements placed upon such property during the preceding year, and any property which is taxable and which has therefore escaped taxation. He may during the same period revise and correct the assessed value of any or all parcels of real estate and buildings in the city. He shall depreciate the assessed value of private buildings in accordance with existing laws.

SEC. 42. *Publication of complete list and proceed-*

ings thereon. — The city assessor shall, after the list have been completed, inform the public by notice published for seven days in a newspaper of general circulation in the city, if any, and by notice posted for seven days at the main entrance of the city hall, that the list is on file in his office and may be examined by any person interested therein, and that upon the date fixed in the notice, which shall not be later than the tenth day of February, the city assessor will be in his office for the purpose of hearing complaints as to the accuracy of the listing of the property and the assessed value thereof. He shall further notify in writing each person the amount of whose tax will be changed by such proposed revision by delivering or mailing at least thirty days in advance of the date fixed in of its former owner shall in all such cases be valid authorized agent at the last known address of such owner or agent in the Philippines.

It shall be his duty to carefully preserve and record in his office copies of said notice. On the day fixed in the notice, and for five days thereafter, he shall be present in his office to hear all complaints filed within the period by persons against whom taxes have been assessed as owners of real estate, and he shall make his decision forthwith and enter the same in a well-bound book, to be kept by him for that purpose, and if he shall determine that injustice had been done or errors have been committed, he is authorized to amend the list in accordance with his findings.

SEC. 43. *City Assessor to authenticate list of real estate assessed.* — The city assessor shall authenticate each list of real estate valued and assessed by him as soon as the same is completed, by signing the following certificate at the foot thereof:

"I hereby certify that the foregoing list contains a true statement of the piece or pieces of taxable real estate belonging to each person named in the list and its true assessed value, and that no real estate taxable by law in the City of Orogue has been omitted from the list, according to the best of my knowledge and belief.

Signature of City Assessor

SEC. 44. *Time and manner of appealing to Board of Tax Appeals.* — In case an owner of real estate, or his authorized agent, shall feel aggrieved by any

decision of the city assessor under the preceding section of this article, such owner or agent may, within thirty days after the entry of such decision, appeal to the Board of Tax Appeals. The appeal shall be perfected by filing a written notice of the same with the city assessor and it shall be the duty of that officer forthwith to transmit the appeal to the Board of Tax Appeals with all the written evidence in his possession relating to such assessment and valuation.

SEC. 45. *Constitution and compensation of Board of Tax Appeals.* — There shall be a City Board of Tax Appeals which shall be composed of five members to be appointed by the President of the Philippines with the consent of the Commission on Appointments. The members of the board shall be selected from among government officials in the city other than those in charge of assessment and they shall serve without additional compensation.

The two other members shall be selected from among property owners in the city and they shall each receive a compensation of ten pesos each for each day of session actually attended. The chairman of the board shall be designated in the appointment and shall have the power to designate any city officials or employee to serve as the secretary of the board without additional compensation.

The members of the city board of Tax Appeals shall hold office for a term of two years unless sooner removed by the President of the Philippines.

SEC. 46. *Oath to be taken by members of the City Board of Tax Appeal.* — Before organization as such, the members of the City Board of Tax Appeals shall take the following oath before the city judge or any other officer authorized to administer oaths:

"I do solemnly swear (or affirm) that I will hear and determine well and truly all matters and issues submitted for my decision. So help me God. (In case of affirmation the last words are to be stricken out.)

Signature

SUBSCRIBED AND SWORN TO (or affirm) before me this day of, 19

Signature and title of Officer administering oath"

SEC. 47. *Proceedings before the City Board of Tax Appeals and the department head.* — The City Board of Tax Appeals shall hold such number of sessions as may be authorized by the Secretary of Finance, and shall hear and decide all appeals duly transmitted to it. It shall have authority to cause to be amended listing and valuation of the property in respect to which any appeal has been perfected by order signed by board or a majority thereof, and transmit it to the city assessor who shall amend the tax list in conformity with said order. It shall also have power to revise and correct with the approval of the department head if first had, any and all erroneous or unjust assessments and valuations for taxation, make a correct and just assessment and state the true valuation in each case when it decides that the assessment previously made is erroneous or unjust assessments and valuations for taxation, make a correct and just assessment and state the true valuation in each case when it decides that the assessment previously made is erroneous or unjust. The assessment when so corrected shall be as lawful and valid for all purposes as though the assessment had been made within the time herein prescribed. Such reassessment and revaluation shall be made on due notice to the individual concerned who shall be entitled to be heard by the City Board of Tax Appeals before any reassessment or revaluation is made. The decision of the City Board of Tax Appeals shall be final unless the department head declares the decision reopened for review by him in which case he may make such revision or revaluation as in his opinion the circumstances justify. Such decision when approved by the President of the Philippines shall be final.

SEC. 48. *Taxes on real estate— Extension and remission of the tax.* — A tax, the rate of which shall not exceed one and one-half *per centum ad valorem* to be determined by the city council shall be levied annually on or before the second Monday of January on the assessed value of all real estate in the city subject to taxation. All taxes on real estate for any year shall be due and payable in four installments in accordance with existing laws and such taxes together with all penalties accruing thereto shall constitute a lien on the property subject to such taxation.

Such lien shall be superior to all other liens, mortgages or encumbrances of any kind whatsoever; and shall be enforceable against the property whether

in the possession of the delinquent or any subsequent owner, and can only be removed by payment of the tax and penalty.

Any person, who on the last day, set for the payment of the real estate tax as provided in the existing laws, shall be within the premises of the City Hall, willing and ready to pay the tax but is unable to effect it on account of the large number of taxpayers therein present, shall be furnished a properly prescribed card which will entitle him to pay the tax without penalty on the following day.

The words "paid under protest" shall be written on the face of the real estate tax receipt upon the request of any person willing to pay the tax under protest. Confirmation in writing of an oral protest shall be made within thirty days.

At the expiration of the time for the payment of the real estate tax without penalty, the taxpayer shall be subject, from the first day of delinquency, to the payment of a penalty at the rate of one *per centum* for each full month of delinquency that has expired, on the amount of original tax due, until the tax shall have been paid in full or until the property shall have been forfeited to the city as provided this Act: *Provided*, That in no case shall the total penalty exceed twelve *per centum* of the original tax due.

In the event that the crop is extensively damaged or that a great lowering of prices of products is registered in any year, or that a similar disaster extends throughout the province, or for other good and sufficient reason, the city council may, by resolution passed on or before the thirty-first day of December of such year, extend the time for the collection of the tax on real estate in the city for a period of not to exceed three months, or remit wholly or in part the payment of the tax penalty for the ensuing year, but such resolution shall have to specify clearly the grounds for such extension or remission and shall not take effect until it shall have been approved by the department head.

The President of the Philippines may, in his discretion, remit or reduce the real estate taxes for any year in the city if he deems this to be in the public interest.

SEC. 49. *Seizure of the personal property for delinquency in payment of the tax.* — After a property

shall have become delinquent in the payment of taxes and the corresponding penalty or penalties shall remain unpaid ninety days after payment thereof shall have become due, the city treasurer or his deputy, if he desires to compel payment through seizure of any personal property of any delinquent person or persons, shall issue a duly authenticated certificate, based on the records of his office, showing the fact of delinquency and the amount of the tax and penalty due from said delinquent person or persons or from each of them. Such certificate shall be sufficient warrant for the seizure of the personal property belonging to the delinquent person or persons in question not exempt from seizure; and these proceedings may be carried out by the city treasurer or his deputy, or any other officer authorized to carry out legal proceedings.

SEC. 50. *Personal property exempt from seizure and sale for delinquency.* — The following personal property shall be exempt from seizure, sale and execution for delinquency in the payment of the real estate tax:

- (a) The tools and implements necessarily used by the delinquent in his trade or employment;
- (b) Two horses, or two cows, or two carabaos, or other beasts of burden, such as the delinquent may select, and necessarily used by him in his ordinary occupation;
- (c) His necessary clothing and that of his family;
- (d) Household furniture and utensils necessary for housekeeping, and used for that purpose by the delinquent, such as he may select, of a value not exceeding five hundred pesos;
- (e) Provisions for individual or family sufficient for three months;
- (f) The professional libraries of lawyers, judges, physicians, pharmacists, dentists, engineers, surveyors, clergymen, school teachers and music teachers, not exceeding one thousand pesos in value;
- (g) One fishing boat and net, the property of any fisherman, by the lawful use of which he earns a livelihood;
- (h) So much of the earnings of the delinquent for his personal services within the month preced-

ing the levy as are necessary for the support of his family;

(i) Lettered gravestones;

(j) All monies, benefits, privileges, or annuities accruing or in any manner growing out of any life insurance, if the annual premiums paid do not exceed five hundred pesos, and if they exceed that sum, a like exemption shall exist which shall bear the same proportion to the moneys, benefits, privileges and annuities so accruing or growing out of such insurance that said five hundred pesos bears to the whole annual premiums paid; and

(k) Any article or material which forms part of a home or of any improvement on any real estate.

SEC. 51. — *The owner may redeem the personal property before sale.* — The owner of the personal property seized may redeem the same from the collecting officer at any time after seizure and before sale by tendering to him the amount of the tax, the penalty, and the cost incurred up to the time of tender. The costs to be charged in making such seizure and sale shall only embrace the actual expenses of seizure and preservation of the property pending the sale and no charge shall be imposed for the services of the collecting officer or his deputy.

SEC. 52. *Sale of seized personal property.* — unless redeemed as hereinbefore provided, the property seized through proceedings under the preceding section, shall after due advertisement, be exhibited for sale at public auction, and so much of the same shall be sold to the highest bidder. The purchaser at such sale shall acquire an indefeasible title to the property sold.

The advertisement shall state the time, place and cause of sale, and be posted for ten days prior to the date of the auction, at the main entrance to the City Hall, and at a public and conspicuous place in the district where the property was seized.

The sale shall take place, at the discretion of the city treasurer or his deputy, either at the main entrance of the City Hall or at the district where the property was seized. If no satisfactory bid is offered in the aforementioned places, another auction shall be had upon notice published anew.

SEC. 53. *Return of Officer — Disposal of surplus.*

— The officer directing the sale under the preceding section shall forthwith make return of his proceedings, and note thereof shall be made by the city treasurer in his records. Any surplus resulting from the sale, over and above the tax, penalty and cost, and any property remaining in possession of the officer shall be returned to the taxpayer on account of whose delinquency the sale has been made.

SEC. 54. *Vesting title to real estate in the city government.* — Upon the expiration of one year from the date on which the taxpayer became delinquent, and in the event of continued default in the payment of the tax and penalty, all private rights, titles and interest, in and to the real estate on which said tax is delinquent, shall be indefeasibly vested in the city government, subject only to the rights of redemption and repurchase hereinafter provided for: *Provided*, That the title acquired by said city government to real estate shall not be superior to the title thereto of the original owner prior to the seizure thereof.

SEC. 55. *Redemption of real estate seizure.* — At any time after the delinquency shall have occurred, but not after the expiration of ninety days from the date of the publication of the advertisement provided for in the next succeeding section, the owner or his lawful representative, or any person having any lien, right, or any other legal or equitable interest in said property may pay the taxes and penalties accrued and thus redeem the property. Such redemption shall operate to divest the city government of its title to the property in question and to revert the same to the original owner prior to the seizure.

SEC. 56. *Notice and seizure of the real estate.* Notice of the seizure of the real estate shall be given by posting notices at the main entrance of the City Hall, the Provincial Capitol Buildings and all the Municipal buildings in the Province of Misamis Occidental, in English and Spanish, and in the dialect commonly used in the locality; and a copy of said notice shall be sent by registered mail to the owner of the property. A copy of said notice shall also be posted in the property subject to seizure. Such notice shall state the name of the delinquent person, the date on which such delinquency commenced, the amount of the taxes and penalties then due, and shall state that unless such taxes and penalties are paid within ninety days from the date of publi-

cation of such notice, the forfeiture of the delinquent real estate to the city government shall become absolute.

SEC. 57. *Ejection of occupants of seized property.* — After the expiration of ninety days from the date of the publication of the notice of delinquency provided for in the next preceding section, the city treasurer or his deputy may issue to the mayor or to other officers authorized by law to execute and enforce the laws, a certificate describing the parcel of real estate on which the taxes due and the penalties and costs accrued by reason of the delinquency, and requesting him to eject from said property all the tenants and occupants thereof. Upon receiving such certificate, the mayor or any other official authorized to enforce the law shall forthwith have all the tenants and occupants who refused to recognize the title of the city expelled from the property in question, and to that end he may use the police force. *Provided, however*, That if the property so seized is, or includes a residential home, the occupant thereof shall be given sufficient time not exceeding ten days from the date of the notice of ejection to vacate the premises.

SEC. 58. *Redemption of real property before sale.* — After the title to the property shall have become vested in the city government in the manner provided for in the preceding sections, and at any time prior to the sale or the execution of the contract of sale by the city treasurer to a third party, the original owner or his authorized representative, or any person having any lien, right or other legal interest or equity in said property, shall have the right to redeem the entire property in question by paying the full amount of the taxes and penalties due thereon at the time of the seizure, and if the city treasurer shall have entered into a lease of the property, the redemption shall be made subject to such lease: *Provided*, That the payment of the price of sale may at the discretion of the purchaser be made in installments, extending over a period not exceeding twelve months, but the initial payment which must be made on the date of the filing of the application for redemption and every subsequent payment, shall not be less than twenty-five per centum of the entire sum due, and shall in no case be less than two pesos, unless the total or the balance of the amount due on all seized property in the name of the taxpayer is less than two pesos. The

purchaser may occupy the property after paying the first installment, and the usual taxes on the property shall be payable in the year after that in which the application for redemption was approved. Any failure of the purchaser to pay an installment on the date it is due shall have the effect of a forfeiture to the city government of any partial payment made by said purchaser and, in case he has taken possession of the property, he will forthwith surrender the same to the city government. In case the purchaser should fail to relinquish possession of said property, the city treasurer or his deputy shall forthwith adopt measures, to eject therefrom all the tenants or occupants thereof as provided for in this Act: *Provided*, That the original owner of any real estate seized prior to the approval of this Act who redeems the same within six months subsequent to its approval is hereby released from any obligation he may have to the government for rent for the use of such property: *Provided, finally*, That the provisions of this section shall apply to redemption of real estate seized for delinquency in the payment of taxes thereof and not redeemed up to the date of the approval of this Act.

SEC. 59. *Notice of sale of real estate at public auction.*—At any time after the forfeiture of any real estate shall have become absolute, the treasurer pursuant to the rules of procedure promulgated by the department head may announce the sale of the real estate seized on account of delinquency for the payment of taxes thereof, for the redemption of which no application has been filed. Such announcement shall be made by posting for three consecutive weeks at the main entrance of the city hall and the municipal buildings of the province, in either English or Spanish, and in the dialect commonly used in the locality, and by publishing the same once a week for three consecutive weeks in a newspaper of general circulation in the city. Copies of such notice shall be sent immediately by registered mail to the delinquent taxpayer at the latter's home address, if known. The notice shall state the amount of the taxes and penalties due, the time and place of sale, the name of the taxpayer against whom the taxes are levied, and the appropriate area, the lot number and the location by district and street, and/or barrio where the real estate to be sold is situated.

SEC. 60. *Sale of real estate — Conditions.* — At any time during the sale or prior thereto, the taxpayer

may stay the proceedings by paying the taxes and penalties to the treasurer or his deputy. Otherwise the sale shall proceed and shall be held either at the main entrance of the city hall or on the premises of the real estate to be sold as the city treasurer or his deputy may determine. The payment of the sale price may, at the option of the purchaser, be made in installments covering a period of not more than twelve months, but the initial payment which shall be made at the time of the sale, and each subsequent payment shall not be less than twenty five *per centum* of the sale price, and shall in no case be less than two pesos, unless the total or the balance of the amount due on all seized property in the name of the taxpayer is less than two pesos. The purchaser may occupy the property after paying the first installment and the usual taxes on the property shall be payable in the year following that in which the sale took place. Any failure of the purchaser to pay the total price of the sale within twelve months from the date thereof shall be sufficient ground for its cancellation, and any part payment made shall revert to the government and, if the purchaser has taken possession of the property, he shall forthwith surrender the same to the city government. In case the purchaser should fail to relinquish possession of the property, the city treasurer or his deputy shall immediately take steps to eject the tenants or occupants of the property in accordance with the procedure prescribed in Section fifty-seven of this Act.

The city treasurer or his deputy shall make a report of the sale to the city council within five days after the sale and shall make the same appear on its records. The purchaser at this sale shall receive from the city treasurer or his deputy a certificate showing the proceedings of the sale, describing the property sold, stating the name of the purchaser, the sale price, the conditions of payment, the amount paid, and the exact amount of the taxes and penalties.

SEC. 61. *Redemption of real estate after sale.* — Within one year from and after the date of the sale, delinquent taxpayer or any other person in his behalf shall have the right to redeem the property sold by paying to the city treasurer or his deputy the amount of the taxes, penalties, cost and interests at the rate of twelve *per centum per annum* on the purchase price, if paid in whole or on any por-

tion thereof as may have been paid by the purchaser and such payment shall invalidate the certificate of sale issued to the purchaser, if any, and shall entitle the person making such payment to a certificate to be issued by the city treasurer or his deputy, stating that he has thus redeemed the property, and the city treasurer or his deputy, upon the return by the purchaser of the certificate of sale previously issued to him, shall forthwith refund to the purchaser the entire sum paid by him with interest at twelve *per centum per annum*, as provided for herein, and such property shall thereafter be free from the lien of such taxes or penalties.

SEC. 62. *Execution of deed of final sale.* — In case the delinquent taxpayer shall not redeem the property sold as herein provided within one year from the date of sale, and the purchasers shall then have paid the total purchase price, the city treasurer, as grantor, shall execute a deed in form and effect sufficient to convey to the purchaser so much of the real estate against which the taxes have been assessed as has been sold, free from all liens or encumbrances of any kind whatsoever, and said deed shall succinctly recite all the proceedings upon which the validity of the sale depends. Any balance remaining from the proceeds of the sale, after deducting the amount of the taxes and penalties due, and costs, if any, shall be returned to the original owner or his representatives.

SEC. 63. *Taxes and penalties which shall be paid upon redemption or repurchase.* — The taxes and penalties to be paid by way of redemption or repurchase shall comprise in all cases only the original tax by virtue of the failure to pay for which the seizure was made, and its incidental penalties, up to the date of the forfeiture of the real estate to the government.

SEC. 64. *Taxes — Legal Procedure.* — (a) The assessment of a tax shall constitute a lawful indebtedness of the tax payer to the city which may be enforced by civil action in any court of competent jurisdiction, and this remedy shall be in addition to all remedies provided by law;

(b) No court shall entertain any suit assailing the validity of a tax assessed under this Charter until the taxpayer shall have paid, under protest the taxes assessed against him; nor shall any court declare any tax invalid by reason of irregularities or infor-

malities of the officers charged with the assessment or collection of taxes or of a failure to perform their duties within the time specified for their performance, unless such irregularities, informalities, or failures shall have impaired the substantial rights of the taxpayer;

(c) No court shall entertain any suit assailing the validity of the tax sale of land under this Charter until the taxpayer shall have paid into the court the amount for which the land was sold, together with interest at rate of twelve *per centum per annum* upon the sum from the date of the sale to the time of instituting the suit. The money so paid into the court shall belong and be delivered to the purchaser of the tax sale, if the deed is declared invalid and shall be returned to the depositor should he fail in his action; and

(d) No court shall declare any such sale invalid by reason of any irregularities or informalities by the proceeding of the officers charged with the duty of making the sale, or by reason of failure by him to perform his duties within the time herein specified for their performance unless such irregularities, informalities, or failure shall have impaired the substantial rights of the taxpayer.

ARTICLE XVI. — *Tax Allotments and Special Assessment for Public Improvements*

SEC. 65. *Allotment of internal revenue and other taxes.* — Of the internal revenue accruing to the National Treasury under Chapter II, Title XII of Commonwealth Act Numbered Four hundred sixty-six, and other taxes collected by the National Government and allotted to the various provinces, as well as the national aid for school, the city shall receive a share equal to what it would receive if it were a regularly organized province.

SEC. 66. *Power to levy special assessment for certain purposes.* — The city council may, by ordinance, provide for the levying and collection, by special assessment of the land comprised within the district or section of the city specially benefited, of a part not to exceed forty *per centum* of the cost of laying out, opening, constructing, straightening, widening, extending, grading, paving, curbing, walling, widening, or otherwise establishing, repairing, enlarging, or improving public avenues, roads, streets, alleys, sidewalks, parks, plazas, bridges, land-

ing places, wharves, piers, docks, levees, reservoirs, waterworks, water mains, water courses, esteros, canals, drains and sewers, including the cost of acquiring the necessary land and public improvements thereon, as hereinafter provided.

In case of national public works, the city council, as an agency of the national government, shall when the President of the Philippines so directs it provide for the levying and collection by special assessment of the lands within the section or district of the city especially benefited of the cost or a part thereof to be determined by the President, of laying out, opening, constructing, straightening, widening, extending, grading, paving, curbing, walling or deepening, or otherwise repairing, enlarging, or improving national roads and other national public works within the city, including the cost of acquiring the necessary land and improvement thereon.

SEC. 67. Property subject to special assessment.— All lands comprised within the district or section benefited except those owned by the Republic of the Philippines shall be subject to the payment of the special assessment.

SEC. 68. Basis of apportionment.— The amount of the special assessment shall be apportioned and computed according to the assessed valuations of such lands as shown in the books of the city assessor. If the property has not been declared for taxation purposes, the city assessor shall immediately declare it for the owner and assess its value, and such value shall be the basis of the apportionment and computation of the special assessment due thereon.

SEC. 69. Ordinance levying special assessment.— The ordinance providing for the levying and collection of a special assessment shall describe with reasonable accuracy the nature, extent, and location of the work to be undertaken; the probable cost of the work; the percentage of the cost to be defrayed by special assessment, the district or section which shall be subject to the payment of the special assessment; and shall describe with reasonable accuracy the metes and bounds, if practicable, and by other reasonable accurate means if otherwise, and the period which shall not be less than five or more than ten years, in which said special assessment shall be payable without interest. One uniform rate per

centum for all lands in the entire district or section subject to the payment of all the special assessment need not be established, but different rates for different parts or sections of the city according as said property will derive greater or less benefit from the proposed work may be fixed.

It should be the duty of the city engineer to make the plans, specifications, and estimates of the public works contemplated to be undertaken.

SEC. 70. Publication of proposed ordinance levying special assessment.— The proposed special assessment ordinance shall be published, with a list of the owners of the lands affected thereby, once a week for four consecutive weeks in any newspaper published in the city, one in English, one in Spanish, and one in the local dialect, if there be any. Circulation in Spanish and the local dialect shall also be posted in places where the public notices are generally posted in the city and also in the district or section where the public improvement is constructed or contemplated to be constructed.

The Secretary of the city council, on application furnish a copy of the proposed ordinance to each landowner affected, or his agent, and shall, if possible, send to all of them a copy of said proposed ordinance by ordinary mail or otherwise.

SEC. 71. Protest against special assessment.— Not later than ten days after the last publication of the ordinance and the list of landowners, as provided in the preceding section, the landowners affected may file with the city council a protest against the enactment of the ordinance. The protest shall be duly signed by them and shall set forth the addresses of signers and the arguments in support of their objection or protest against the special assessment established in the ordinance. If no protest is filed within the time and under the condition above specified, the ordinance shall be considered approved as published.

SEC. 72. Hearing of protest.— The city council shall designate a date and place for the hearing of the protest filed in accordance with the next preceding section and shall give their addresses and to protestants who have given their addresses and to all landowners affected by any protest or protests, and shall order the publication once a week for two consecutive weeks, of a notice of the place and date

of the hearing in the same manner herein provided for the publication of the proposed special assessment ordinance. All pertinent arguments and evidence presented by the landowners' interest or their attorney shall be attached to the proper records. After the hearing, the city council shall either modify its ordinance or approve it *in toto* and send notice of its decision to all interested parties who have given their addresses, and shall order the publication of the ordinance as approved finally together with a list of the owners of the parcels of land affected by special assessment, three times weekly, for three consecutive weeks, in the same manner herein above prescribed. The ordinance finally passed by said body shall be sent to the mayor with all the papers pertaining thereto, for his approval or veto as in the case of any city ordinance. If the mayor approves it, the ordinance shall be published as above provided, but if he vetoes it, the procedure in similar cases provided in this Charter shall be observed.

SEC. 73. When ordinance is to take effect. — Upon the expiration of thirty days from the date of the last publication of the ordinance as finally approved, the same shall be effective in all respects, if on appeal therefrom is taken to the proper authorities in the manner hereinafter prescribed.

SEC. 74. Appeal.—Any time before the ordinance providing for the levying and collection of special assessments becomes effective in accordance with the preceding section, appeals from such assessment may be filed with the President of the Philippines in the case of public works undertaken or contemplated to be undertaken by the national government, and with the Secretary of Finance in the case of public works undertaken or contemplated to be undertaken by the city. In all cases, the appeal shall be in writing and signed by at least a majority of the owners of the lands situated in the special assessment zone whose holdings represent more than one-half of the total assessed value of the lands affected. The appellant or appellants shall immediately give the city council a written notice of the appeal, and the Secretary of the city council shall, within thirty days after receipt of the notice of appeals, forward to the officer who has jurisdiction to decide the appeal an excerpt from the minutes of the board relative to the proposed special assessment, and all the documents in connection therewith.

SEC. 75. Decision of the appeal. — Only appeal made within the time and in the manner prescribed in this Act shall be entertained, and the officer to whom the appeal is made may call for further hearing or decide the same in accordance with its merits as shown in the paper or documents submitted to him. All appeals shall be decided within sixty days after receipt by the appellate officer of the docket of the case, and such decision shall be final.

SEC. 76. Fixing of amount of special assessment.

— As soon as the ordinance is in full force and effect, the city treasurer shall determine the amount of the special assessment which the owner of each parcel of lands comprised within the zone described in the ordinance levying the same is to pay each year during the prescribed period, and shall send to each landowner a notice thereof by ordinary mail. If upon completion of the public works it should appear that the actual cost thereof is smaller or greater than the estimated cost, the city treasurer shall without delay proceed to correct the assessment by increasing or decreasing, as the case may be, the special tax on each parcel of land affected, or the balance of the unpaid annual installments. If all annual installments have already been paid, the city treasurer shall fix the amount of credit to be allowed to, or the additional special tax to be levied upon, the land as the case may be. In all cases, he shall give notice of such rectifications to the parties interested.

SEC. 77. Payment of special assessment. — All sums due from any landowner or owners as the result of any action taken pursuant to this Article shall be payable to the city treasurer in the same manner as the annual ordinary tax levied upon real property, and shall be subject to the same penalties for delinquency and be enforced in the same manner as said annual ordinary tax; and all said sums together with any of said penalties shall, from the date on which they were assessed, constitute special liens on said land, with sole exception of the lien for the non-payment of the ordinary real property tax. If, upon recomputation of the amount of the special assessment in accordance with the next preceding section, it appears that the landowners had paid more than what is correctly due from him, the amount paid in excess shall be refunded to him immediately upon demand; in other cases, the land-

owner shall have one year within which to pay without penalty the amount still due from him. Said period be counted from the date the landowner received the proper notice.

SEC. 78. *Disposition of proceeds.* — The proceeds of the special assessment and penalties thereon shall be applied exclusively to the purpose or purposes for which the assessment were levied. It shall be the duty of the city treasurer to turn over the National Treasurer all collections made by him from special assessment levies for national public works.

ARTICLE XV. — *City Budget*

SEC. 79. *Annual Budget.* — At least four months before the beginning of each fiscal year, the city treasurer shall present to the mayor a certified detailed statement by department of all receipts and expenditures of the city pertaining to the preceding fiscal year, and to the first seven months of the current fiscal year, together with an estimate of the receipts and expenditures for the remainder of the current fiscal year; and he shall submit with this statement a detailed estimate of the revenues and receipts of the city from all sources for the ensuing fiscal year. Upon receipt of this statement and estimate and the estimates of the department heads are required by Section nineteen of this Charter, the mayor shall formulate and submit to the city council at least two and half months before the beginning of the ensuing fiscal year, a detailed budget covering the estimated necessary expenditure for the said ensuing fiscal year, which shall be the basis of the annual appropriation ordinance. *Provided, however,* That in no case shall the aggregate amount of such appropriation exceed the estimate of revenue and receipts submitted by the city treasurer as provided above.

SEC. 80. *Supplemental Budget.* — Supplemental budget formulated in the same manner as the annual budget may be adopted when special or unforeseen circumstances make such action necessary.

SEC. 81. *Failure to enact an appropriation ordinance.*—Whenever the city council fails to enact an appropriation ordinance for any fiscal year before the end of the current year, the appropriation ordinance for such year shall be deemed reenacted, and shall go into effect on the first day of July of the new fiscal year as the appropriation ordinance for that year.

ARTICLE XVI. — *The City Courts*

SEC. 82. *Regular, auxiliary and acting judges of city courts.* — There shall be a city court for the City of Oroquieta for which there shall be appointed a city judge and an auxiliary city judge.

The city judge may, upon proper application, be allowed a vacation of not more than thirty days every year with salary. The auxiliary city judge shall discharge the duties of the city judge in case of absence, incapacity or inability of the latter until he assumes his post, or until a new judge shall have been appointed. During his incumbency, the auxiliary city judge shall enjoy the powers, emoluments and privileges of the city judge who shall not receive any remuneration therefor except the salary to which he is entitled by reason of his vacation provided for in this Act.

In case of absence, incapacity or inability of both the city judge and the auxiliary city judge, the executive District Judge of the Court of First Instance of Misamis Occidental shall designate the municipal judge of any of the adjoining municipalities to preside over the city court, and who shall hold office temporarily until the regular incumbent or the auxiliary judge thereof shall have resumed office or until another judge shall have been appointed in accordance with the provisions of this Act. The municipal judge so designated shall receive his salary as municipal judge plus one-third of the salary of the city judge whose office he has temporarily assumed.

The city judge shall receive a salary not exceeding nine thousand six hundred pesos *per annum* to be paid by the National Government.

SEC. 83. *Clerk and employees of the city court.* — There shall be Clerk of Court of the city court who shall be appointed by the City Judge in accordance with Civil Service Law, Rules and Regulations, and who shall receive a salary of not to exceed three thousand pesos *per annum*, any provision of law to the contrary notwithstanding. He shall keep the seal of the court and affix it to all orders, judgments, certificates, records and other documents issued by the court. He shall keep a docket of the trials in court wherein he shall record in a summary manner the names of the parties and the various proceedings in civil cases, and in criminal cases, the name of the defendant, the charge

against him, the names of the witnesses, the date of the arrest, the appearance of the defendant, together with the fines and costs adjudged or collected in accordance with judgment. He shall have the power to administer oaths.

The Clerk of Court of the city court shall at the same time be sheriff of the city and shall as such have the same powers and duties conferred by existing law upon provincial sheriffs. The city council may provide for such number of clerks in the office of the clerk of court of the city court as the need of the service may demand. Said clerks shall be appointed by the mayor with the consent of the city council subject to Civil Service Rules and Regulations.

SEC. 84. Jurisdiction of City Court. — The city court shall have the same jurisdiction in civil and criminal cases, and the same incidental powers as are at present or hereafter conferred by law. It may also conduct preliminary investigations for any offenses without regard to the limits of punishment and may release or commit and bind over any person charged with such offense to secure his appearance before the proper court.

SEC. 85. Procedure in city court in prosecution for violation of laws and ordinances. — In a prosecution for the violation of any ordinance, the first process shall be a summon; except that a warrant for the arrest of the offender may be issued in the first instance upon the affidavit of any person that such ordinance has been violated, and that the person making the complaint has reasonable grounds to believe that the party charged is guilty thereof, which warrant shall conclude: "Against the ordinance of the city in such cases made and provided."

All proceedings and prosecutions for offenses against the laws of the Philippines shall conform to the rules relating to process, pleading, practice and procedure for the judiciary of the Philippines, and such rules shall govern the city court and its officers in all cases insofar as the same may be applicable. An appeal from the city court to the Court of First Instance shall be governed by the provisions of the rules of court.

SEC. 86. Preliminary examinations in the city fiscal's office, city court and Court of First Instance. — Every person arrested shall, without necessary delay, be brought before the city fiscal, the city court,

or to the Court of First Instance, for preliminary hearing, release on bail or trial. In cases triable in the city court, the defendant shall not be entitled as of right to a preliminary examination, except to summary one to enable the court to fix the bail in any case where the prosecution announces itself ready and is ready for trial within three days, not including Sundays, after the request for an examination is presented. In cases triable only in the Court of First Instance, the defendant shall not be entitled as of right to preliminary examination in any case where the fiscal of the city, after due examination of the facts, shall have presented an information against him in proper form. But the Court of First Instance may make such summary investigation into the case as it may deem necessary to enable it to fix the bail or determine whether the offense is bailable.

SEC. 87. Cost, fees, fines and forfeitures in City Court. — There shall be taxed against and collected from the defendant in case of his conviction in the city court such costs and fees as may be prescribed by law in criminal cases in city courts. All costs, fees, fines and forfeitures shall be collected by the Clerk of Court, who shall keep a docket of those imposed and of those collected, and shall deliver collections of the same to the city treasurer for the benefit of the city on the next business day after the same are collected, and take receipts therefor. The city judge shall examine said docket each day, compare the same with the amount receipted for by the city treasurer and satisfy himself that all such costs, fees, fines and forfeitures have been duly accounted for.

SEC. 88. Commitment to prison. — No person shall be confined in the prison by sentence of the city court until the warden or officer in charge of the prison shall receive a written commitment showing the offense for which the prisoner was tried, the date of the trial, the exact terms of the judgment or sentence, and the date of the order of the commitment. The clerk of court shall, under seal of the court, issue such commitment in each case of sentence to imprisonment.

ARTICLE XVII. — Bureaus Performing Municipal Duties

SEC. 89. General Auditing Office. — City Auditor. — The city auditor, under the supervision of the

Auditor General, shall receive and audit all accounts of the city, in accordance with the provisions of law relating to government accounts and accounting. The Provincial Auditor of Misamis Occidental shall at the same time be *ex-officio* City Auditor until otherwise provided by city ordinance, and shall receive a salary not to exceed six hundred pesos per annum as such *ex-officio* city auditor.

SEC. 90. *The City Register of Deeds.* — The city shall have a register of deeds who shall take charge of the registration of real properties situated within the city and such related activities connected therewith. In addition, he shall exercise and perform such power and duties as provided by law or ordinance.

The Commissioner of the Land Registration Commission shall exercise the same jurisdiction and powers in the city as elsewhere in the Philippines.

The Register of Deeds of the Province of Misamis Occidental shall act as city register of deeds *ex-officio* of the City of Oroquieta until otherwise provided by city ordinance, and shall receive a salary not to exceed six hundred pesos per annum as such *ex-officio* city Register of Deeds.

SEC. 91. *The Bureau of Supply Coordination.* — If the city mayor should so request, the purchasing agent shall purchase and supply in accordance with law, supplies, equipment, materials and property of every kind, except real estate, for the use of the city and its department and offices. But contracts for completed work of any kind for the use of the city, or any of its departments or offices, involving both labor and materials are furnished by the contractor, shall not be deemed to be within the purview of this section.

SEC. 92. *The Bureau of Public Schools—Superintendent of City Schools.* — The Director of the Bureau of Public Schools shall exercise the same jurisdiction and powers in the city as elsewhere in the Philippines, and the city superintendent of schools shall have all the powers and duties in respect to the schools of the city. The city superintendent of schools shall receive a salary in accordance with existing law: *Provided*, That salaries of the city superintendent, supervisors, principals, teachers and other operational expenses of the primary, intermediate, secondary and other public schools in the city

shall be borne by the National Government. The clerical force and assistants and laborers in the office of the city superintendent of schools shall be appointed by the city mayor with the consent of the city council and in accordance with the civil service law, and their salaries shall be paid by the city as well as the office expenses for supplies and materials incident to the operation of said office.

Any provision of law to the contrary notwithstanding, the city is hereby constituted as a separate school division.

The city council shall have the same powers with respect to the establishment of schools as are conferred by law on municipal councils.

SEC. 93. *Reports to the Mayor concerning schools.—Construction and custody of school buildings.* — The city superintendent of schools shall make a quarterly report to the mayor on the condition of schools and school buildings of the city, and make such recommendations as seem to him wise with respect to the number of teachers, their salaries, new buildings to be erected and all other similar matters.

SEC. 94. *The Motor Vehicle Registrar.*— The city shall have a motor vehicle registrar who shall take charge of the registration of motor vehicles within the city and such related activities connected therewith. In addition, he shall exercise and perform such powers and duties as provided by law or ordinance. He shall receive a salary in accordance with existing laws, and shall be borne by the National Government.

The Commissioner of the Land Transportation Commission shall exercise the same jurisdiction and powers in the city as elsewhere in the Philippines.

ARTICLE XVIII.—*Regulations of Places of Amusements, Sales of Intoxicating liquors and powers over subdivisions and dedication of streets, highways, and other ways in subdivisions*

SEC. 95. *Power of City Council over amusement places.* — All laws and executive orders as well as municipal ordinances and resolutions existing at the time of the approval of this Act referring to the regulation of night clubs, cabarets, dancing schools, pavilions, cockpits, bars, saloons, bowling alleys, billiard pools and tables, boxing contests and other

places of amusements, and the regulations for the sale of intoxicating liquors, shall continue in force within the city, until the city council and the mayor shall be ordinance provide otherwise.

SEC. 96. *Power over subdivisions.* — The city council shall have the power by ordinance approved by the department head to require that no plot or plan of subdivision of a residential estate within its jurisdiction shall be presented for approval or verification by the Bureau of lands or Land Registration Commission until the same shall have been proved by the city council upon recommendation of the city engineer under such regulations as may be provided by ordinance. Such regulations may provide for the proper arrangements, design, and width of streets in relation to other existing or planned streets, for adequate and convenient open spaces for traffic, public service, access of fire-fighting apparatus, recreation, light, and air for the avoidance of congestion of population including minimum width and area of lots in the several districts or sections of the city, such regulations may also include provisions as to the extent and methods by which streets and other ways be graded, drained and improved; and water and sewer and other public service drains, piping, or other facilities installed. Such regulations shall provide for approval of the plot or plan within sixty days after the submission thereof to the city council.

SEC. 97. *Dedication of streets, highways and other ways in subdivisions.* — If the subdivider offers the dedication for streets, highways and other ways for public use in the subdivision, approval of the final plot by the city, and the completion of the construction of such streets, highways, and other ways, as shown in such plot by the subdivider, shall constitute acceptance of such dedication by the city.

ARTICLE XIX. — *Ownership of Lands of the Public Domain within the city*

SEC. 98. *Ownership of lands of the public domain within the city.* — The National Government hereby cedes to the City of Oroquieta the ownership and possession of all lands of the public domain within the city.

ARTICLE XX. — *Miscellaneous Provisions*

SEC. 99. *City acquisition and operation of utilities.*

—The city may own and operate any gas, water, heat, power, light, telephone or other public utility for supply to its own needs of utilities service, or for supplying utility service to private consumers, or both. It may construct all facilities reasonably needed for that purpose and may acquire by purchase, condemnation, or otherwise, any existing utility property so needed; but no proceedings to acquire any such public utility shall be consummated unless the city has the money in the Treasury to pay for the acquisition or has made provision for paying for the property proposed to be acquired.

Subject to the provisions of any applicable law or Public Service Commission Regulations, the City Council may fix rates, fares and prices for city-owned or operated utilities, but such rates, fares and prices shall be just and reasonable. In like manner, the council may prescribe the time and manner in which payments for all such services shall be made, and may make such other regulations as may be necessary, and prescribe penalties for violation of such regulations.

The city council may, in lieu of providing for the local production of gas, electricity, water and other utilities, purchase the same in bulk and resell them to local consumers at such rates as it may fix in accordance with law.

The city council may, if the public interest will be served thereby, contract with any responsible person, partnership or corporation, for the operation by lease of any utility owned by the city, upon the basis of the highest and best bid therefor, and upon such terms and conditions which shall be clearly set forth in an ordinance authorizing the taking of bids on the proposed lease.

SEC. 100. *Engineering fund.* — The engineering fund of the city shall be considered as city funds as well as all sums of money accruing to the city by virtue of any Public Works Act approved by Congress.

SEC. 101. *Ordinances, etc., of the municipality to remain in force.* — All ordinances, resolutions, orders or other regulations of the municipality on the date of the approval of this Act shall continue in full force and effect until repealed, modified or superseded by the city council by ordinance.

SEC. 102. *Ownership of waterworks, electric*

light and power and telephone systems, roads, streets, etc. —Any provisions of law to the contrary notwithstanding, all existing waterworks, electric light and power, and/or telephone systems that may be operated by the Municipality of Oroquieta shall be owned by the city, and revenues therefrom shall accrue to the general fund of the city.

All existing municipal, provincial and national roads, streets, bridges, docks, piers, wharves, machineries, equipment and other public works improvements within the territorial jurisdiction of the Municipality of Oroquieta shall be owned by the city, and all the funds and assets of the Municipality of Oroquieta shall be owned by the city and its liabilities shall be assumed by the city, any provision of law to the contrary notwithstanding.

ARTICLE XXI. *Final and Transitory Provisions*

SEC. 103. *Change of Government.* — The city government provided for in this charter shall be organized upon the approval of this Act. The incumbent municipal mayor, vice-mayor, and members of the Municipal Council of the Municipality of Oroquieta shall continue in office as mayor, vice-mayor, and members of the city council of the city, respectively, until the expiration of their present term of office. The incumbent municipal treasurer shall automatically continue to be the city treasurer, provided that he possesses the necessary qualifications and civil service eligibilities required of the said position, until terminated in accordance with existing laws.

SEC. 104. *Participation in election of provincial officials.* — The voters of the City of Oroquieta shall be qualified and entitled to vote in the election of Provincial Governor, Provincial Vice-Governor, and Members of the Provincial Board of the Province of Misamis Occidental.

SEC. 105. *Congressional District.*—Until otherwise provided by law, the City of Oroquieta shall continue as part of the Lone Congressional District of the Province of Misamis Occidental.

SEC. 106. The barrios of Pines, Buenavista, Apil, Malindang, San Vicente Bajo, San Vicente Alto, Babilbol, Dullan Sur, Dullan Norte, Dolipos Bajo, and Dolipos Alto, now forming part of the Municipality of Oroquieta, Misamis Occidental, shall be organized and created into one separate municipality

if, in a plebiscite, to be held simultaneously with the general elections in November, 1971, a majority of the voters in said barrios would favor it and to be known as the Municipality of Pines, with its seat of municipal government at the present site of Barrio Pines, otherwise, said barrios shall continue as part of the corporate existence of the City of Oroquieta.

SEC. 107. Forty-five per cent of the real estate taxes collected in the City of Oroquieta shall accrue to the Province of Misamis Occidental for a period of five years from and after the approval of this Act.

SEC. 108. *Barrio Councils.* — All barrio councils existing on the day of the inauguration of the City of Oroquieta shall remain to exist and govern in accordance with the provisions of the Barrio Charter, Republic Act Numbered Thirty-five hundred ninety.

SEC. 109. *Separability Clause.* — If any part or section of this Charter should be declared unconstitutional, such declaration shall not invalidate the other provisions thereof.

SEC. 110. *Effectivity.*—This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, there are some Committee amendments. They are as follows:

1. Page 89, lines 19 to 24 and page 90, lines 1 to 18.—Section 83 is wholly amended to read as follows: "Sec. 83 Clerk and employees of the city court.—There shall be a Clerk of Court and other personnel of the city court who shall be appointed by the City Judge in accordance with Civil Service Law, Rules and Regulations. Subject to Civil Service Law, Rules and Regulations, the clerk of court and other personnel of the municipal court of the municipality of Oroquieta shall continue to hold their respective positions in the city court of the city of Oroquieta. Their compensation shall be paid by the National Government. The Clerk of Court shall keep the seal of the court and affix it to all orders, judgments, certificates, records, and other documents issued by the court. He shall keep a docket of the trials in court wherein he shall re-

cord in a summary manner the names of the parties and the various proceedings in civil cases, and in criminal cases, the name of the defendant, the charge against him, the names of witnesses, the date of the arrest, the appearance of the defendant, together with the fines and costs adjudged or collected in accordance with judgment. He shall have the power to administer oaths."

"The Clerk of Court of the city court shall at the same time be sheriff of the city and shall as such, have the same powers and duties conferred by existing law upon provincial sheriffs. The city council may provide for such number of additional clerks in the office of the clerk of court of the city court as the need of the service may demand. Said clerks shall be appointed by the mayor with the consent of the city council subject to Civil Service Rules and Regulations.

2. Page 101, lines 20 to 24. — Section 104 is wholly amended to read as follows: "Sec. 104. Participation in election of provincial officials.— The voters of the city of Oroquieta shall be qualified and entitled to vote in the election of provincial governor, provincial vice-governor, and members of the provincial board of the province of Misamis Occidental, in the general elections to be held in 1971 and 1975. Thereafter said voters shall not vote in the elections of such provincial officials."

3. Page 102, lines 5 to 16. — Section 106 should be completely deleted.

4. Page 102, line 17. — "Section 107" should read "Section 106".

5. 102, line 21. — "Section 108" should read "Section 107".

6. Page 103, line 2. — "Section 109" should read "Section 108".

7. Page 103, line 6. — "Section 110" should read "Section 109".

Mr. President, I move for the approval of the amendments just read.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being no objection, the amendments are approved.

The PRESIDENT PRO TEMPORE. Are there any individual amendments?

Senator PADILLA. Mr. President, I am proposing this amendment. On page 89, line 16, change the word "exceeding" to "LESS THAN" so that the sentence will read:

"The city judge shall receive a salary not LESS THAN nine thousand six hundred pesos per annum to be paid by the National Government."

The reason, Mr. President, is that if we limit the salary of the city judge to this amount as maximum the other city and municipal judges will be receiving higher salaries. This will follow the trend of any general law standardizing the salaries of municipal or city judges.

Senator TOLENTINO. No objection, Mr. President.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being no objection, the amendments are approved.

Senator PADILLA. May I know whether Section 106 of the bill appearing on page 102 has been deleted?

Senator TOLENTINO. Section 106 has been deleted by a Committee amendment.

Senator PADILLA. Section 107 is a strange provision, but I understand that that is an agreement between the provincial and municipal officials.

Now, regarding the effectivity clause. May I move to follow the effectivity clause of the other charters, like that one of the City of Tayug, Pangasinan?

Senator TOLENTINO. It is the same.

Senator PADILLA. Which is to provide for a plebiscite.

Senator TOLENTINO. It is the same and that has been approved already. I introduced the amendment having identical provision as that of the Tayug bill.

Senator PADILLA. I see, and that has been approved already, providing therefore for a plebiscite.

Senator TOLENTINO. Plebiscite to coincide with the elections in November, 1969.

Senator PADILLA. I see. I did not know that there was such an amendment already approved. Thank you, Mr. President.

Senator TOLENTINO. If there are no further amendments, I move for the approval of the bill, as amended.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18650 is approved on second reading, as amended.

CONSIDERATION AND APPROVAL OF HOUSE BILL NO. 18744

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18744.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18744 is now in order. The Secretary will please read the bill.

The SECRETARY:

AN ACT CREATING THE MUNICIPALITY OF TOMAS OPPUS IN THE PROVINCE OF SOUTHERN LEYTE.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled :

S539|* & 1. The barrios of San San Isidro, Punning, Hinapo, Rizal, Maslog, Banday, Cambite, Cabascan, Cawayan, Anahawan, Carnaga, Maanyag, Tinago and Salvacion in the Municipality of Malitbog, Province of Southern Leyte are separated from said municipality and created into a distinct and independent municipality to be known as the Municipality of Tomas Oppus. The seat of government of the new municipality shall be in the present site of the barrio of San Isidro.

S53. 2. The municipality of Tomas Oppus as herein created shall have the following boundaries:

"Beginning at the mouth of the Canumay Stream on the shoreline of Sogod Bay, marked Point 1; thence, following upstream the Canumay Stream until it intersects the municipal boundaries of Malitbog between the municipalities of Malitbog and Matalom, marked Point 2; thence, following the boundaries between the municipalities of Malitbog and Matalom in a northerly direction to the intersection of the municipal boundaries of Malitbog, Matalom and Bontoc, marked Point 3; thence, following the Higosan River downstream to its mouth at the shoreline in Sogod Bay, marked Point 4; thence, following the boundary of the marine waters which this municipality shall have pursuant to Section Twenty-three hundred twenty-one of the Revised Administrative Code to Point marked 1, the point of beginning."

Sec. 3. The first mayor, vice-mayor and councilors of the municipality shall be elected in the next general elections.

Sec. 4. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I ask for its approval on second reading.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18744 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18758

Senator TOLENTINO. Mr. President, I ask

that we now consider House Bill No. 18758.

The PRESIDENT. Consideration of House Bill No. 18758 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT CREATING CERTAIN BARRIOS IN THE MUNICIPALITY OF CALUBIAN, PROVINCE OF LEYTE.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION. 1. The following barrios are hereby created in the Municipality of Calubian, Province of Leyte: Barrio Efe which shall be located between Barrio Nipa and Sitio OLog; Barrio Don Luis, between Sitio Ol-og and Poblacion Barrio Gutosan; Barrio Guadalupe Mendoza, between Sitio Cabonllwan and Boundary Egag; Barrio Ferdinand E. Marcos, between Poblacion Barrio Gutosan and Calubian River; Barrio Cabalquinto, between Calubian River and Sitio Sabang; Barrio Cabradilla, between Sitio Candoyong and Barrio Cantanghao; Barrio P. Espinoza, between Santo Niño street and Santa Felomina street; Barrio Mahait, between New town and Sitio Pongoay; Barrio F. Garganera, between San Juan street and Calubian wharf; Barrio Marcelino R. Veloco between Guinsorongan District and Sitio Lucas; Barrio Cristina, between Sitio Awak-awak and Sitio Cambenio; Barrio Tabla, between North Poblacion Barrio Villanueva and Barrio Pangpang; Barrio Padoga, between Villahermosa River and Barrio Luzon; Barrio Paula, between Sitio Jubay-jubay and one half of Poblacion Barrio Villalon; Barrio H. Agasi, between Sitio Tallsay, Batuan and Boundary Barrio Inlad; Barrio Dalumpines between Barrio Caroyocan and Barrio Jubay; and Barrio Kokoy Romualdez, between Barrio Jubay and Barrio Laray. Sitio Malbog is hereby converted into a barrio to be known as Barrio Labtic.

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SEC. 2. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I ask for its approval on second reading.

The PRESIDENT. We shall now vote on the

bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18758 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18633

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18633.

The PRESIDENT. Consideration of House Bill No. 18633 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT PROVIDING FOR THE STANDARDIZATION OF SALARIES OF CERTAIN OFFICIALS OF QUEZON CITY AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The provisions of the Revised Charter of Quezon City, as amended, to the contrary notwithstanding, the following officials of Quezon City shall receive from the funds of the city their annual compensation as fixed hereunder:

City Mayor	P36,000.00
Vice Mayor	32,000.00
City Councilors each at	26,000.00
Secretary to the Mayor	24,000.00
Assistant Secretary to the Mayor ..	22,000.00
City Secretary	24,000.00
Assistant City Secretary	22,000.00
City Auditor	24,000.00
Assistant City Auditor	22,000.00
City Treasurer	24,000.00
Assistant City Treasurer	22,000.00
City Engineer	24,000.00
Assistant City Engineer	22,000.00
Assistant City Superintendent of Schools	

for Secondary Schools 22,000.00

Assistant City Superintendent of Schools	
for Elementary Schools	22,000.00
City Health Officer	24,000.00
Assistant City Health Officer	22,000.00
Chief of Police	24,000.00

Deputy Chief of Police	22,000.00
City Assessor	24,000.00
Assistant City Assessor	22,000.00
Chief, Fire Department	24,000.00
Deputy Chief, Fire Department	22,000.00
Executive-Legislative Liaison Officer	20,000.00

SEC. 2. The officials hereinabove mentioned shall receive commutable representation allowance to be determined by the City Council and as approved by the City Mayor, which shall in no case exceed their annual compensation: *Provided, however,* That in case of the City Mayor and Vice Mayor, the City Council may, in its discretion, provide them in addition to their salaries and representation allowances, a commutable quarters allowance each in the amount of not more than twelve thousand pesos *per annum.*

SEC. 3. The incumbent officials holding the positions effected by this Act shall receive their salary increase and allowances upon the effectivity thereof without the necessity of new appointments: *Provided, however,* That the last two positions mentioned in Section one hereof which are hereby created shall be considered as permanent and embraced in the classified service, the appointment thereto to be extended by the City Mayor, subject however to existing civil service law, rules and regulations.

Sec. 4. This Act shall take effect upon its approval.

COMMITTEE AMENDMENTS

Senator TOLENTINO. Mr. President, there are amendments to this bill. On page 1, line 9, delete: P24,000 and in lieu thereof place P23,000.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being no objection, the amendments are approved.

Senator TOLENTINO. On line 10, delete P22,000 and place instead P20,000.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being no objection, the amendments are approved.

Senator TOLENTINO. On line 12, delete P22,000 and in lieu thereof insert P20,000.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being no objection, the amendments are approved.

AN ACT CREATING THE MUNICIPALITY OF TOMAS OPPUS IN THE PROVINCE OF SOUTHERN LEYTE.

Senator TOLENTINO. On page 2, line 1, delete "P24,000.00" and, in lieu thereof, place "P23,000.00."

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being no objection, the amendments are approved.

Senator TOLENTINO. On the same page, line 2, delete "22,000.00" and, in lieu thereof, place "20,000.00."

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being no objection, the amendments are approved.

Senator TOLENTINO. On the same page, line 3, delete "24,000.00" and, in lieu thereof, place "23,000.00."

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being no objection, the amendments are approved.

Senator TOLENTINO. On the same page, line 4, delete "22,000.00" and, in lieu thereof, place "20,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, line 5, delete "24,000.00" and, in lieu thereof, place "23,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page line

6, delete "22,000.000", and, in lieu thereof, place "20,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, between lines 6 and 7, insert the following: "CITY ARCHITECT 20,000.00"

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the page, line 8, delete "22,000.00" and, in lieu thereof, place "20,000.00" and, in lieu thereof, place "20,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, between lines 8 and 9, insert the following:

"CITY JUDGES EACH AT .. 22,000.00
CITY FISCAL 23,000.00
CLERK OF COURT OF THE
CITY COURT 20,000.00"

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, line 10, delete "22,000.00" and, in lieu thereof, place "20,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, between lines 10 and 11, insert the following: "CITY SUPERINTENDENT OF LIBRARY 20,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, line 11, change "22,000.00" to "20,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, line 12, change "22,000.00" to "20,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, line 13, change "24,000.00" to "23,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, line 14, change "22,000.00" to "20,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, line 15, change "24,000.00" to "23,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, line 16, change "22,000.00" to "20,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, line 17, change "24,000.00" to "23,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, line 18, change "22,000.00" to "20,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

jection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, line 19, change "22,000.00" to "20,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, line 21, change "20,000.00" to "18,000.00."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On the same page, line 22, between the words "mentioned" and "shall," insert the words "AND THE FIRST ASSISTANT CITY FISCAL."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. The Committee has no more amendments, Mr. President.

The PRESIDENT PRO TEMPORE. Any individual amendments?

Senator PADILLA. Mr. President.

The PRESIDENT PRO TEMPORE. The Minority Floor Leader.

Senator PADILLA. I have heard, among the items in this bill, that one of them is an insertion regarding the First Assistant City Fiscal is also provided for, is it not?

Senator TOLENTINO. Yes, Your Honor. There is already a provision. It says, "The officials hereinabove mentioned" — and since the City Fiscal is already mentioned, he is included.

Senator PADILLA. In the bill he is not specified?

Senator TOLENTINO. No, we inserted an amendment.

Senator PADILLA. Has Your Honor inserted an amendment?

Senator TOLENTINO. Yes, Your Honor.

Senator PADILLA. I am sorry. Now, Your Honor, are these amendments in accordance with the, we might say, recommendations of the City Mayor of Quezon City?

Senator TOLENTINO. Yes, Your Honor. I have here the latest letter of the City Mayor dated May 14, but it reiterates a previous letter sent to your humble colleague.

Senator PADILLA. I was furnished a copy of the letter this afternoon, but it seems that there are other items inserted by Your Honor which do not appear in this letter of the City Mayor.

Senator TOLENTINO. No, Your Honor. We inserted the item for City Judges because it is not in the bill. The item for City Fiscal is not in the bill; we have inserted that. The item for Clerk of Court of the City Court, we have inserted that also because it is not in the bill. Of course, Mr. President, in a telephone conversation I told the City Mayor that it seems the difference in salary between the department head and the assistant is too small. The recommended amounts were P23,000 for the department head and P22,000 for the assistant. We have made it P20,000 for the assistant instead of P22,000.

Senator PADILLA. So, for the First Assistant City Fiscal, it is P20,000; for the City Fiscal, it is . . .

Senator TOLENTINO. No. In the the case of assistant city fiscals, Mr. President, there is a different *escalafon* provided in the law. I think provided in the law. I think there is a 900-peso difference between each bracket.

Senator PADILLA. Thank you, Your Honor.

APPROVAL ON SECOND READING OF
H. NO. 18633

Senator TOLENTINO. Mr. President, I move Agent? for the approval of the bill as amended.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18633 as amended is approved on second reading.

CONSIDERATION OF H. NO. 18508

(Continuation)

Senator TOLENTINO. Mr. President, I ask that we now resume consideration of House Bill No. 18508.

The PRESIDENT PRO TEMPORE. Resumption of consideration of House Bill No. 18508 is now in order.

Senator TOLENTINO. Mr. President, we had taken up this bill before but we had suspended consideration. I believe we can now pass upon and take action on it. This bill creates the position or office of the Commercial Agent for new provinces that do not have this office. The existing or old provinces have this office already. So, for the new provinces, this office is being created—and the scale of salary is specified in the bill.

Senator PADILLA. Mr. President.

The PRESIDENT PRO TEMPORE. The Minority Floor Leader.

Senator PADILLA. Will the distinguished Majority Floor Leader yield to a few questions.

The PRESIDENT PRO TEMPORE. The gentleman may yield if he so desires.

Senator TOLENTINO. Willingly, Mr. President.

Senator PADILLA. Do I understand, Your Honor, that the particular provinces mentioned in this bill, House Bill No. 18508, are the only provinces without this office of the Commercial

Senator TOLENTINO. That is our understanding, Mr. President. This is authored by congressmen of the provinces which were divided into new provinces.

Senator PADILLA. My inquiry the last time, Mr. President, was whether each of the other provinces not mentioned in this bill—including those which have been subdivided—have likewise this office of the Commercial Agent.

Senator TOLENTINO. We were made to understand in a general way, Mr. President, that existing or old provinces already have this office and only the new provinces do not have this office. So, they are being given this new office in the bill.

Senator PADILLA. There may be other provinces. For example, I understand that Lanao del Sur does not have this office of the Commercial Agent.

Senator TOLENTINO. Mr. President, it is possible. I will admit that it may be possible because what was given to us was a general statement. It is possible that when we go to each of the provinces, one by one, there may be one or two provinces that may not have this office actually or may not have actually appointed a commercial agent. But if the office exists, although there is no incumbent, it is a matter of filling the office.

Senator PADILLA. Well, that is all right—if an office already exists as created by law and the incumbent has not been appointed. But if the office has not been created and there is no position to fill. . . .

Senator TOLENTINO. Then maybe, if we find such provinces, we can amend the law or present a bill to provide for that.

Senator PADILLA. Well, presently, I have been advised that Lanao del Sur is not one of these

provinces with this office of the Commercial Agent. Will Your Honor have any objection to including Lanao del Sur?

Senator TOLENTINO. Oh, no, Your Honor. If it does not have this office, we can include Lanao del Sur.

Senator PADILLA. There is a suggestion.

Senator ALMENDRAS. Mr. President.

The PRESIDENT PRO TEMPORE. The gentleman from Davao.

Senator ALMENDRAS. I would like to amend the proposal introduced by the distinguished Majority Floor Leader — "AND ALL OTHER PROVINCES WITHOUT THE OFFICE OF COMMERCIAL AGENT."

Senator TOLENTINO. In other words.

Senator ALMENDRAS. Mr. President, I believe the reason why Lanao del Sur was not included here is because Lanao del Sur was recently created or divided. The bill, Mr. President, was only for Cotabato and Samar — provinces that were newly divided. I believe, Mr. President, there might be some other provinces without any office.

Senator TOLENTINO. Mr. President, we will accept that amendment of the distinguished gentleman from Davao. So the phraseology of the bill will be that on page 1, line 3, delete the word "and" before the word "Davao," and on line 4, between the words "Norte," and "which" insert the words "AND SUCH PROVINCES WHICH DO NOT HAVE SUCH OFFICE."

Senator PELAEZ. Mr. President, may I offer an amendment to the amendment? Since Lanao del Sur has already been mentioned, could we not make that specific, after Lanao del Sur, and Camiguin.

Senator TOLENTINO. Well, in that case, Mr. President, I will ask for a vote first on the amendment.

The PRESIDENT PRO TEMPORE. Any ob-

jection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. To incorporate the amendment suggested by the distinguished gentleman from Misamis Oriental, on line 2, before the word "Davao" insert the words "LANAO DEL SUR, CAMIGUIN," I move for the approval of the amendment.

The PRESIDENT PRO TEMPORE. Is Camiguin a province?

Senator TOLENTINO. Yes, Your Honor.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move that the title be correspondingly amended to follow the amendments introduced in the body of the bill.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. I move that the bill as amended be approved.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill as amended on second reading. As many as are in favor of the bill as amended will please say *Aye.* (*Several senators: Aye.*) As many as are against will please say *Nay.* (*Silence.*) House Bill No. 18508 is approved on second reading as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 15654

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 15654.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 15654 is now in order.

The Secretary will please read the bill.
The SECRETARY:

AN ACT CONVERTING THE MUNICIPAL PORT OF NAVAL IN THE PROVINCE OF LEYTE INTO A NATIONAL PORT.

Re it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The municipal port of Naval in the Province of Leyte is hereby converted into a national port.

SEC. 2. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I ask for its approval on second reading.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye.* (*Several senators: Aye.*) As many as are against will please say *Nay.* (*Silence.*) House Bill No. 15654 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 2095

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 2095.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 2095 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING SECTIONS TEN AND THIRTEEN OF REPUBLIC ACT NUMBERED FORTY-FIVE HUNDRED SEVENTY-TWO.

Re it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Sections ten and thirteen of Republic Act Numbered Forty-five hundred seventy-two, entitled "An Act converting the Leyte Regional School of Arts and Trades into the Leyte Institute of Technology giving it corporate existence, providing for a Board of Trustees, defining the Board's responsi-

bilities and duties, providing higher vocational professional, educational and technical instruction and training in trade and industrial education, offering of technological, engineering, education and other professional courses, and for other purposes" is hereby amended to read as follows:

"SEC. 10. THERE SHALL BE A REGISTRAR WHO SHALL KEEP RECORDS OF THE INSTITUTE AND PERFORM SUCH OTHER DUTIES AS MAY BE DESIGNATED BY THE PRESIDENT OF THE INSTITUTE. THERE BE ONE SECRETARY OF THE BOARD OF TRUSTEES AND KEEP RECORDS OF THE PROCEEDINGS OF BOARD MEETINGS AS WELL AS PERFORM SUCH OTHER FUNCTIONS AS MAY BE DESIGNATED BY THE BOARD.

[SEC. 10. The Registrar, in addition to his regular duties, shall act as the Secretary of the Institute who shall be at the same time the Secretary of the Board of Trustees and shall keep such records of the Institute or such other duties as may be designated by the Board.]

"SEC. 13. The compensation *per annum* of the following shall be fixed by law: President — twenty thousand pesos; REGISTRAR—SEVEN THOUSAND TWO HUNDRED PESOS; [Registrar—ten thousand eight hundred pesos;] ONE SECRETARY—FOUR THOUSAND TWO HUNDRED PESOS; Dean of Instruction—ten thousand eight hundred pesos; Dean of College—ten thousand eight hundred pesos; Lecturers — thirty pesos an hour; Heads of Departments — ten thousand pesos; Professors—nine thousand six hundred pesos; Associate Professors—eight thousand four hundred pesos; Instructors—four thousand two hundred pesos to eight thousand four hundred pesos."

SEC. 2. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye.* (*Several senators: Aye.*) As many as are against will please say *Nay.* (*Silence.*) House Bill No. 2095 is approved on second reading.

CONSIDERATION AND APPROVAL ON
SECOND READING OF HOUSE BILL NO. 18669

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18669.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18669 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING REPUBLIC ACT NUMBERED THREE THOUSAND NINE HUNDRED FORTY-NINE WHICH ESTABLISHED THE MERIDA VOCATIONAL SCHOOL.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The title of Republic Act Numbered Three thousand nine hundred forty-nine is amended to read as follows:

"An Act establishing a school for Philippine craftsmen in the Municipality of Merida, Province of Leyte, to be known as the Merida [Vocational] School OF HOME INDUSTRIES, and authorizing the appropriation of funds therefor."

SEC. 2. Section one of the same Act is amended to read as follows:

"SECTION 1. [A school of the Polangu School for Philippine Craftsmen type] THERE is hereby established in the Municipality of Merida, Province of Leyte, A SCHOOL to be known as Merida [Vocational] School OF HOME INDUSTRIES FOR THE PROMOTION OF HOME AND SMALL INDUSTRIES UNDER THE SUPERVISION AND ADMINISTRATION OF THE HOME INDUSTRIES DIVISION, BUREAU OF VOCATIONAL EDUCATION."

SEC. 3. The same Act is further amended by inserting after Section one thereof the following new section which shall read as follows:

"SEC. 1. A. THE MERIDA SCHOOL OF HOME INDUSTRIES SHALL HAVE THE FOLLOWING FUNCTIONS:

"(a) TO OFFER OPPORTUNITY COURSES IN HOME INDUSTRIES TO YOUNG STUDENTS AS WELL AS TO ADULTS:

"(b) TO CONDUCT RESEARCHES ON PROCESSING OF RAW MATERIALS, DESIGNING OF HOME INDUSTRY ARTICLES, AND ENGAGE IN THE PRODUCTION OF MODELS OF HANDTOOLS AND SMALL EQUIPMENT AND MACHINERY FOR TRAINING AND PRODUCTION;

"(c) TO OFFER TRAINING IN THE STANDARDIZATION AND QUALITY CONTROL OF HOME INDUSTRIES PRODUCTS;

"(d) TO RENDER CONSULTANT SERVICES ON HOME INDUSTRIES PROMOTION AND TECHNOLOGY, CONDUCT EXTENSION TRAINING THROUGHOUT THE AREA SERVICED BY THE SCHOOL; AND

"(e) TO OFFER COURSES IN THE SECONDARY AND TECHNICAL LEVELS WITH HOME INDUSTRIES AND SMALL BUSINESS AS THE CORE.

"SEC. 1 B. The MERIDA SCHOOL OF HOME INDUSTRIES IS HEREBY AUTHORIZED TO ACCEPT ENDOWMENTS, GRANTS, DONATIONS AND CONTRIBUTION FROM PROVINCIAL AND MUNICIPAL GOVERNMENTS AND FROM NATURAL AND JURIDICAL PERSONS FOR THE IMPROVEMENT AND EXPANSION OF ITS SERVICES."

Sec. 4. Section three of the same Act is hereby amended to read as follows:

"SEC. 3. The sum of two hundred thousand pesos is hereby authorized to be appropriated, out of any funds in the National Treasury not otherwise appropriated, for the establishment, operation and maintenance of said school during the fiscal year nineteen hundred and [sixty-five] SEVENTY. Thereafter, the sums necessary for its operation and maintenance shall be included in the annual General Appropriations Act.

SEC. 5. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall

that we now consider House Bill No. 16149.

now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18669 is approved on second reading.

CONSIDERATION AND APPROVAL ON
SECOND READING OF HOUSE BILL NO. 18517

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18517.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18517 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT INCREASING THE BED CAPACITY OF THE NORTHWESTERN LEYTE GENERAL HOSPITAL IN THE MUNICIPALITY OF CALUBIAN, PROVINCE OF LEYTE, AND AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The bed capacity of the Northwestern Leyte General Hospital in the Municipality of Calubian, Province of Leyte, is hereby increased from twenty-five beds to fifty beds.

SEC. 2. The sum of one hundred thousand pesos is hereby authorized to be appropriated, out of any funds in the National Treasury not otherwise appropriated to carry out the purpose of this Act during the fiscal year nineteen hundred seventy. Such sum as may be needed for its operation and maintenance in subsequent years shall be included in the annual General Appropriations Act.

SEC. 3. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many

as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18517 is approved on second reading.

CONSIDERATION AND APPROVAL ON
SECOND READING OF HOUSE BILL NO. 18608

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18608.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18608 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT INCREASING THE BED CAPACITY OF LIPA CITY HOSPITAL AND CONVERTING THE SAME INTO A NATIONAL HOSPITAL.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The Lipa City Emergency Hospital in Lipa City is hereby converted into a national hospital with an authorized bed capacity of fifty beds.

SEC. 2. The additional sum of two hundred thousand pesos is hereby authorized to be appropriated in the next General Appropriations Act for its maintenance and operation.

SEC. 3. The bill shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18608 is approved on second reading.

CONSIDERATION AND APPROVAL ON
SECOND READING OF HOUSE BILL NO. 16726

Senator TOLENTINO. Mr. President, I ask

that we now consider House Bill No. 16726.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 16726 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT PROVIDING FOR THE ESTABLISHMENT OF AN EMERGENCY HOSPITAL IN THE MUNICIPALITY OF NORALA, PROVINCE OF SOUTH COTABATO, AND AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. There shall be established under the direct supervision of the Director of Medical Services, an emergency hospital in the Municipality of Norala, Province of South Cotabato, to be known as Norala Emergency Hospital.

SEC. 2. The sum of one hundred fifty thousand pesos is hereby authorized to be appropriated, out of any funds in the National Treasury not otherwise appropriated, for the establishment, operation and maintenance of said hospital during the fiscal year nineteen hundred seventy. Thereafter, such sum as may be needed for its operation and maintenance shall be included in the annual General Appropriations Act.

SEC. 3. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 16726 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND SECOND READING OF HOUSE BILL NO. 16633

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 16633.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 16633 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT PROVIDING FOR THE ESTABLISHMENT OF A CHEST CLINIC IN THE MUNICIPALITY OF MATI, PROVINCE OF DAVAO ORIENTAL, TO BE KNOWN AS MATI CHEST CLINIC AND AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. There shall be established, under the supervision of the Secretary of Health, a chest clinic in the Municipality of Mati, Province of Davao Oriental.

SEC. 2. The Secretary of Health shall issue such rules and regulations as may be necessary to carry out the purpose of this Act.

SEC. 3. The sum of one hundred thousand pesos is hereby authorized to be appropriated, out of any funds in the National Treasury not otherwise appropriated for the establishment, operation and maintenance of said clinic during the fiscal year nineteen hundred sixty-nine. Thereafter, such sum as may be needed for its operation and maintenance in subsequent years shall be included in the annual General Appropriations Act.

SEC. 4. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 16633 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 16149

Senator TOLENTINO. Mr. President, I ask

that we now consider House Bill No. 16149.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 16149 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT ESTABLISHING A TUBERCULOSIS PAVILION IN THE MUNICIPALITY OF CAUAYAN, PROVINCE OF ISABELA, AND AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. There shall be established under the supervision of the Director of Medical Services, a tuberculosis pavilion which shall be a part of extension of the Cauayan Emergency Hospital.

SEC. 2. The sum of one hundred thousand pesos is hereby authorized to be appropriated, out of any funds in the National Treasury not otherwise appropriated, for the establishment, operation and maintenance of said hospital during the fiscal year nineteen hundred seventy. Thereafter, such sum as may be needed for its operation and maintenance shall be included in the annual General Appropriations Act.

Sec. 3. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 16149 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18257

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18257.

The PRESIDENT PRO TEMPORE. Considera-

tion of House Bill No. 18257 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING SECTION EIGHTY-SEVEN OF REPUBLIC ACT NUMBERED THREE HUNDRED TWENTY-ONE, KNOWN AS THE CHARTER OF THE CITY OF OZAMIZ, BY MAKING THE ADMINISTRATIVE HEALTH OFFICER OF THE CITY HEALTH OFFICE CONCURRENTLY DEPUTY CIVIL REGISTRAR.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section eighty-seven of Republic Act Numbered Three hundred twenty-one otherwise known as the Charter of the City of Ozamiz is hereby amended by adding thereto another paragraph to read as follows:

"SEC. 87. *The City Health Officer—His salary, powers and duties.*— There shall be in the City of Ozamiz a city health officer. He shall have a salary not exceeding three thousand pesos *per annum*. The City Health Officer shall have the following general powers and duties:

(a) He shall have general supervision over the health and sanitary conditions of the city.

(b) He shall execute and enforce all laws, ordinances and regulations relating to the public health.

(c) He shall recommend to the municipal board the passage of such ordinance as he may deem necessary for the preservation of the public health.

(d) He shall cause to be prosecuted all violations of sanitary laws, ordinances, or regulations.

(e) He shall make sanitary inspections and may be aided therein by such members of the police force of the city or the national police as shall be designated as a police officer and such sanitary inspector as may be authorized by law.

(f) He shall keep a civil registrar for the city and record there all births, marriages, and deaths with their respective dates.

(g) He shall perform such other duties, not re-

pugnant to law or ordinance, with reference to the health and sanitation of the city as the Director of Health shall direct."

THE ADMINISTRATIVE OFFICER OF THE CITY HEALTH OFFICE SHALL BE CONCURRENTLY DEPUTY CIVIL REGISTRAR WITH AN ADDITIONAL COMPENSATION OF ONE THOUSAND FOR HUNDRED FORTY PESOS PER ANNUM.

SEC. 2. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18257 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18598

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18598.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18598 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING REPUBLIC ACT NUMBERED FOUR THOUSAND SEVEN HUNDRED AND THIRTY-FOUR, ENTITLED, "AN ACT CREATING THE SUBPROVINCE OF QUIRINO IN THE PROVINCE OF NUEVA VIZCAYA," AND FOR OTHER SIMILAR PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Sections one, two, three, four, five and six of Republic Act Numbered Four thousand seven hundred and thirty-four are hereby amended to read as follows:

"SECTION 1. The Municipalities of Diffun, Saguday, Aglipay [and] Maddela AND CABARROGUIS

are hereby constituted into a subprovince of the Province of Nueva Vizcaya, to be known as [Subprovince of] Quirino SUB-PROVINCE.

"SEC. 2.—The [seat of government] CAPITAL of [Subprovince of] Quirino SUB-PROVINCE shall be [either in the Municipality of Saguday or in the Municipality of Diffun: *Provided*, That the Provincial Board shall select the site and may, within one year from the time this Act becomes effective by a vote of two-thirds, transfer it to another municipality or create a new one for the purpose] THE MUNICIPALITY OF CABARROGUIS WHICH IS HEREBY CREATED TO CONSIST OF THE FOLLOWING BARRIOS AN SITIOS: GUNDAWAY, SAN MARCOS, AND MANGANDINGAY, TO BE SEPARATED FROM THE MUNICIPALITY OF DIFFUN; ZAMORA, VILLAMOR, BURGOS, DEL PILAR, EDEN, BANUAR, MANGANDINGAY, DABIBI, TUCOD, DINGASAN BEKEBIK, MALINI, CAPELLANGAN, TO BE SEPARATED FROM THE MUNICIPALITY OF AGLIPAY.

"The seat of THE MUNICIPAL government OF CABARROGUIS shall be [called Cabarroguis] THE TERRITORY COMPRISING BARRIOS GUNDAWAY AND ZAMORA.

"THE FIRST MAYOR, VICE MAYOR AND COUNCILORS OF THE MUNICIPALITY OF CABARROGUIS SHALL BE ELECTED IN THE GENERAL ELECTIONS OF NOVEMBER NINETEEN HUNDRED SEVENTY-ONE."

"SEC. 3. — [The provisions of Sections twenty-one hundred thirty-seven, twenty-one hundred thirty-eight, twenty-one hundred thirty-nine, twenty-one hundred forty, twenty-one hundred forty one, twenty-one hundred forty-two and twenty-one hundred forty-three of the Administrative Code, as amended shall apply to the Subprovince of Quirino.] THERE IS HEREBY CREATED THE POSITION OF GOVERNOR WHO SHALL BE THE CHIEF EXECUTIVE OFFICER OF THE SUB-PROVINCIAL GOVERNMENT, THE GOVERNOR SHALL BE ELECTED BY THE QUALIFIED VOTERS OF THE SUBPROVINCE, AND SHALL EXERCISE THE POWERS AND DISCHARGE THE DUTIES WHICH BELONG TO THE OFFICE OF CHIEF EXECUTIVE IN PROVINCES WHICH ARE REGULARLY ORGANIZED.

"Sec. 4. — [subprovince of] Quirino SUB-PROV.

INCE shall constitute a separate engineering district and a separate engineering district and a separate school division. THERE SHALL ALSO BE ESTABLISHED OTHER NATIONAL OR PROVINCIAL OFFICES IN THE SAME MANNER AS THOUGH IT WERE A REGULARLY ORGANIZED PROVINCE. [The other provincial offices, namely, Office of the Provincial Treasurer, Office of the Provincial Auditor, Office of the Provincial Agriculturist, Office of the Register of Deeds, Plant and Pest Control Office, and the like, when circumstances warrant and upon petition of the lieutenant governor, shall authorize the detail of officials to hold office in the seat of government of the Subprovince of Quirino upon previous approval of the Provincial Governor.]

"SEC. 5. THERE IS HEREBY CREATED A PROVINCIAL BOARD COMPOSED OF THE GOVERNOR WHO SHALL BE THE PRESIDING OFFICER OF THE BOARD, AND TWO OTHER MEMBERS, TO BE ELECTED BY THE QUALIFIED VOTERS OF THE SUB-PROVINCE.

"THERE SHALL BE A SECRETARY OF THE PROVINCIAL BOARD WHO SHALL HAVE THE SAME DUTIES AND POWERS AND POSSESS THE SAME QUALIFICATIONS AS THOSE PRESCRIBED FOR REGULARLY ORGANIZED PROVINCES.

"PERTINENT PROVISIONS OF LAW APPLICABLE TO REGULARLY ORGANIZED PROVINCES SHALL GOVERN THE PROVINCIAL BOARD INsofar AS POWERS, DUTIES, QUALIFICATION, COMPENSATION, MEETINGS, TENURE AND OTHER MATTERS ARE CONCERNED.

"The Provincial Board shall fix the compensation of the [lieutenant] governor, THE MEMBERS OF THE PROVINCIAL BOARD, and of the other officials and employees of the subprovince IN ACCORDANCE WITH LAW.

"SEC. 6. [The first lieutenant-governor of the subprovince shall be elected in the general election of nineteen hundred sixty-seven and qualified thereto.]

"The other sub-provincial officials shall be appointed in accordance with existing laws or regulations.

SEC. 2. Section seven of the same Act is hereby re-designated as Section twelve, after which new

sections are hereby inserted therein which shall read as follows:

"SEC. 7. QUIRINO SUB-PROVINCE SHALL RECEIVE THE SHARE IN TAXES AND ALLOTMENTS EQUAL TO WHAT IT WOULD RECEIVE IF IT WERE A REGULAR ORGANIZED PROVINCE.

"SEC. 8. THE VOTERS OF THE SUB-PROVINCE SHALL NOT PARTICIPATE IN THE ELECTION OF PROVINCIAL OFFICIALS OF NUEVA VIZCAYA.

SEC. 9. UNTIL OTHERWISE PROVIDED BY LAW, QUIRINO SUB-PROVINCE SHALL CONTINUE AS PART OF THE REPRESENTATIVE DISTRICT OF NUEVA VIZCAYA."

SEC. 3. The provisions of this act pertaining to the establishment of the provincial board and separation from the Province of Nueva Vizcaya insofar as provincial administration is concerned and the retention of the subprovince as part of the representative district of Nueva Vizcaya shall be submitted for approval in a plebiscite to coincide with the elections of nineteen hundred sixty-nine and shall be deemed approved if a majority of the votes cast in said plebiscite are in the affirmative.

"SEC. 4. If the matters submitted are approved in the plebiscite the first governor, and members of the provincial board of Quirino Sub-province shall be elected in the general elections of nineteen hundred seventy-one.

"SEC. 5. The appropriation necessary for the plebiscite mentioned in Section three hereof shall be deemed included in the funds set aside for the elections of November eleven nineteen hundred sixty-nine.

SEC. 6. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18598 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF SENATE BILL NO. 1042.

Senator TOLENTINO. Mr. President, I ask that we now consider Senate Bill No. 1042.

The PRESIDENT PRO TEMPORE. Consideration of Senate Bill No. 1042 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT PROVIDING FOR FOUR ADDITIONAL ASSISTANT PROVINCIAL FISCALS FOR THE PROVINCE OF LA UNION, AMENDING FOR THE PURPOSE SECTION SIXTEEN HUNDRED SEVENTY-FOUR OF THE ADMINISTRATIVE CODE AS AMENDED.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The provision of Section sixteen hundred seventy-four of the Administrative Code, as amended by Republic Act Numbered Forty-three hundred thirty, relative to the number of assistant provincial fiscals in the Province of La Union, is hereby further amended to read as follows:

"La Union. [six] TEN assistant provincial fiscals;"

SEC. 2. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 1042 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF SENATE BILL NO. 1064

Senator TOLENTINO. Mr. President, I ask that we now consider Senate Bill No. 1064.

The PRESIDENT PRO TEMPORE. Consideration of Senate Bill No. 1064 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT TRANSFERRING TO THE MUNICIPALITIES OF NEGROS ORIENTAL AND TO THE CITIES OF BAIS, CANLAON AND DUMAGUETE, THE WATERWORKS, SEWERAGE AND DRAINAGE SYSTEMS WITHIN THEIR RESPECTIVE JURISDICTION.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The waterworks, sewerage and drainage systems in the municipalities of Negros Oriental and in the cities of Bais, Canlaon and Dumaguete, are hereby transferred from the National Waterworks and Sewerage Authority, to the municipalities and to such cities, respectively, together with all its property, records, equipment, machinery and other assets. The branch offices of the National Waterworks and Sewerage Authority in said municipalities and cities are hereby abolished.

SEC. 2. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

Senator PADILLA. Mr. President.

The PRESIDENT PRO TEMPORE. The Minority Floor Leader.

Senator PADILLA. Just for an inquiry. Is this the first bill of this kind where the waterworks of a certain town or city or province will be separated from the National Waterworks and Sewerage Authority?

Senator TOLENTINO. Mr. President, I do not think that this is the first bill. I have a recollection that other municipalities have separated from NAWASA. There are some other municipalities separated from NAWASA. I just cannot recollect now certain bills have been passed where municipalities have separated from the NWASA.

Senator PADILLA. Instead of doing it piecemeal don't we follow a policy that if the NWASA

should be limited to Manila, suburbs and surrounding areas, all these other cities and provinces that are far away may be detached from the NWSA.

Senator TOLENTINO. Mr. President, because there are some municipalities or cities that may really want to stay with the NWSA, so we give this to them as a matter of choice.

I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 1064 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18712

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18712.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18712 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT CONVERTING THE CAVITE SCHOOL OF FISHERIES IN THE MUNICIPALITY OF NAIC, PROVINCE OF CAVITE, INTO A COLLEGE AND APPROPRIATING FUNDS THEREFOR.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The Cavite School of Fisheries in the Municipality of Naic, Province of Cavite, is hereby converted into a college to be known as Cavite College of Fisheries which shall offer, in addition to the present curriculum, collegiate and special courses as the Director of Vocational Education may deem necessary.

SEC. 2. Upon the organization of the Cavite College of Fisheries, the assets, liabilities, personnel, equipment and records of the Cavite School of Fisheries shall stand transferred to the Cavite Col-

lege of Fisheries.

SEC. 3. In addition to the current appropriation for the Cavite School of Fisheries, the sum of five hundred thousand pesos is hereby appropriated, out of any funds in the National Treasury not otherwise appropriated, for the operation and maintenance of the Cavite College of Fisheries during the fiscal year nineteen hundred seventy. Thereafter, such sum as may be needed for the same purpose shall be included in the General Appropriations Act.

SEC. 4. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18712 is approved on second reading.

RECONSIDERATION OF THE APPROVAL OF THE CONFERENCE REPORT ON HOUSE BILL NO. 7170

Senator TOLENTINO. Mr. President, at the request of the distinguished gentleman from Misamis Oriental, may I move for the reconsideration of the approval of the conference report on House Bill No. 7170.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, approval of the conference report on House Bill No. 7170 is reconsidered.

RECONSIDERATION OF THE VOTING ON THIRD READING OF H. B. NO. 16844

Senator TOLENTINO. Mr. President, by oversight we called and voted on third reading on House Bill No. 16844. But I found out that no printed copy of the bill has as yet been distributed. So, I move for the reconsideration of the vote on third reading of House Bill 16844.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none the vote on

third reading on House Bill No. 16844 is reconsidered.

CONSIDERATION AND APPROVAL ON SECOND
READING OF HOUSE BILL NO. 16158

Senator TOLENTINO. Mr. President, I ask that we consider House Bill No. 16158.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 16158 is now in order. The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING ROMULO RODRIGUEZ, JR.,
A FRANCHISE TO CONSTRUCT, MAINTAIN
AND OPERATE RADIO BROADCASTING AND
TELEVISION STATIONS IN GINGOOG CITY.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the provisions of the Constitution as well as of Act Numbered Thirty-eight hundred forty-six, entitled "An Act providing for the regulation of radio stations and radio communications in the Philippine Islands, and for other purposes," Commonwealth Act Numbered One hundred forty-six, known as the Public Service Act, and their amendments and other applicable laws not inconsistent with this Act, Romulo Rodriguez, Jr., is hereby granted a franchise to construct, establish, maintain and operate, for commercial purposes and in the public interest, radio broadcasting and television stations in Gingoog City: *Provided*, That this franchise shall be void unless the construction of at least one radio broadcasting station or one television station be begun within four years from the date of approval of this Act and be completed within five years from said date: *Provided, further*, That the grantee shall provide public service time to enable the Government, through the said radio broadcasting and television stations, to reach the population on important public issues; shall assist in the functions of public information and education; shall conform to the ethics of honest enterprise; and shall not use his stations for the broadcasting and /or telecasting of obscene or indecent language, act or scene, or for the dissemination of deliberately false information or willful misrepresentation, or to the detriment of the public health

or to incite, encourage, or assist in subversive or treasonable acts.

SEC. 2. special right is reserved to the President of the Philippines in time of war, rebellion, public peril emergency, calamity disaster or disturbance of peace and order, to cause the closing of said stations or to authorize the temporary use and operation thereof by any department of the Government upon due compensation to the grantee for the use of said stations during the period when they shall be so operated.

SEC. 3. The grantee shall not require any previous censorship of any speech, play, act or scene or other matter to be broadcast and/or telecast from his stations; but if any such speech, play, act or scene or other matter should constitute a violation of the law or infringement of a private right, the grantee shall be free from any liability, civil or criminal, for such speech, play, act or scene or other matter: *Provided*, That the grantee, during any broadcast and/or telecast shall cut off from the air the speech, play, act or scene or other matter being broadcast and/or telecast, if the tendency thereof is to propose and/or incite treason, rebellion or sedition, or the language used therein or the theme thereof is indecent or immoral, and willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

SEC. 4. The grantee shall hold the national, provincial and municipal governments of the Philippines harmless from all claims, accounts, demands, or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the stations of the grantee.

SEC. 5. The grantee shall not lease, transfer, grant the usufruct or, sell or assign this franchise or the rights and privileges acquired thereunder to any person, natural or juridical, nor merge with any other person without the previous approval of the Congress of the Philippines. Any person, natural or juridical, to which this franchise is sold, transferred or assigned shall be subject to all the conditions, terms, restrictions and limitations of this franchise as fully and completely and to the same extent as if the franchise had been originally granted to such person.

SEC. 6. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on his bu-

business, real estate, buildings, and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay.

SEC. 7. The grantee shall file a bond in the amount of ten thousand pesos to warrant the fulfillment of and compliance with the conditions under which the franchise is granted. If after two years from the date of acceptance of this franchise the grantee shall have fulfilled the same, the bond aforesaid shall be cancelled by the Secretary of Public Works and Communications.

SEC. 8 Acceptance of this franchise shall be given in writing by the grantee within six months after the approval of this Act. When so accepted, the grantee shall be empowered to exercise the privileges granted thereby.

SEC. 9. The grantee's radio broadcasting and television stations shall not be put in actual operation until the Secretary of Public Works and Communications shall have allotted to the grantee the frequency and wave lengths to be used under this franchise and issued to the grantee license for such use.

SEC. 10. In the event of any competing person, natural or juridical, receiving from the Congress a similar franchise in which there shall be any term or terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become part of the terms hereof and shall operate equally in favor of the grantee as in the case of said competing person.

SEC. 11. The franchise hereby granted shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires.

SEC. 12. Wherever in this franchise the term "grantee" is used, it shall be held and understood to mean Romulo Rodriguez, Jr., his representatives, successors or assigns, unless the context indicates otherwise.

SEC. 13. This franchise shall not be interpreted as an exclusive grant of the privileges herein provided for.

SEC. 14. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, there are committee amendments. I move that we approve the committee amendments stated in the committee report.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the motion is approved.

Senator TOLENTINO. Amendment: on page 5 of the bill, delete the whole Section 10 and renumber correspondingly the succeeding sections.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move that we approve the bill on second reading as amended.

The PRESIDENT PRO TEMPORE. Is the Senate ready to vote? As many as are in favor of the bill as amended may please say *Aye*. (*Several senators: Aye*) As many as are against may please say *Nay*. (*Silence.*) The *Ayes* have it. House Bill No. 16158 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF H. NO. 16879

Senator TOLENTINO. Mr. President, I ask that we consider House Bill No. 16879.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 16879 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING PEDRO R. LUSPO, SR. A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN RADIO BROADCASTING AND TELEVISION STATIONS IN NORTHERN MINDANAO.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION. 1. Subject to the provisions of the Constitution as well as of Act Numbered Thirty-eight

hundred forty-six, entitled, "An Act providing for the regulation of radio stations and radio communications in the Philippine Islands, and for other purposes," Commonwealth Act Numbered One hundred forty-six, known as the Public Service Act, and their amendments and other applicable laws not inconsistent with this Act, Pedro R. Luspo, Sr. is hereby granted a franchise to construct, establish, operate, and maintain for commercial purposes and in the public interest, radio broadcasting and television stations in Northern Mindanao: *Provided*, That this franchise shall be void unless the construction of at least one radio broadcasting station or one television station be begun within four years from the date of approval of this Act and be completed within five years from said date: *Provided, further*, That the grantee shall provide public service time to enable the Government, through the said radio broadcasting and television stations, to reach the population on important public issues; shall assist in the functions of public information and education; shall conform to the ethics of honest enterprises; and shall not use his stations for the broadcasting or telecasting of obscene or indecent language, act or scene, or for the dissemination of deliberately false or willful misrepresentations, or to the detriment of the public health or to incite, encourage, or assist in subversive or treasonable acts.

Sec. 2. A special right is reserved to the President of the Philippines in time of war, rebellion, public peril, emergency, calamity, disaster or disturbance of peace and order, to cause the closing of said stations or to authorize the temporary use and operation thereof by any department of the Government upon due compensation to the grantee for the use of said stations during the period when they shall be so operated.

Sec. 3. The grantee shall not require any previous censorship of any speech, play, act or scene or other matter to be broadcast or telecast from his station; but if any speech, play, act or scene or other matter should constitute a violation of the law or infringement of a private right, the grantee shall be free from any liability, civil or criminal, for such speech, play, act or scene or other matter: *Provided*, That the grantee, during any broadcast or telecast, shall cut off from the air the speech, play, act or scene or other matter being broadcast or telecast, if the tendency thereof is to

propose or incite treason, rebellion or sedition, or the language used therein or the theme thereof is indecent or immoral, and willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

Sec. 4. The grantee shall hold the national, provincial and municipal governments of the Philippines harmless from all claims, accounts, demands, or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the station of the grantee.

Sec. 5. The grantee shall not lease, transfer, grant the usufruct or sell or assign this franchise or the rights and privileges acquired thereunder to any person, natural or juridical, nor merge with any other person without the previous approval of the Congress of the Philippines. Any person, natural or juridical, to which this franchise is sold, transferred or assigned shall be subject to all the conditions, terms, restrictions and limitations of this franchise as full and completely and to the same extent as if the franchise had been originally granted to such person.

Sec. 6. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on his business, real estate, buildings, and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay.

Sec. 7. The grantee shall file a bond in the amount of ten thousand pesos to warrant the fulfillment of and compliance with the conditions under which the franchise is granted. If after two years from the date of acceptance of this franchise the grantee shall have fulfilled said conditions or soon thereafter as the grantee shall have fulfilled the same, the bond aforesaid shall be cancelled by the Secretary of Public Works and Communications.

Sec. 8. Acceptance of this franchise shall be given in writing by the grantee within six months after the approval of this Act. When so accepted, the grantee shall be empowered to exercise the privileges granted thereby.

Sec. 9. The grantee's radio broadcasting and television stations shall not be put in actual operation until the Secretary of Public Works and Communi-

cations shall have allotted to the grantee the frequency and wave lengths to be used under this franchise and issued to the grantee license for such use.

Sec. 10. In the event of any competing person, natural or juridical, receiving from the Congress similar franchise in which there shall be any term or terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become part of the terms hereof and shall operate equally in favor of the grantee as in the case of said competing person.

Sec. 11. The franchise hereby granted shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires.

Sec. 12. Wherever in this franchise the term "grantee" is used, it shall be held and understood to mean Pedro R. Luspo, Sr., his representatives, successors or assigns, unless the context indicates otherwise.

Sec. 13. This franchise shall not be interpreted as an exclusive grant of the privileges herein provided for.

Sec. 14. This Act shall take effect upon its approval.

Senator TOLENTINO. There are committee amendments contained in the report, Mr. President. I move that the committee amendments be approved.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendments are approved.

Senator TOLENTINO. On page 5, delete the whole of Section 10 and renumber the succeeding sections correspondingly.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move that we approve the bill on second reading as amended.

The PRESIDENT PRO TEMPORE. Is the Senate ready to vote? As many as are in favor of the bill as amended may please say *Aye.* (*Several senators: Aye.*) As many as are against may please say *Nay.* (*Silence.*) The Ayes have it. House Bill No. 16879 is approved on second reading as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF H. NO. 17089

Senator TOLENTINO. Mr. President, I ask that we consider House Bill No. 17089.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 17089 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT FURTHER AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED THIRTY-TWO HUNDRED FORTY-SEVEN, AS AMENDED BY REPUBLIC ACT NUMBERED THIRTY-FIVE HUNDRED SEVENTY (re Cagayan Electric Power Light Co., Inc. franchise.)

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The title of Republic Act Numbered Thirty-two hundred forty-seven, as amended, is hereby further amended to read as follows:

"An Act granting the Cagayan Electric Power and Light Co., Inc. a franchise to install, operate, and maintain an electric light, heat and power system in the Municipalities of Tagoloan [and], Opol, LILANUEVA AND JASAAN, ALL IN THE PROVINCE OF MISAMIS ORIENTAL, and in the City of Cagayan de Oro and its suburbs."

Sec. 2. Sections one and three of the same Act are hereby amended to read as follows:

"SECTION 1. Subject to the provisions of the Constitution and to the terms and conditions established in Act Numbered Thirty-six hundred thirty-six, as amended by Commonwealth Act Numbered One hundred thirty-two, there is granted to the Cagayan

yan Electric Power and Light Co., Inc., a corporation duly organized and existing under the laws of Republic of the Philippines, for a period of fifty years from the date of approval of this Act, the right, privileges and authority to construct, maintain and operate and electric light, heat and power system for the purpose of generating and/[or] distributing electric light, heat [and]/or power for sale within the Municipalities of Tagoloan [and], Opol, VILLANUEVA AND JASAAN, [both] ALL in the Province of Misamis Oriental, and in the City of Cagayan de Oro and its suburbs. The grantee shall further have the right and privileges to install, lay and maintain on all the streets, public thoroughfares, bridges and public places within said limits, poles, wires, transformers, capacitors, overhead protective devices, and pole line hardware, and other equipment necessary for the safe distribution of electric current to the public.

"Sec. 3. THE GRANTEE SHALL BE LIABLE TO PAY THE SAME TAXES, UNLESS EXEMPTED THEREFROM, ON HIS BUSINESS, REAL ESTATE, BUILDINGS, AND PERSONAL PROPERTY, EXCLUSIVE OF THIS FRANCHISE, AS OTHER PERSONS OR CORPORATIONS ARE NOW OR HEREAFTER MAY BE REQUIRED BY LAW TO PAY. [In consideration of the franchise and rights hereby granted, the grantee shall pay a franchise tax equal to three *per centum* of the gross earnings for electric current sold under this franchise, of which two *per centum* goes into the National Treasury and one *per centum* goes into the treasury of the Municipality of Tagoloan, the Municipality of Opol, and Cagayan de Oro City, as the case may be: *Provided*, That the said franchise tax of three *per centum* of the gross earning shall be in lieu of all taxes and assessments of whatever authority upon privileges, earnings, income, franchise, and poles, wires transformers, and insulators of the grantee from which taxes and assessments the grantee is hereby expressly exempted.]"

Sec. 3. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move that we approve the bill on second reading.

The PRESIDENT PRO TEMPORE. Is the Senate ready to vote? As many as are in favor of the bill as amended may please say *Aye*. (*Several senators: Aye*) As many as are against may

please say *Nay*. (*Silence*.) *Ayes* have it. House Bill No. 17989 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF H. NO. 18308

Senator TOLENTINO. Mr. President, I ask that we consider House Bill No. 18308.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18308 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING ESTHER PERALTA-CRUZ A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN RADIO BROADCASTING AND TELEVISION STATIONS IN DAVAO CITY.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTIONS 1. Subject to the provisions of the Constitution, as well as of Act Numbered Thirty-eight hundred and forty-six, entitled "An Act providing for the regulation of radio stations and radio communications in the Philippine Islands, and for other purposes," Act Numbered Thirty-nine hundred and ninety-seven, known as the Radio Broadcasting Law; Commonwealth Act Numbered One hundred and forty-six, known as the Public Service Act, and their amendments, and other applicable laws, Esther Peralta-Cruz is hereby granted for a period of twenty-five years from the approval of this Act a franchise to construct, operate and maintain for commercial purposes and in the public interest, radio broadcasting and television stations in Davao City: *Provided*, That this franchise shall be void unless the construction of at least one radio broadcasting or television station is begun within six months from the date of approval of this Act and completed within two years from the said date: *Provided, further*, That the grantee shall provide adequate public service time to enable the Government, through the stations herein authorized, to reach the population on important issues; shall assist in the functions of public information and education; shall conform to the ethics of honest enterprise; and shall not use said stations for the broadcasting of obscene or indecent language or speech or for the

dissemination of deliberately false information or willful misrepresentation, or to the detriment of the public health, or to incite, encourage or assist in subversive or treasonable acts.

Sec. 2. The grantee shall file a bond in the amount of fifty thousand pesos to guarantee the full compliance and fulfillment of the conditions under which this franchise is granted.

Sec. 3. In the event of any competing individual, partnership or corporation receiving from the Congress a similar franchise in which there shall be any term or terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become part of the terms hereof and shall operate equally in favor of the grantee as in the case of said competing individual, partnership or corporation.

Sec. 4. The grantee shall be liable to pay the same taxes on her real estate, buildings and persons or corporations as now or hereafter may be required by law to pay.

Sec. 5. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, there is one committee amendment contained in the committee report. I move that the committee amendment be approved.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Another amendment, Mr. President. On page 2, delete the whole of Section 3 and renumber the succeeding sections.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move that we approve the bill as amended on second reading.

The PRESIDENT PRO TEMPORE. Is the Senate ready to vote? As many as are in favor of the bill as amended may please say *Aye.* (*Se-*

veral senators: Aye.) As many as are against may please say *Nay.* (*Silence.*) The Ayes have it. House Bill No. 18308 as amended is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF H. NO. 17169

Senator TOLENTINO. Mr. President, I ask that we consider House Bill No. 17169.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 17169 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING ABOITIZ AND COMPANY A TEMPORARY PERMIT TO CONSTRUCT, OPERATE AND MAINTAIN PRIVATE FIXED POINT-TO-POINT, COASTAL, AERONAUTICAL, LAND-BASED AND LAND-MOBILE RADIO STATIONS FOR THE RECEPTION AND TRANSMISSION OF RADIO COMMUNICATIONS WITHIN THE PHILIPPINES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. There is hereby granted to Aboitiz and Company, hereinafter referred to as the grantee, a permit to construct, operate and maintain in the Philippines at such place as the grantee may select, subject to the approval of the Secretary of Public Works and Communications, private fixed point-to-point, coastal, aeronautical, land-based and land-mobile radio stations for the reception and transmission of wireless messages by radiotelegraph or radiotelephone each station to be provided with a radio transmitting apparatus and a radio receiving apparatus.

SEC. 2. This permit shall continue to be in force during the time that the Government has not established similar service at the places selected by the grantee, but not exceeding twenty-five years and is granted upon the express condition that the same shall be void unless the construction or installation of said stations be begun within one year from the date of approval of this Act and be completed within two years from said date.

Sec. 3. The grantee, its successors or assigns, shall not engage in domestic business of telecommunications in the Philippines without further special assent of the Congress of the Philippines, it being understood that the purpose of this permit is to secure to the grantee the right to construct, maintain and operate private fixed point-to-point, coastal, aeronautical, land-based and land mobile radio stations at such places within the Philippines as the interest of the grantee may justify.

Sec. 4. No fees shall be charged by the grantee as the radio stations that may be established by virtue of this Act shall engage in communications regarding the grantee's business only.

Sec. 5. The grantee, its successors or assigns, shall so construct and operate its radio stations as not to interfere with the operation of other radio stations maintained and operated in the Philippines.

Sec. 6. The grantee, its successors or assigns, shall hold the national, provincial, city and municipal governments of the Philippines harmless from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of its radio stations.

Sec. 7. The grantee, its successors or assigns, shall be subject to the corporation laws of the Philippines now existing or hereafter enacted.

Sec. 8. The grantee, its successors or assigns, is authorized to operate its private fixed point-to-point coastal, aeronautical, land-based and land-mobile radio stations in the medium frequency, high frequency, and very high frequency that may be assigned to it by the Secretary of Public Works and Communications.

Sec. 9. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this permit, nor the rights or privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal corporation organized for the same purpose, without the approval of the Congress of the Philippines first had. Any corporation to which this permit may be sold, transferred, or assigned shall be subject to the corporation laws of the Philippines now existing or hereafter enacted, and any person, firm, company, corporation or other commercial or legal entity to which this temporary permit is sold, transferred, or assigned shall be subject to the conditions, terms, restrictions and limitations

of this permit as fully and completely and to the same extent as if the permit had been originally granted to the said person, firm, company, corporation or other commercial or legal entity.

Sec. 10. A special right is hereby reserved to the President of the Philippines in time of war, insurrection, public peril, emergency, calamity or disaster to cause the closing of the grantee's radio stations or to authorize the temporary use or possession thereof by any department of the government upon payment of just compensation.

Sec. 11. This temporary permit shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires and shall not be interpreted as an exclusive grant of the privilege herein provided for.

Sec. 12. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move that we approve the bill on second reading.

The PRESIDENT PRO TEMPORE. Is the Senate ready to vote? As many as are in favor of the bill may please say *Aye Aye* (*Several senators: Aye.*) As many as are against may please say *Nay*. (*Silence.*) The *Ayes* have it. House Bill No. 17169 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF H.NO. 18547

Senator TOLENTINO. Mr. President, I ask that we consider House Bill No. 18547.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18547 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING REPUBLIC ACT NUMBERED FORTY-FOUR HUNDRED AND EIGHTY BY ALLOWING THE GRANTEE TO OPERATE RADIO BROADCASTING AND TELEVISION STATIONS FOR COMMERCIAL PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled;

SECTION 1. The title of Republic Act Numbered Forty-four hundred and eighty is amended to read as follows:

"An Act granting the National Council of Churches in the Philippines a franchise to construct, operate and maintain radio broadcasting and television stations in the Philippines and to install, operate and maintain [non-] commercial base and land mobile stations and fixed point-to-point radiotelephone stations [which shall provide efficient and satisfactory broadcast operations in the interest of public service]."

SEC. 2. Section one of the Act is hereby amended to read as follows:

"SECTION 1. Subject to the same provisions of the Constitution as well as Act Numbered Three thousand eight hundred forty-six, entitled "An Act providing for the regulation of radio stations and radio communications in the Philippine Islands, and for other purposes"; Act Numbered Three thousand nine hundred ninety-seven known as the Radio Broadcasting Law; Commonwealth Act Numbered One hundred forty-six, known as the Public Service Act, and their amendments, and other applicable laws not inconsistent with this Act, the National Council of Churches in the Philippines is hereby granted a franchise to construct, maintain and operate [non-] commercial, religious educational and cultural purposes and in the public interest. radio broadcasting and television stations in the Philippines [except Manila and suburbs] with such corresponding base and land mobile stations and fixed point-to-point radiotelephone stations as shall provide efficient and satisfactory broadcast operations of these stations."

SEC. 3. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move that we approve the bill on second reading.

The PRESIDENT PRO TEMPORE. Is the Senate ready to vote? As many as are in favor of the bill may please say *Aye*. (Several senators: *Aye*.) As many as are against may please say *Nay* (Silence.) The *Ayes* have it. House Bill No. 18547 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF H. NO. 19018

Senator TOLENTINO. Mr. President, I ask that we consider House Bill No. 19018.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 19018 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AUTHORIZING MARCELINA S. AQUINO TO TRANSFER, ASSIGN, SELL OR MORTGAGE IN FAVOR OF ANY BANKING OR FINANCING INSTITUTION HER FRANCHISES UNDER REPUBLIC ACTS NUMBERED SIX HUNDRED NINETY-SEVEN AND SEVEN HUNDRED FIFTY-SEVEN, TO INSTALL, OPERATE AND MAINTAIN TELEPHONE SYSTEMS IN THE CITY OF BUTUAN AND IN THE PROVINCE OF AGUSAN AND THE MUNICIPALITIES AND MUNICIPAL DISTRICTS THEREOF.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Marcelina S. Aquino is hereby authorized to transfer, assign, sell or mortgage in favor of any banking or financing institution the franchises granted under Republic Acts Numbered Six hundred ninety-seven and seven hundred fifty-seven, which were transferred to her by authority of Republic Act Numbered Thirty-nine hundred seventy-one and Thirty-nine hundred, seventy-two, as well as the certificates of public convenience granted or to be granted by the Public Service Commission to her pursuant to the above-mentioned Acts, including all assets and property operated thereunder, located in the City of Butuan and in the Province of Agusan and the municipalities and municipal districts thereof.

SEC. 2. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, there is an amendment. On page 1, line 1, before the word "Marcelina" insert the words "SUBJECT TO THE PROVISION OF THE CONSTITUTION".

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move that we approve the bill as amended on second reading.

The PRESIDENT PRO TEMPORE. Is the Senate ready to vote? As many as are in favor of the bill as amended may please say *Aye.* (*Several senators: Aye*) As many as are against may please say *Nay.* (*Silence.*) The *Ayes* have it. House Bill No. 19018 as amended is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF H. NO. 18657

Senator TOLENTINO. Mr. President, I ask that we consider House Bill No. 18657.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18657 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING SECTIONS ONE, TWO, THREE, FOUR, FIVE AND SEVEN OF REPUBLIC ACT NUMBERED FORTY-ONE HUNDRED THIRTY-EIGHT, ENTITLED "AN ACT GRANTING SAN LUIS WAREHOUSING CORPORATION A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN FLOATING BONDED WAREHOUSES AND COLD STORAGE FACILITIES IN THE MANILA BAY AND OTHER NAVIGABLE WATERS IN THE VICINITY."

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Sections one, two, three, four, five and seven of Republic Act Numbered Forty-one hundred thirty-eight are hereby amended to read as follows:

"Section 1. Subject to the terms and conditions established in this Act and in Act Numbered Twenty-one hundred thirty-seven and to the provisions

of the Constitution, there is granted to San Luis Warehousing Corporation, for a period of twenty-five years from the approval of this Act, renewable for another twenty-five years, the right, privilege and authority to construct, OPERATE AND maintain [and operate floating] MODERN CONTAINER TERMINALS, bonded warehouses, STORAGE DEPOTS, cold AND REFRIGERATED storage, CARGO AND TRANSIT SHEDS, [and] conveyor piers, DOCKS, LANDING AND BERTHING FACILITIES, ACCESS ROADS, BRIDGES, SEAWALLS, BULKHEADS AND FILLINGS IN THE NORTH HARBOR, MANILA BAY.

BEGINNING AT POINT 1

LOCATED ON THE NORTH-EAST CORNER OF THE MARGINAL WHARF OF THE INTERNATIONAL PORT, NORTH HARBOR, MANILA; THENCE TO POINT 2 WITH A BEARING OF APPROXIMATELY N 35° 30' W AND A DISTANCE OF ABOUT 1,000.00 METERS; THENCE TO POINT 3 WITH A BEARING OF APPROXIMATELY N 53° 30' E AND A DISTANCE OF 250.00 METERS MEASURED PERPENDICULAR TO THE EXISTING NORTH HARBOR BREAKWATER; THENCE TO POINT 4 WITH A BEARING OF APPROXIMATELY S 36° 30' E AND A DISTANCE OF 1,000.00 METERS; THENCE TO POINT OF BEGINNING WITH A BEARING OF APPROXIMATELY S 75° 30' W AND A DISTANCE OF 289.00 METERS ALONG THE ROCK BULKHEAD, CONTAINING AN AREA OF APPROXIMATELY 26.25 HAS.,

FOR THE PURPOSES AFORESAID, AND TO CHARGE AND COLLECT A SCHEDULE OF RATES AND FEES FOR THE USE OF THE SAID CONTAINER TERMINALS AND FACILITIES, STORAGE DEPOTS, DOCKS, LANDING FACILITIES, DEVELOPED LAND AREAS, AND SHIPPING AND ALLIED COMMERCIAL FACILITIES, which schedule shall [at all times] be subject to [regulation by the authorities concerned] THE PRIOR APPROVAL OF THE SECRETARY OF FINANCE WHO IS AUTHORIZED TO FIX, OR REVISE, SUCH SCHEDULE OF FEES AND RATES ON THE BASIS OF PREVAILING CHARGES FOR SIMILAR FACILITIES AND SERVICES, AND CONSIDERING THE GRANTEE'S TOTAL INVESTMENTS AND COMMITMENTS PLUS A FAIR AND REASONABLE PROFIT; PROVIDED, HOWEVER, THAT THE JURISDICTION OF THE BUREAU OF CUSTOMS OVER THE AREA HEREINABOVE DEFINED, AND THE

INSTALLATIONS AND FACILITIES CONSTRUCTED THEREON, SHALL BE MAINTAINED AS PROVIDED BY LAW.

"Sec. 2. All the CONTAINERIZATION HANDLING SYSTEM, apparatus, and (appurtenances EQUIPMENT, BERTHING, SHIPPING, AND STORAGE FACILITIES to be INSTALLED AND used by the grantee shall be modern [safe and first class in every respect, and the grantee shall whenever the authorities concerned shall determine that public interest reasonably requires it, change or alter any of its apparatus and appurtenances at grantee's expense] AND COMPARABLE TO SIMILAR FACILITIES OF PORTS ABROAD.

"Sec. 3. The grantee shall hold the national and municipal governments harmless from all claims, accounts, demands or actions arising out of accidents or injuries and damages, whether to property or to persons caused by the construction or operation of the said CONTAINER TERMINALS [bonded] warehouses, cold storage, [and] conveyor, pier AND LANDING FACILITIES of the grantee.

"Sec. 4. The [President of the Philippines] SECRETARY OF PUBLIC WORKS shall have the power and authority to permit the construction of the said CONTAINER TERMINALS, warehouses, cold storage SHEDS, conveyor piers [or any of them on any navigable waters upon] AN OTHER ATTENDANT FACILITIES ON THE THE AREA DEFINED HEREINABOVE ON THE BASIS OF PLANS AND SPECIFICATIONS SUBMITTED TO, AND APPROVED BY HIS OFFICE, AND UNDER such terms and conditions RELATIVE TO SUCH CONSTRUCTIONS AND INSTALLATIONS as SAID DEPARTMENT SECRETARY [he] may prescribe: PROVIDED HOWEVER, THAT THE AREA HEREINABOVE DEFINED MAY BE EXPANDED, OR NEW AREAS, NOT NECESSARILY CONTINGENT, ADDED CONFORMABLY WITH THE APPROVED PLANS AND TECHNICAL STUDIES DESIGNED TO PROMOTE THE PROGRESS OF PORT AND HARBOR DEVELOPMENT IN THE MANILA BAY AREA.

"Sec. 5. The grantee shall not lease, transfer grant the usufruct of, sell or assign this franchise or the rights and privileges granted thereunder to any persons, firm, company, corporation or other commercial or legal entity, nor merge with any other person, company, or corporation organized for the same purpose, without the approval of Cong-

ress of the Philippines first had. Any corporation to which this franchise [may be] IS sold, transferred or assigned, shall be subject to the corporation laws of the Philippines now existing or hereafter enacted, and any person, firm, company, corporation or other commercial or legal entity to which the franchise is sold, transferred or assigned shall be subject to all conditions, terms, restrictions and limitations of this franchise as fully and completely and to the extent as if the franchise had been originally granted to the said person, firm, company, corporation or other commercial or legal entity: PROVIDED HOWEVER, THAT SUBJECT TO SUCH TERMS AND CONDITIONS AS THE SECRETARY OF FINANCE MAY PRESCRIBE, THE GRANTEE MAY LEASE OR SUBLEASE TO ANY ENTITY NOT DISQUALIFIED BY LAW THE IMPROVEMENTS IT MAY HAVE MADE OR INTRODUCED IN THE AREA, OR MORTGAGES THE SAME TO ANY FINANCIAL INSTITUTION IN THE PHILIPPINES TO RAISE CAPITAL FOR FURTHER OR ADDITIONAL IMPROVEMENTS.

"Sec. 7. The grantee shall be liable to pay the same taxes on its real estate, buildings, improvements, and personal property, exclusive of the franchise, as other persons or corporations are now or hereafter may be required by law to pay; HOWEVER, CAPITAL GOODS, MACHINERIES, EQUIPMENT, AND MATERIALS BROUGHT INTO THE COUNTRY BY THE GRANTEE EXCLUSIVELY FOR THE CONSTRUCTION OR OPERATION OF THE CONTAINER TERMINALS PIERS AND ALL ATTENDANT FACILITIES SHALL BE FREE FROM CUSTOMS TAXES AND DUTIES."

Sec. 2. Upon expiration of the period hereabove prescribed, should the Government sell or lease the improvements made by the grantee, or have its operations and management conducted by other parties, the grantee shall have the preferred and preemptive right to equal the best bid or offer.

Sec. 3. All acts, charters, executive orders, rules and regulations, or part thereof, in conflict with this Act are hereby repealed or modified accordingly.

Sec. 4. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move that we approve the bill on second reading.

The PRESIDENT PRO TEMPORE. Is the

Senate ready to votes? As many as are in favor of the bill may please say *Aye*. (*Several senators: Aye.*) As many as are against may please say *Nay*. (*Silence.*) The Ayes have it. House Bill No. 18657 is amended is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF H. NO. 18644

Senator TOLENTINO. Mr. President, I ask that we consider House Bill No. 18644.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18644 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING MAGILIW SERVICE CORPORATION A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN AN ICE PLANT AND COLD STORAGE IN THE BARRIO OF CARMEN, MUNICIPALITY OF ROSALES, PROVINCE OF PANGASINAN AND TO SELL ICE AND SUPPLY COLD STORAGE WITHIN THE MUNICIPALITIES OF ROSALES, VILLASIS, STO. TOMAS, ALCALA, BALUNGAO AND UMINGAN, ALL IN THE PROVINCE OF PANGASINAN.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the conditions imposed by this Act, there is hereby granted to the Magiliw Service Corporation, hereinafter referred to as the grantee, a franchise to construct, operate and maintain an ice plant with a daily productive capacity of fifty tons and cold storage with a capacity of ten thousand cubic meters in the Barrio of Carmen, Municipality of Rosales, Province of Pangasinan for the purpose of manufacturing and distributing ice and supplying cold storage in the said barrio and the Municipalities of Rosales, Villasis, Sto. Tomas, Alcala, Balungao and Umingan, all in the Province of Pangasinan and to charge and collect a schedule of prices and rates for the ice and cold storage so furnished, which schedule of prices and rates shall at all times be subject to regulation by the Public Service Commission.

Sec. 2. This franchise shall continue for a period

of twenty-five years from the date said plant is placed in operation and commences the manufacture and distribution of ice in the barrio and the Municipalities of Rosales, Villasis, Sto. Tomas, Alcala, Balungao and Umingan, all in the Province of Pangasinan, subject to the express condition that this franchise shall be null and void unless the construction of said plant be begun within two years from the date of the approval of this Act and completed within four years from said date, except when prevented by an act of God, or *force majeure*, martial law, riot, civil commotion, usurpation by military power or any other cause beyond the grantee's control.

Sec. 3. The apparatus and appurtenances to be used by the grantee shall be modern, safe and first class in every respect and, whenever the Public Service Commission shall determine that public interest reasonably requires it, the grantee shall change or alter any of the apparatus and appurtenances at her expense.

Sec. 4. The books, records and accounts of the grantee shall always be open to inspection by the Provincial Treasurer or his authorized representatives, and it shall be the duty of the grantee to submit to the Provincial Treasurer quarterly reports in duplicate, showing the gross receipts for the past quarter, one of which shall be forwarded by the provincial treasurer to the Auditor General, who shall keep the same on file.

Sec. 5. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on his business, real estate, buildings, and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay.

Sec. 6. In the event of any competing individual, association of persons, or corporation receiving from the Congress of the Philippines a similar franchise in which there shall be any term or terms more favorable than those herein granted tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become part of the terms hereof and shall operate equally in favor of the grantee as in the case of said individual, association of persons or corporation.

Sec. 7. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, there is a committee amendment in the report. I move for its approval.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Another amendment. On page 1, line 5, delete the word "of" between "capacity" and "fifty", and insert: TO BE DETERMINED BY THE PUBLIC SERVICE COMMISSION NOT EXCEEDING".

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 3, delete the whole of Section 6 and change Section 7 to Section 6.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move that we approve the bill as amended on second reading.

The PRESIDENT PRO TEMPORE. Is the Senate ready to vote? As many as are in favor of the bill as amended may please say *Aye*. (*Several senators: Aye*) As many as are against may please say *Nay*. (*Silence.*) The *Ayes* have it. House Bill No. 18644 as amended is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF H. NO. 10430

Senator TOLENTINO. Mr. President, I ask that we consider House Bill No. 10430.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 10430 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING REPUBLIC ACT NUMBERED

FORTY-ONE HUNDRED THIRTY-ONE, ENTITLED "AN ACT GRANTING ARSENIO PASCUAL A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN AN ICE PLANT AND COLD STORAGE IN THE MUNICIPALITY OF NAVOTAS, PROVINCE OF RIZAL, AND TO SELL ICE AND TO SUPPLY COLD STORAGE WITHIN THE SAID PROVINCE OF RIZAL AND THE CITY OF MANILA."

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The title of Republic Act Numbered Forty-one hundred thirty-one is amended to read as follows:

"An Act granting A. S. [Arsenio] Pascual & SONS, CO., INC. franchise to construct, operate and maintain an ice plant and cold storage in the Municipality of Navotas, Province of Rizal, and to sell ice and to supply cold storage within the said Province of Rizal and the City of Manila."

SEC. 2. Section one of the same Act is amended to read as follows:

"SECTION 1. Subject to the conditions imposed by this Act, there is hereby granted to A. S. [Arsenio] Pascual & SONS, CO., INC hereinafter referred to as the grantee, a franchise to construct, operate and maintain an ice plant and cold storage and/or increase their capacity in the Municipality of Navotas, Province of Rizal, and to sell ice and to supply cold storage within the Province of Rizal and City of Manila, and to charge and collect a schedule of prices and rates for the ice and cold storage so furnished, which schedule of prices and rates shall at all times be subject to regulation by the Public Service Commission. THE GRANTEE IS AUTHORIZED TO MORTGAGE THIS FRANCHISE TO ANY BANK OR FINANCING INSTITUTION, WHETHER PRIVATELY OWNED OR OWNED OR CONTROLLED BY THE GOVERNMENT.

SEC. 3. The same Act is amended by inserting between Section six and seven thereof a new section to read as follows:

"SEC. 6-A. THE GRANTEE SHALL BE LIABLE TO PAY THE SAME TAXES, UNLESS EXEMPTED THEREFROM, ON ITS BUSINESS, REAL ESTATE, BUILDINGS AND PERSONAL PROPERTY, EXCLU-

SIVE OF THIS FRANCHISE, AS OTHER PERSONS OR CORPORATIONS ARE NOW OR HEREAFTER MAY BE REQUIRED BY LAW TO PAY."

Sec. 4. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, there is a committee amendment contained in the committee report. I move for its approval.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move that we approve the bill as amended on second reading.

The PRESIDENT PRO TEMPORE. Is the Senate ready to vote? As many as are in favor of the bill as amended may please say *Aye*. (*Several senators: Aye.*) As many as are against may please say *Nay*. (*Silence.*) The *Ayes* have it. House Bill No. 10430 as amended is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF H. NO. 17350

Senator TOLENTINO. Mr. President, I ask that we consider House Bill No. 17350.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 17350 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING COCONUT COOPERATIVE MARKETING ASSOCIATION, INC. (COCOMA) A TEMPORARY PERMIT TO CONSTRUCT, OPERATE AND MAINTAIN PRIVATE FIXED POINT-TO-POINT, LAND BASED, LAND MOBILE, AERONAUTICAL, AND MARINE-BORNE RADIO STATIONS FOR THE TRANSMISSION AND RECEPTION OF RADIO COMMUNICATIONS WITHIN THE PHILIPPINES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. There is hereby granted to Coconut Cooperative Marketing Association, Inc. (COCOMA) a temporary permit to construct, operate and maintain in the Philippines in the following places, to wit: main office at San Pablo City, City of Manila, Lucena City, and the Municipality of Tiaong, Province of Quezon, and such other places as the grantee may select, subject to the approval of the Secretary of Public Works and Communications or any other competent authority authorized to give said approval, private fixed point-to-point, land based, land mobile, aeronautical and marine-borne radio stations, or any combination of them, for the transmission and reception of wireless messages by radio-telephone, each station to consist of two radio apparatus comprising of a sending and a receiving set.

Sec. 2. The President of the Philippines shall have the power and authority to permit the location of said private fixed point-to-point, land based, land mobile, aeronautical and marine-borne radio stations or any of them on the public domain upon such terms as he may prescribe.

Sec. 3. The grantee shall not engage in the domestic business of telecommunications in the Philippines without further special consent of the Congress of the Philippines, it being understood that the purpose of this temporary permit is to secure to the grantee the right to construct, operate and maintain such radio stations at places in the Philippines as its interest and that of its trade and business may require.

Sec. 4. A special right is hereby reserved to the President of the Philippines in time of war, insurrection, emergency, calamity or disaster, to cause the closing of the grantee's radio stations or to authorize the temporary use or possession thereof by any department of the Government upon payment of just compensation.

Sec. 5. No fees shall be charged by the grantee as the radio stations that may be established by virtue of this Act shall engage in communications regarding the grantee's business only.

Sec. 6. The grantee shall so construct and operate its radio stations as not to interfere with the operation of other radio stations operated and maintained in the Philippines.

Sec. 7. The grantee shall hold the national, pro-

vincial, city and municipal governments free from all claims accounts, demands, or actions arising out of accidents or injuries whether to property or to persons, caused by the construction or operation of its radio stations.

Sec. 8. The grantee shall be subject to the corporation laws of the Philippines now existing or hereafter enacted.

Sec. 9. The grantee is authorized to operate its private fixed point-to-point, land based, land mobile, aeronautical and marine-borne radio stations in the medium frequency, high frequency and very high frequency that may be assigned to it by the licensing authority.

Sec. 10. This temporary permit shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires, and shall not be interpreted as an exclusive grant of the privilege hereinprovided for.

Sec. 11. Whenever in this temporary permit the term "grantee" is used, it shall be held to mean and represent Coconut Cooperative Marketing Association, Inc. (COCOMA), its successors or assigns.

Senator TOLENTINO. Mr. President, I move that we approve the bill on second reading.

The PRESIDENT PRO TEMPORE. Is the Senate ready to vote? As many as are in favor of the bill may please say *Aye*. (*Several senators: Aye.*) As many as are against may please say *Nay*. (*Silence.*) The *Ayes* have it. House Bill No. 17350 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF H. NO. 17494

Senator TOLENTINO. Mr. President, I ask that we consider House Bill No. 17494.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 17494 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING VILLA ESCUDERO CORPORATION (VESCO) A TEMPORARY PERMIT TO

CONSTRUCT, OPERATE AND MAINTAIN PRIVATE FIXED POINT-TO-POINT, LAND BASED, LAND MOBILE, AERONAUTICAL AND MARINE BORNE RADIO STATIONS FOR THE TRANSMISSION AND RECEPTION OF RADIO COMMUNICATIONS WITHIN THE PHILIPPINES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. There is hereby granted to Villa Escudero Corporation (VESCO) a temporary permit to construct, operate and maintain in the Philippines, at the following places, to wit: main office at San Pablo City, Manila, Lucena City, Tlaong, Province of Quezon, vehicles of the corporation, and such other places as the grantee may select, subject to the approval of the Secretary of Public Works and Communications or any competent authority who is or shall be authorized to give said approval, private fixed point-to-point, land based, land mobile, aeronautical and marine-borne radio stations, or any combination of them, for the transmission and reception of wireless messages on radiotelegraphy or radiotelephone, each station to consist of two radio apparatus comprising of a sending a receiving set.

Sec. 2. The President of the Philippines shall have the power and authority to permit the location of said private fixed point-to-point, land based, land mobile, aeronautical and marine-borne radio stations or any of them on the public domain upon such terms as he may prescribe.

Sec. 3. The grantee shall not engage in domestic business of telecommunications in the Philippines without further special assent of the Congress of the Philippines, it being understood that the purpose of this temporary permit is to secure to the grantee the right to construct, operate and maintain such radio stations at places in the Philippines as its interest and that of its trade and business may require.

Sec. 4. A special right is hereby reserved to the President of the Philippines in time of war, insurrection emergency, calamity or disaster, to cause the closing the grantee's stations or to authorize the temporary use or possession thereof by any department of the Government upon payment of just compensation.

SEC. 5. No fees shall be charged by the grantee as the radio stations that may be established by virtue of this Act shall engage in communications regarding the grantee's business only.

SEC. 6. The grantee shall so construct and operate its radio stations as not to interfere with the operation of other radio stations operated and maintained in the Philippines.

SEC. 7. The grantee shall hold the national, provincial, city and municipal governments harmless from all claims accounts, demands, or actions arising out of accidents or injuries whether to property or to persons, caused by the construction or operation of its radio stations.

SEC. 8. The grantee shall be subject to the corporation laws of the Philippines now existing or hereafter enacted.

SEC. 9. The grantee is authorized to operate its private fixed point-to-point, land based, land mobile, aeronautical and marine-borne radio stations in the medium frequency, high frequency and very high frequency that may be assigned to it by the licensing authority.

SEC. 10. This temporary permit shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires, and shall not be interpreted as an exclusive grant of the privilege herein provided for.

SEC. 11. Whenever in this temporary permit the term "grantee" is used, it shall be held to mean and represent Villa Escudero Corporation (VESCO), its successors or assigns.

SEC. 12. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move that we approve the bill on second reading.

The PRESIDENT PRO TEMPORE. Is the Senate ready to vote? As many as are in favor of the bill may please say *Aye*. (*Several senators: Aye.*) As many as are against may please say *Nay*. (*Silence.*) The *Ayes* have it. House Bill No. 17494 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND
READING OF H. NO. 18286

Senator TOLENTINO. Mr. President, I ask that we consider House Bill No. 18286.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18286 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING CALINOG-LAMBUNAO SUGAR MILLS INTEGRATED FARMING. INCORPORATED. A TEMPORARY PERMIT TO CONSTRUCT, OPERATE AND MAINTAIN PRIVATE FIXED POINT-TO-POINT RELAY AND MOBILE RADIO STATIONS FOR THE RECEPTION AND TRANSMISSION OF RADIO COMMUNICATIONS WITHIN THE PHILIPPINES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. There is hereby granted to Calinog-Lambunao Sugar Mills Integrated Farming, Incorporated, its successors or assigns, a temporary permit to construct, operate and maintain in the Philippines, in such places as the said company may select, subject to the approval of the Department Secretary under whose jurisdiction the Radio Control Board is functioning, or any competent authority who is or shall be authorized to give said approval, such private fixed point-to-point land based relay and mobile radio stations for the reception and transmission of wireless messages on radiotelegraph or radiotelephone, each station to consist of two radio apparatus comprising receiving and sending radio apparatus.

SEC. 2. The President of the Philippines shall have the power and authority to permit the location of said private fixed point-to-point land based relay and mobile radio stations or any of them on the public domain upon such terms as may be prescribed.

SEC. 3. This temporary permit shall continue to be in force during the time that the Government has not established similar service at the places selected by the grantee, and is granted upon the express condition that the same shall be void unless the grantee shall start operation of said stations within one year from the date of approval of this Act.

Sec. 4. The grantee shall not engage in the domestic business communications in the Philippines without further special assent of the Congress of the Philippines, it being understood that the purpose of this temporary permit is to secure to the grantee the right to construct, install, establish and operate private radio stations in places within the Philippines as the interest of the grantee and its trade and business may justify.

Sec. 5. A special right is hereby reserved to the President of the Philippines in time of war, insurrection, public peril, emergency, calamity, or disturbance of peace or order, to cause the closing of the station or stations or to authorize the temporary use or possession thereof by any department of the Government upon payment of just compensation.

Sec. 6. No fees shall be charged by the grantee as the radio stations that may be established by virtue of this Act shall engage in communications regarding the grantee's business only.

Sec. 7. The grantee, its successors or assigns, shall so construct and operate its radio stations as not to interfere with the operation of other radio stations as not to interfere with the operation in the Philippines.

Sec. 8. The grantee, its successors or assigns, shall hold the national, provincial, city, and municipal government of the Philippines, free from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of its radio stations.

Sec. 9. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this temporary permit, nor the rights or privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other person, company or corporation organized for the same purpose, without the approval of the Congress of the Philippines first had. Any corporation to which this temporary permit may be sold, transferred or assigned, shall be subject to the corporation laws of the Philippines now existing or hereafter enacted, and any person, firm, company, corporation or other commercial or legal entity to which this temporary permit is sold, transferred, or assigned shall be subject to all conditions, terms, restrictions and limitations of this temporary permit as if the temporary permit had been originally granted to the said person, firm, company, corporation or

other commercial or legal entity.

Sec. 11. The grantee, its successors, or assigns, is authorized to operate its private fixed point-to-point relay and mobile radio stations in the medium frequency, high frequency, and very high frequency that may be assigned to it by the licensing authority.

Sec. 12. This temporary permit shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires, and shall not be interpreted as an exclusive grant of privilege herein provided for.

Sec. 13. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move that we approve the bill on second reading.

The PRESIDENT PRO TEMPORE. Is the Senate ready to vote? As many as are in favor of the bill may please say *Aye*. (*Several senators: Aye.*) As many as are against may please say *Nay*. (*Silence.*) The *Ayes* have it. House Bill No. 18286 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 17355

Senator TOLENTINO. Mr. President, I move that we consider House Bill No. 17335.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 17355 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING PILAR P. MADDELA A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN AN ICE PLANT AND COLD STORAGE IN THE MUNICIPALITY OF REAL, PROVINCE OF QUEZON, AND TO SELL ICE THEREIN AND IN THE NEIGHBORING MUNICIPALITIES OF INFANTA, GENERAL NAKAR, POLILIO, PATNANGUNGAN, PANUKULAN, BURDEOS AND JUMALIG, SAME PROVINCE.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the conditions imposed by this Act, there is granted to Pilar P. Maddela of Real, Quezon, hereinafter referred to as the grantee, her successors or assigns, for a period of fifty years from the approval of this Act, a franchise to construct, operate and maintain an ice plant and cold storage in the Municipality of Real, Province of Quezon, for the purpose of manufacturing and distributing ice therein and in the neighboring municipalities of Infanta, General Nakar, Polilio, Patnanungan, Panukulan, Burdeos and Jumalig, same province, and to charge a schedule of prices and rates for the ice so furnished, which schedule of prices and rates shall at all times be subject to regulation by the Public Service Commission.

SEC. 2. The grantee shall manufacture and supply ice up to the limit of the capacity of the plant.

Sec. 3. All apparatus and appurtenances to be used by the grantee shall be modern, safe and first class in every respect, and the grantee shall, whenever the Public Service Commission shall determine that public interest reasonably requires it, change or alter any of her plant's apparatus and appurtenances at grantee's expense.

Sec. 4. If the grantee shall not commence the manufacture and distribution of ice in the aforesaid places three years from the approval of this Act, unless prevented by an act of God, or *force majeure*, martial law, riot, civil commotion, usurpation by a military power or any other cause beyond the grantee's control, this franchise shall become null and void.

Sec. 5. This franchise is granted subject to the provisions of Commonwealth Act Numbered One hundred and forty-six, as amended, only with respect to the fixing of rate, and with the understanding and upon the condition that shall be subject to amendment, alteration or repeal by the Congress of the Philippines when public interest so requires.

Sec. 6. In consideration of the franchise and rights hereby granted, the grantee shall pay a franchise tax equal to five *per centum* of the gross earnings under this franchise, three *per centum* of which shall accrue to the National Government and two *per centum* to the municipality where the franchise is being operated.

SEC. 7. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, there are a few amendments sought to be introduced. On page 1, line 4, delete the word "FIFTY" and in lieu thereof insert the word "TWENTY-FIVE." I move that that the amendment be approved.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 2, line 7, after the word "plant" change the period (.) to a comma (,) and add the phrase "AS DETERMINED BY THE PUBLIC SERVICE COMMISSION." I move that the amendment be approved.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move that the bill, as amended, be approved on second reading.

The PRESIDENT PRO TEMPORE. Is the Chamber ready to vote? (*Silence.*) As many as are in favor of the bill, as amended, will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) The bill is approved on second reading, as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18734

Senator TOLENTINO. Mr. President, I move that we consider House Bill No. 18734.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18734 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING REPUBLIC ACT NUMBERED FIFTY-FOUR HUNDRED NINETEEN. (re ice plant and cold storage franchise of Lourdes E.

Bengzon)

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section four of Republic Act Numbered Fifty-four hundred nineteen is hereby amended to read as follows:

"SEC. 4. If the grantee shall not commence the construction of her plant within FOUR [two] years from the approval of this Act, unless prevented by an Act of God, or *force majeure*, martial law, riot, civil commotion, usurpation by a military power or any other cause beyond the grantee's control, this franchise shall become null and void."

SEC. 2. The same Act is amended by inserting a new section between sections five and six thereof, to read as follows:

"SEC. 5-A. THE GRANTEE SHALL NOT LEASE, TRANSFER, GRANT THE USUFRUCT OF, SELL OR ASSIGN THIS FRANCHISE NOR THE RIGHTS OR PRIVILEGES ACQUIRED THEREUNDER TO ANY PERSON, FIRM, COMPANY, CORPORATION OR OTHER COMMERCIAL OR LEGAL ENTITY, NOR MERGE WITH ANY OTHER PERSON, COMPANY OR CORPORATION ORGANIZED FOR THE SAME PURPOSE, WITHOUT THE PREVIOUS APPROVAL OF THE CONGRESS OF THE PHILIPPINES: PROVIDED THAT THE GRANTEE MAY MORTGAGE THE SAID FRANCHISE AND ALL PROPERTY, EQUIPMENT AND RIGHTS ACQUIRED AND OPERATED THEREUNDER IN FAVOR OF ANY GOVERNMENT-OWNED OR CONTROLLED FINANCING INSTITUTION WITHOUT THE NECESSARY OF ANY APPROVAL FROM ANY AUTHORITY."

SEC. 3. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move that the bill be approved on second reading.

The PRESIDENT PRO TEMPORE. The Chamber will now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye*) As many as are against will please say *Nay*. (*Silence*.) House Bill No. 18734 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 17108

Senator TOLENTINO. Mr. President, I move that we consider House Bill No. 17108.

The PRESIDENT PRO TEMPORE. Considera-

tion of House Bill No. 17108 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING ROGER N. NITE A FRANCHISE TO ESTABLISH, OPERATE AND MAINTAIN RADIO BROADCASTING AND TELEVISION STATIONS IN THE PHILIPPINES.

SECTION 1. Subject to the provisions of the Constitution and the provisions not inconsistent herewith of Act Numbered Three thousand eight hundred and forty-six, entitled "An Act providing for regulations of radio stations and radio communications in the Philippine Islands, and for other purposes;" Commonwealth Act Numbered One hundred forty-six, otherwise known as the Public Service Act, and their amendments, and other applicable laws, there is hereby granted to Roger N. Nite, his successors or assigns, and hereunder referred to as the "grantee," the right and privilege to construct, install, establish and operate in the Philippines, at such places as the grantee may select and the Secretary of Public Works and Communications may approve, radio broadcasting and television stations in the Philippines.

SEC. 2. A special right is reserved to the President of the Philippines in time of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace or order to take over and operate the said stations or to authorize the temporary use and operation thereof by the Government upon due compensation to the grantee for the use of said stations during the period when they shall be so operated.

SEC. 3. The President of the Philippines shall have the power and authority to permit the construction of said stations or any of them on any land of the public domain upon such terms and conditions as he may prescribe.

SEC. 4. This franchise shall continue for a period of twenty-five years from the date the first of said stations shall be placed in operation, and is granted upon the express condition that the same shall be void unless the construction of said station be begun within two years from the date of the approval of this Act and be completed four years from such date.

SEC. 5. This franchise shall not take effect nor

shall any power thereunder be exercised by the grantee until the Secretary of Public Works and Communications shall have allotted to the grantee the frequencies and wave lengths to be used thereunder and determined the stations to and from which each frequency and wave length may be used, and issued to the grantee a license for such use.

Sec. 6. The Secretary of Public Works and Communications, on reasonable notice to the grantee, may at any time change, cancel, or modify, in whole or in part, any or all of the allotments of frequencies or wave lengths to be used. He may take such action whenever in his judgment:

(a) Such frequencies and wave lengths have been used, or there is danger that they will be used by the grantee to impair electrical communications, or stifle competition, or to obtain a monopoly in electrical communication or to secure unreasonable rates for such communications, or to violate otherwise the laws or public policy of the Republic of the Philippines;

(b) The public interest of the Republic of the Philippines require that such frequencies or lengths should be used for other purposes than those of the grantee, either by the Government of the Philippines or by other individuals or corporations licensed by it; and

(c) For any reason the public interest of the Philippines so require.

Sec. 7. The stations of the grantee shall be so constructed and operated and the wave lengths so selected as to avoid interference with existing stations and to permit the expansion of the grantee's services.

Sec. 8. The grantee shall hold the national, provincial, city and municipal governments of the Philippines harmless from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to person, caused by the construction or operation of the stations of the grantee.

Sec. 9. No private property shall be taken for any authority to take and occupy land contained herein shall not apply to the taking, use, or occupation of any land except such as is required for the actual necessary purposes for which this franchise is granted.

Sec. 10. The grantee shall keep an account of the gross receipts of its business and shall furnish the Auditor General and the Treasury of the Philippines with a copy of such accounts not later than the thirty-first day of January of each year for the preceding year. All the books and accounts of the grantee pertaining to his business shall be subject to the official inspection of the Auditor General or his authorized representatives, and the audit and approval of such accounts shall be final and conclusive evidence as to the amount of said gross receipts, except that the grantee shall have the right to appeal to the courts under the terms and conditions provided in the laws in the Philippines.

Sec. 11. The grantee, his successors or assigns shall be subject to the corporation laws of the Philippines now existing or hereafter enacted.

Sec. 12. The grantee shall file a bond in the amount of five thousand pesos to guarantee the full compliance and fulfillment of the conditions under which this franchise is granted. If after four years from the date of acceptance of this franchise, the grantee shall have fulfilled said conditions or as soon thereafter as the grantee shall have fulfilled the same, the bond aforesaid shall be cancelled by the Government.

Sec. 13. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise, nor the rights or privileges acquired thereunder to any person, firm, company, partnership, corporation or other commercial or legal entity, nor merge with any other person, firm, company, partnership or corporation for the same purpose, without the approval of the Congress of the Philippines first had. Any corporation to which this franchise may be sold, transferred, or assigned shall be subject to the corporation laws of the Philippines now existing or hereafter enacted, and any person, firm, company, partnership, corporation or other commercial or legal entity to which this franchise is sold, transferred, or assigned shall be subject to all conditions, terms, restrictions and limitations of this franchise as fully and completely and to the same extent as if the franchise had been originally granted to the said person, firm, company, partnership, corporation or other commercial or legal entity.

Sec. 14. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on its business, real estate, buildings and personal property,

exclusive of this franchise, as other persons, or corporation are now or hereafter may be required by law to pay.

Sec. 15. This franchise shall not be interpreted to mean as an exclusive grant of the privileges herein provided for.

Sec. 16. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, there are several amendments attached to the Committee Report. They read:

1. On page 1, Title, delete "the Philippines" and in lieu thereof place the following "Baguio City, Quezon City, Dumaguete City, Davao City, and Legaspi City".
2. On page 1, Section 1, line 5, delete "The Philippines" and in lieu thereof place the following: "Baguio City, Quezon City, Dumaguete City".
3. On page 2, Section 1, line 1, delete "The Philippines" and in lieu thereof place the following: Baguio City, Quezon City, Dumaguete City, and Legaspi City.
4. On page 2, Section 1, Line 4, delete "The Philippines" and in lieu thereof place the following: "Baguio City, Quezon City, Dumaguete City, Davao City and Legaspi City".
5. On page 7, Section 15, Line 3 add another Section 15a and the phrase: "IN CONSIDERATION OF THIS FRANCHISE THE GRANTEE SHALL PAY A TAX EQUIVALENT TO FIVE PER CENT (5%) OF ITS GROSS INCOME".

I move that these amendments be approved.

The PRESIDENT PRO TEMPORE. Any objection to the committee amendments? (*Silence.*) There being none, the committee amendments are approved.

Senator TOLENTINO. Mr. President, I move that the bill, as amended, be approved.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many

as are in favor of the bill will please say *Aye.* (*Several senators: Aye.*) As many as are against will please say *Nay.* (*Silence.*) House Bill No. 17108, as amended, is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 17487

Senator TOLENTINO. Mr. President, I move that we consider House Bill No. 17487.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 17487 is in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING KALAYAAN PUBLISHING COMPANY INC. A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN RADIO BROADCASTING STATIONS IN THE PHILIPPINES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the provisions of the Constitution, as well as of Act Numbered Three thousand eight hundred forty-six, entitled "An Act providing for the regulation of radio stations and radio communications in the Philippine Islands, and for other purposes;" Act Numbered Three thousand nine hundred ninety-seven, known as the Radio Broadcasting Law; Commonwealth Act Numbered One hundred forty-six, known as the Public Service Act, and their amendments, and other applicable laws, not inconsistent with this Act, Kalayaan Publishing Company, Inc., hereinafter referred to as the grantee, is hereby granted a franchise to construct, operate and maintain radio broadcasting stations in the Philippines.

Sec. 2. This franchise shall continue for a period of twenty-five years from the date the station shall be put in operation, and is granted upon the express condition that the same shall be void unless the construction of the stations be begun within six months from the date of approval of this Act and completed within two years from such date.

Sec. 3. This franchise is likewise made upon the express condition that the grantee shall contribute to the public welfare, shall assist in the functions of public information and education shall conform to the ethics of honest enterprise, and shall not use the stations for the dissemination of deliberately false information or willful misrepresentation, or to the detriment of the public health, or to incite encourage or assist in subversive or treasonable acts.

Sec. 4. The grantee's radio broadcasting stations shall not be put in actual operation until after the Secretary of Public Works and Communications has allotted to the grantee the frequency and wave length to be used under this franchise and issued to the grantee a license for such use.

Sec. 5. A special right is reserved to the President of the Philippines in time of war, rebellion, public peril, or other national emergency and when public safety requires, to cause the closing of said stations or to authorize the use and operation thereof by any department of the Government without compensating the grantee for the use of said stations during the continuance of the national emergency.

Sec. 6. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on its real estate, buildings and other property, exclusive of the franchise, as other persons or corporations are now or hereafter may be required by law to pay.

The grantee shall further be liable to pay all other taxes under the National Internal Revenue Code by reason of this franchise.

Sec. 7. The grantee shall hold the national, provincial and municipal governments of the Philippines free from all claims, accounts, demands, or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the stations of the grantee.

Sec. 8. The franchise hereby granted shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires.

Sec. 9. As a condition of the granting of this franchise the grantee shall execute a bond in favor of the Government of the Philippines, in the sum of fifty thousand pesos, in form and with sureties satisfactory to the Secretary of Public Works and Communications, conditioned upon the faithful performance of the grantee's obligations hereunder du-

ring the first three years of the life of this franchise. If, after three years from the date of acceptance of this franchise, the grantee shall have fulfilled said obligations, or as soon thereafter as the grantee shall have fulfilled the same, the bond aforesaid shall be cancelled by the Secretary of Public Works and Communications.

Sec. 10. Acceptance of this franchise shall be given in writing within six months after approval of this Act. When so accepted by the grantee and upon the approval of the bond aforesaid by the Secretary of Public Works and Communications the grantee shall be empowered to exercise the privileges granted thereby.

Sec. 11. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise nor the rights and privileges acquired thereunder, to any person, firm, company, corporation or other commercial or legal entity, nor merge with any person, company or corporation organized for the same purpose, without the approval of the Congress of the Philippines first had. Any corporation to which this franchise may be sold, transferred or assigned shall be subject to the corporation laws of the Philippines now existing or which hereafter may be enacted, and any person, firm, company, corporation or other commercial or legal entity to which this franchise is sold, transferred or assigned shall be subject to all conditions, terms, restriction and limitations of this franchise as fully and completely and to the same extent as if the franchise had been originally granted to the said person, firm, company, corporation or other commercial or legal entity.

Sec. 12. The grantee shall not require any previous censorship of any speech, play or other matter to be broadcast from its stations; but if any such speech, play or other matter should constitute a violation of the law or infringement of a private right, the grantee shall be free from any liability, civil or criminal, for such speech, play or other matter: Provided, That the grantee, during any broadcast shall cut off from the air the speech, play or other matter being broadcast if the tendency thereof is to propose and/or incite treason, rebellion or sedition, or the language used therein or the theme thereof is indecent or immoral, and willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

Sec. 13. This franchise shall not be interpreted

as an exclusive grant of the privileges herein provided for.

Senator TOLENTINO. There is a committee amendment, Mr. President. On page 2, Section 6, delete the whole section starting with the word "THE" on line 20 up to and including the word "PAY" on page 3, line 4, and in lieu thereof place the following:

"IN CONSIDERATION OF THIS FRANCHISE THE GRANTEE SHALL PAY A TAX EQUIVALENT TO FIVE PER CENT (5%) OF ITS GROSS INCOME."

I move that the amendment be approved.

The PRESIDENT PRO TEMPORE. Any objection to the amendment? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move that the bill be approved on second reading, as amended.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 174 is approved on second reading, as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18931

Senator TOLENTINO. Mr. President, I move that we consider House Bill No. 18931.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18931 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING JOSE P. SANTILLAN A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN AN ICE PLANT AND COLD STORAGE IN THE MUNICIPALITY OF ROSARIO, PROVINCE OF CAVITE.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the conditions imposed by this Act, there is granted to Jose P. Santillan, a Filipino and resident of Rosario, Cavite, his successors or assigns, for a period of twenty-five years from the approval of this Act, the right, privilege and authority to construct, operate and maintain an ice plant and cold storage in the Municipality of Rosario, Province of Cavite, for the purpose of manufacturing ice and supplying cold storage and to sell and distribute the ice so manufactured and supply cold storage facilities therein and to collect a schedule of rates and prices for the ice and cold storage so furnished which schedule of prices and rates shall at all times be subject to regulation by the Public Service Commission.

SEC. 2. The grantee shall manufacture and supply ice up to the limit of the capacity of its plant: Provided, however, That the total daily output of the ice plant so installed and maintained shall not exceed fifty tons and for the cold storage so installed and maintained shall not exceed a total capacity of two hundred tons.

SEC. 3. All the apparatus and appurtenances to be used by the grantee shall be modern, safe and first class in every respect, and the grantee shall, whenever the Public Service Commission shall determine that public interest reasonably requires it, change or alter any of its apparatus and appurtenances at grantee's expense.

SEC. 4. If the grantee shall not commence the construction of the ice plant and cold storage within two years from the approval of this Act, unless prevented by an act of God or *force majeure*, martial law, riot, civil commotion, usurpation by a military power or any other cause beyond the grantee's control, this franchise shall become null and void.

SEC. 5. This franchise is granted subject to the provisions of Commonwealth Act Numbered One hundred forty-six, as amended, only with respect to the fixing of rates and with the understanding and upon the condition that it shall be subject to amendment, alteration or repeal by the Congress of the Philippines when public interest so requires.

SEC. 6. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on his bur-

ness, real estate, buildings, and personal property, exclusive of this franchise, as any other person or corporation is now or hereafter may be required by law to pay.

Sec. 7. In the event of any competing individual, association of persons, or corporation receiving from the Congress of the Philippines a similar franchise in which there shall be any terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become a part of the terms hereof and shall operate equally in favor of the grantee as in the case of said competing individual, association of persons or corporation.

Sec. 8. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, there is a Committee amendment in the report. On page 3, Section 7, line 18, add another Section 7a and the phrase: "IN CONSIDERATION OF THIS FRANCHISE THE GRANTEE SHALL PAY A TAX EQUIVALENT TO FIVE PER CENT (5%) OF ITS GROSS INCOME." I move that this Committee amendment be approved.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Then on page 3, line 4, after the word "plant" delete the colon (:) and add the following: "AS DETERMINED BY THE PUBLIC SERVICE COMMISSION." and delete the rest of the paragraph. I move that the amendment be approved.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 3, delete the whole of Section 7 and change "Section 8" to "SEC. 7." I move that the amendment be approved.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amend-

ment is approved.

Senator TOLENTINO. Mr. President, I move that the bill be approved on second reading, as amended.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill, as amended, will please say *aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18931 is approved on second reading, as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18915

Senator TOLENTINO. Mr. President, I move that we consider House Bill No. 18915.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18915 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING SECTION SEVEN OF REPUBLIC ACT NUMBERED SEVEN HUNDRED FIFTY-SEVEN.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section seven of Republic Act Numbered Seven hundred fifty-seven is amended to read as follows:

"Sec. 7. The grantee, its successors or assigns, shall be liable to pay the same taxes on its real estate, buildings, and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay. In addition, the grantee, its successors or assigns, shall pay to the Treasurer of the Philippines each year, within ten days after the audit and approval of the accounts as prescribed in Section six of this Act, TWO [one] *per centum* of all gross receipts of the telephone or other electrical transmission business transacted under this franchise by the grantee, its successors or assigns, and

the said percentage shall be in lieu of all OTHER taxes [on this franchise or its earnings]."

Senator TOLENTINO. Mr. President. I ask that the bill be approved on second reading.

The PRESIDENT PRO TEMPORE. Is the Chamber ready to vote? (*Silence.*) As many as are in favor of the bill will please say *Aye.* (*Several senators: aye*) As many as are against may say *Nay.* (*Silence.*) House Bill No. 18915 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18916

Senator TOLENTINO. Mr. President, I move that we consider House Bill No. 18916.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18916 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING SECTION SEVEN OF REPUBLIC ACT NUMBERED SIX HUNDRED NINETY-SEVEN (re telephone franchise).

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section seven of Republic Act Numbered Six hundred ninety-seven is amended to read as follows:

"Sec. 7. The grantee, its successors or assigns, shall be liable to pay the same taxes on its real estate, buildings, and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay. In addition, the grantee, its successors or assigns, shall pay to the Treasurer of the Philippines each year, within ten days after the audit and approval of the accounts as prescribed in Section six of this Act, TWO [one] per centum of all gross receipts of the telephone or other electrical transmission business transacted under this franchise by the grantee, its successors or assigns, and the said percentage shall be in lieu of all OTHER ta-

xes [on this franchise or its earnings]."

Senator TOLENTINO. Mr. President, I ask that we approve the bill on second reading.

The PRESIDENT PRO TEMPORE. Is the Chamber now ready to vote? (*Silence.*) As many as are in favor of the bill will please say *Aye.* (*Several senators: Aye*) As many as are against will please say *Nay.* (*Silence.*) House Bill No. 18916 is approved on second reading.

Senator PADILLA. Mr. President.

The PRESIDENT PRO TEMPORE. The Minority Floor Leader.

Senator PADILLA. If I may be permitted to invite attention to the two bills that have been previously called — and I am referring to House Bills Nos. 18915 and 18916 — according to these bill the two per cent shall be in lieu of all other taxes. We have been imposing a tax of five per cent, I think, as franchise tax. Then, if there are properties, the same are subject to real property tax, and if it is a business, it might be subject to another tax. Why is it that under these two particular franchises there be a two per cent tax on the grantees, gross receipts in lieu of all other taxes?

Senator TOLENTINO. I yield to the distinguished Chairman of the Committee on Corporations and Franchises.

Senator GANZON. Mr. President.

The PRESIDENT PRO TEMPORE. Gentleman from Iloilo.

Senator GANZON. Up to last year, Mr. President, your Committee has been recommending two per cent; but after last year, your Committee received a communication from the Auditor General, the Secretary of Finance and the Public Service Commission, calling our attention to the necessity of making it five per cent. So, since then we have been making it five per cent. But that is with respect to electric lights, ice-

etc., — never telephone. Now, these franchises affecting telephone, so we are increasing it to two per cent. But for the record, we are not objecting to an amendment making two per cent five per cent. I only wish to make of record that this is the first time we have a franchise affecting telephone. Your Committee has no objection for the moment to amend this to five per cent. Anyway, this will be subject to conference between the two Houses, in which case we will invite the distinguished Minority Floor Leader to join the Committee for more enlightenment.

Senator PADILLA. Your Honor, it just struck me — this exemption from all other taxes. The first part of the section say that the grantee, etc. shall be liable to pay the same taxes on its real estate, buildings and personal property; but in the latter part, it says that this tax paid on two per cent of the gross receipts shall be in lieu of other taxes. Now, suppose the firm should realize a profit, would it be exempt from income tax.

RECONSIDERATION OF APPROVAL ON
SECOND READING OF HOUSE BILL
NO. 18915.

Senator GANZON. Mr. President, in view of this query of the distinguished Minority Floor Leader, may I move for reconsideration of the favorable action by this Body on House Bill No. 18916 is in order.

RECONSIDERATION OF APPROVAL ON
SECOND READING OF HOUSE BILL NO.
18916

Senator TOLENTINO. Mr. President, I make the same motion.

The PRESIDENT PRO TEMPORE. Any objection (*Silence.*) There being none, approval of House Bill No. 18916 on second reading is reconsidered.

CONSIDERATION AND APPROVAL ON SECOND
READING OF HOUSE BILL NO. 13254

Senator TOLENTINO. Mr. President, I move

that we consider House Bill No. 13254.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 13254 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING H. MARCOS CALO A FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE A RADIO BROADCASTING STATION IN CITY OF BUTUAN.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the provisions of the Constitution, as well as of Act Numbered Three thousand eighth hundred forty-six, entitled "An Act providing for the regulation of radio stations and radio communications in the Philippines Islands, and for other purposes;" Act Numbered Three thousand nine hundred ninety-seven, known as the radio broadcasting law; Commonwealth Act Numbered One hundred forty-six, known as the Public Service Act and their amendments, and other applicable laws, not inconsistent with this Act, H. Marcos Calo is hereby granted a franchise to construct, maintain and operate a radio broadcasting station in the City of Butuan.

SEC. 2. This franchise shall continue for a period of fifty years from the approval of this Act, and is granted upon the express condition that the radio station be commenced within two years from same shall be void unless the construction of the the date of approval of this Act and be completed within two years from said date.

SEC. 3. This franchise is likewise made upon the express condition that the grantee shall contribute to the public welfare, shall assist in the function of public information and education, shall conform to the ethics of honest enterprise, and shall not use its station for the dissemination of deliberately false information or willful misrepresentation, or to the detriment of public health, or to incite, encourage or assist in subversive or treasonable acts.

SEC. 4. The grantee's radio broadcasting station shall not be put in actual operation until the Secretary of Public Works and Communications shall

have allotted to the grantee the frequency and wave length to be used under this franchise and issued to the grantee a license for such use.

SEC. 5. The radio broadcasting station of the grantee shall be so constructed and operated and the wave length so selected as to avoid interference with existing radio stations and to permit the expansion of the grantee's service.

SEC. 6. A special right is reserved to the President of the Philippines, in time of war, rebellion, public peril, calamity, disaster or disturbance of peace and order, to cause the closing of the said station or to authorize the temporary use and operation thereof by any department of the Government without compensating justly the grantee for the use of said station during the period when it shall be so operated.

SEC. 7. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on his business, real estate, buildings, and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay.

SEC. 8. The franchise hereby granted shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires.

SEC. 9. Acceptance of this franchise shall be given in writing by the grantee within six months after the approval of this Act. When so accepted, the grantee shall be empowered to exercise the privilege granted thereby.

SEC. 10. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other company or corporation organized for the same purpose, without securing the prior approval of the Congress of the Philippines. Any corporation to which this franchise may be sold, transferred or assigned shall be subject to the corporation laws of the Philippines now existing or hereafter enacted, and any person, firm, company, corporation or other commercial or legal entity to which this franchise is sold, transferred, or assigned shall be subject to all conditions, terms, restrictions and limitations of this franchise as fully and

completely and to the same extent as if the franchise had been originally granted to the said person, firm, company, corporation or other commercial or legal entity.

SEC. 11. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, there are Committee amendments in the committee report. I ask that we consider and approved said amendments:

On page 2, Section 2, line 2, delete the word "FIFTY" and in lieu thereof place the word "TWENTY-FIVE."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 3, Section 7, delete the whole Section starting with the word "THE" on line 11 up to and including the word "PAY" on line 15, and in lieu thereof place the following:

"IN CONSIDERATION OF THIS FRANCHISE THE GRANTEE SHALL PAY A TAX EQUIVALENT TO FIVE PER CENT (5%) OF ITS GROSS INCOME."

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move that we approve the bill, as amended, on second reading.

The PRESIDENT PRO TEMPORE. Is the Chamber ready to vote? (*Silence.*) As many as are in favor of the bill, as amended, will please say *Aye*. (*Several senators: Aye.*) As many as are against, will please say *Nay*. (*Silence.*) House Bill No. 1354 is approved on second reading, as

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18624.

Senator TOLENTINO. Mr. President, I ask

that we now consider House Bill No. 18624.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 18624 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING VISAYAN ELECTRIC COMPANY, INCORPORATED A TEMPORARY PERMIT TO CONSTRUCT, OPERATE AND MAINTAIN PRIVATE FIXED POINT-TO-POINT AND LAND BASED, AND LAND MOBILE RADIO STATIONS FOR THE TRANSMISSION AND RECEPTION OF WIRELESS MESSAGES WITHIN THE PHILIPPINES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION. 1. There is hereby granted to Visayan Electric Company, Inc. a temporary permit to construct, operate and maintain in the City of Cebu and in such places as the grantee may select and the Secretary of Public Works and Communications may approve, private fixed point-to-point and land mobile radio stations for the transmission and reception of wireless message by radio telegraph or radio telephone, each station to be provided with a radio transmitting apparatus.

SEC. 2. This temporary permit shall continue to be in force during the time that the Government has not established a similar service at the places selected by the grantee, and is granted upon the express condition that the same shall be void unless the construction or installation of said stations be begun within two years from the date of approval this Act and completed within four years from said date.

SEC. 3. The grantee, its successors or assigns, shall not engage in the domestic business of telecommunications in the Philippines without further special assent of the Congress of the Philippines, it being understood that the purpose of this temporary permit is to secure to the grantee the right to construct, install, operate and maintain private fixed point-to-point and land mobile radio stations in such places within the Philippines as the interest of the grantee may justify.

SEC. 4. No fees shall be charged by the grantee as the radio stations that may be established by virtue of this Act shall engage in communications regarding the grantee's business only.

SEC. 5. The grantee, its successors or assigns, shall so construct and operate its radio stations as not to interfere with the operation of other radio stations operated and maintained in the Philippines.

SEC. 6. The grantee, its successors or assigns, shall hold the national, provincial, city and municipal governments of the Philippines free from all claims, accounts, demands, or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the radio stations.

SEC. 7. The grantee, its successors or assigns, is authorized to operate its fixed point-to-point and land mobile radio stations in the medium frequency, high frequency, and very high frequency that may be assigned to it by the Secretary of Public Works and Communications.

SEC. 8. The grantee, its successors or assigns, shall be subject to the corporation laws of the Philippines now existing and hereafter enacted.

SEC. 9. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this temporary permit or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other person, company, corporation organized for the same purpose without approval of the Congress of the Philippines first had. Any corporation to which this temporary permit may be sold, transferred, assigned, or ceded, shall be subject to the corporation laws of the Philippines now existing or hereafter enacted, and any person, firm, company, corporation or other commercial or legal entity to which this temporary permit is sold, transferred, or assigned shall be subject to all the conditions, terms, restrictions and limitations of this temporary permit as full and completely and to the same extent as if the temporary permit had been originally granted to said person, firm, company, corporation or other commercial or legal entity.

SEC. 10. A special right is hereby granted or reserved to the President of the Philippines in time

of war, insurrection, public peril, emergency, calamity or disaster to cause the closing of the grantee's radio stations or to authorize the temporary use or possession thereof by any department of the Government upon payment of just compensation.

Sec. 11. This temporary permit shall be subject to amendment, alteration, or repeal by the Congress of the Philippines, when the public interest so requires, and shall not be interpreted as an exclusive grant of the privilege herein provided for.

Sec. 12. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18624 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 17406

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 17406.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 17406 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING A.C.D., INC, A TEMPORARY PERMIT TO CONSTRUCT, OPERATE AND MAINTAIN PRIVATE FIXED POINT-TO-POINT PRIVATE COASTAL, PRIVATE AERONAUTICAL AND LAND-BASED AND LAND-MOBILE RADIO STATIONS FOR THE RECEPTION AND TRANSMISSION OF RADIO COMMUNICATIONS WITHIN THE PHILIPPINES.

Enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. There is hereby granted to A.C.D.,

Inc., its successors or assigns, a temporary permit to construct, establish, operate and maintain in the Philippines, at such places as the grantee may select, subject to the approval of the Secretary of Public Works and Communications, private fixed point-to-point, and land-based and land-mobile, private coastal and private aeronautical stations for the reception and transmission of wireless messages by radio telegraph or radio telephone, each station to be provided with a radio transmitting apparatus and a radio receiving apparatus.

Sec. 2. The President of the Philippines shall have the power and authority to permit the location of said radio stations or any of them on lands of the public domain upon such terms and conditions as he may prescribe.

Sec. 3. This temporary permit shall continue to be in force during the time that the government has not established similar service at the places selected by the grantee but not exceeding twenty-five years and is granted upon express condition that the same shall be void unless the construction of at least one of the said stations be begun within one year from the date of approval of this Act and be completed within two years from said date.

Sec. 4. The grantee shall not engage in the domestic business of telecommunication in the Philippines without further consent of the Congress of the Philippines, it being understood that the purpose of this temporary permit is to secure to the grantee the right to construct, establish, maintain and operate said radio stations as the interest of the grantee may justify.

Sec. 5. This temporary permit shall not take effect until the Secretary of Public Works and Communications shall have allotted to the grantee the frequencies and wave-lengths to be used therefor, but the grantee may use the international distress frequency of five hundred eighty kilocycles whenever necessary.

Sec. 6. No fees shall be charged as the radio stations that may be established by virtue of this Act shall engage in communications regarding the grantee's business only.

Sec. 7. The grantee shall so construct and operate its radio stations as not to interfere with the

operation of other radio stations maintained and operated in the Philippines.

Sec. 8. The grantee shall hold the national, provincial and municipal government of the Philippines harmless from all claims, accounts, demands or action arising out of accidents, injuries, whether to property or persons, caused by the construction or operation of its radio stations.

Sec. 9. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this temporary permit, nor merge with any other persons, without the approval of the Congress of the Philippines had. Any person, natural or juridical, to which this temporary permit may be sold, transferred or assigned, shall be subject to all conditions, limitation and restriction of this permit as fully and completely and to the same extent as if the temporary permit had been originally granted to such persons.

Sec. 10. A special right is hereby reserved to the President of the Philippines in time of war, insurrection, public peril, emergency, calamity or disaster to cause the closing of the grantee's radio stations or to authorize the temporary use or possession thereof by any department of the Government upon payment of such compensation.

Sec. 11. This temporary permit shall be subject to amendment, alteration or repeal by the Congress of the Philippines when the public interest so requires, and shall not be interpreted as an exclusive grant of the privileges herein provided for.

Sec. 12. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (Several senators: *Aye*.) As many as are against will please say *Nay*. (Silence.) House Bill No. 6106 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 6109

Senator TOLENTINO. Mr. President, I ask

that we now consider House Bill No. 6109.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 6109 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING REPUBLIC ACT NUMBERED TWENTY-NINE HUNDRED THIRTY-SEVEN, ENTITLED "AN ACT GRANTING JORGE D. BAYONA A FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE RADIO BROADCASTING STATION IN THE MUNICIPALITY OF LEGASPI, PROVINCE OF ALBAY."

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section one of Republic Act Numbered Twenty-nine hundred thirty-seven is amended to read as follows:

"SECTION 1. Subject to the provisions of the Constitution as well as of Act Numbered Three thousand eight hundred forty-six, entitled "An Act providing for the regulation of radio stations and radio communication in the Philippine Islands, and for other purposes"; Act Numbered Three thousand nine hundred ninety-seven, known as the Radio Broadcasting Law; Commonwealth Act Numbered One hundred forty-six, known as the Public Service Act, and their amendments; and other applicable laws, not inconsistent with this Act, Jorge R. Bayona is hereby granted a franchise to construct, maintain and operate [a] radio broadcasting [station] AND TELEVISION STATIONS [in the Municipality of Legaspi, Province of Albay] IN THE PHILIPPINES, AS WELL AS FIXED POINT-TO-POINT AND LAND BASED AND LAND AND SEA MOBILE RADIO STATIONS FOR THE RECEPTION AND TRANSMISSION OF RADIO COMMUNICATIONS WITHIN THE PHILIPPINES, AT SUCH PLACES AS THE SAID JORGE D. BAYONA MAY SELECT, SUBJECT TO THE APPROVAL OF THE SECRETARY OF PUBLIC WORKS AND COMMUNICATIONS."

Sec. 2. Section two of the same Act is amended to read as follows:

"Sec. 2. This franchise shall continue for a period of [twenty-five] FIFTY years from the date the said [station] STATIONS shall be put in operation.

and is granted upon the express condition that the same shall be void unless the construction of [said station] AT LEAST ONE TELEVISION STATION be begun [six months] TWO YEARS from the date of the approval of this Act and be completed within [two years] FOUR YEARS from said date."

Sec. 3. Section four of the same Act is amended to read as follows:

"Sec. 4. The grantee's radio broadcasting [station] AND TELEVISION STATIONS shall not be put in actual operation until the Secretary of Public Works and Communications shall have allotted to the grantee the [frequency] FREQUENCIES and wave [length] LENGTHS AND CHANNELS to be used under this franchise and issued to the grantee a license for such use.

"THE GRANTEE, HIS SUCCESSORS OR ASSIGNS, IS AUTHORIZED TO OPERATE HIS FIXED POINT-TO-POINT AND LAND BASED AND LAND AND SEA-MOBILE RADIO STATIONS IN THE MEDIUM FREQUENCY, HIGH FREQUENCY, AND VERY HIGH FREQUENCY THAT MAY BE ASSIGNED TO IT BY THE SECRETARY OF PUBLIC WORKS AND COMMUNICATIONS."

Sec. 4. Section four-A, a new section, is hereby inserted between Section four and Section five of the same Act, and shall read as follows:

"Sec. 4-a. IN THE EVENT OF ANY COMPETING INDIVIDUAL, PARTNERSHIP OR CORPORATION RECEIVING FROM THE CONGRESS A SIMILAR FRANCHISE IN WHICH THERE SHALL BE ANY TERM OR TERMS MORE FAVORABLE THAN THOSE HEREIN GRANTED OR TENDING TO PLACE THE HEREIN GRANTEE AT ANY DISADVANTAGE, THEN SUCH TERM OR TERMS SHALL *IPSO FACTO* BECOME A PART OF THE TERMS HEREOF AND SHALL OPERATE EQUALLY IN FAVOR OF THE GRANTEE AS IN THE CASE OF SAID COMPETING INDIVIDUAL, PARTNERSHIP OR CORPORATION."

Sec. 5. Section twelve of the same Act is amended to read as follows:

"Sec. 12. The grantee shall not require any previous censorship of any speech, play, ACT OR SCENE or other matter to be broadcast AND/OR TELECAST from his [station] STATIONS; but if any such speech, play, ACT OR SCENE or other

matter should constitute a violation of the law or infringement of a private right, the grantee shall be free from liability, civil or criminal, for such speech, play, ACT OR SCENE or other matter: *Provided*, That the grantee, during broadcast AND/OR TELECAST, shall cut off from the air the speech, play, ACT OR SCENE or other matter being broadcast AND/OR TELECAST, if the tendency thereof is to propose and/or incite treason, rebellion or sedition, or the language used therein or the theme thereof is indecent or immoral, and willful failure to do so shall constitute a valid cause for the cancellation of this franchise."

Sec. 6. The title of the same Act is amended to read as follows:

"An Act Granting Jorge D. Bayona A Franchise to Construct, Maintain and operate [a] radio broadcasting and television Stations [in the Municipality of Legaspi, Province of Albay] IN THE PHILIPPINES, AS WELL AS FIXED POINT-TO-POINT AND LAND BASED AND LAND AND SEA-MOBILE RADIO STATIONS FOR THE RECEPTION AND TRANSMISSION OF RADIO COMMUNICATIONS WITHIN THE PHILIPPINES."

Sec. 7. This Act shall take effect upon its approval.

Senator TOLENTINO. There are amendments attached to the committee report, Mr. President. I move that said amendments be approved.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) The Chair hears none. The Amendments attached to the committee report are approved.

(Text of committee amendments to H. No. 6100 attached to Committee Report No. 2461.)

1. On page 1 Title delete the "Municipality of Legaspi, Province of Albay" and in lieu thereof place "Bicol Region and Southern Tagalog".
2. On page 2, Section 1, line 3 delete the words "in the Philippines" up to line 9 and in lieu thereof place the "Bicol Region and Southern Tagalog".
3. On page 2, Section 2, line 20 delete the open bracket before the word TWENTY and the close

bracket after the word FIVE, place an open bracket before the word FIFTY. On line 20 add a close bracket before the word FIFTY on the same line.

4. On page 5, Section 6, line 10 delete "in the Philippines" and in lieu thereof place the following "Bicol Region and Southern Tagalog".

Senator TOLENTINO. I move for the approval of the bill, as amended, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 6109 as amended is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 5017

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 5017.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 5017 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING SECTION ONE OF REPUBLIC ACT NUMBERED SIXTEEN HUNDRED AND TEN, ENTITLED "AN ACT GRANTING NEGROS ELECTRIC POWER CORPORATION A FRANCHISE TO DEVELOP, CONSTRUCT, MAINTAIN AND OPERATE A HYDROELECTRIC POWER PLANT IN BAGO RIVER, PROVINCE OF NEGROS OCCIDENTAL."

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section one of Republic Act Numbered Sixteen hundred and ten is hereby amended to read as follows:

"SECTION 1. Subject to the provisions of the Constitution and to the terms and conditions established in Act Numbered Thirty-six hundred and thirty-

six, as amended, and insofar as the latter law is applicable to, and not inconsistent with this Act, there is hereby granted to Negros Electric Power Corporation, hereinafter known as the grantee, for a period of twenty-five years from the approval of this Act, the right, privilege and authority to develop, construct, maintain and operate a hydroelectric power plant AND/OR THERMAL UNITS at [a] suitable places for the purpose of generating and distributing electric light, heat, and power for sale within the Province of Negros Occidental. [The grantee shall complete the building of the hydroelectric power plant herein authorized within five years from the approval of this Act and charge and collect a schedule of prices and rates for the use of electric current, which schedule of prices and rates shall at all times be subject to regulation by the Public Service Commission.]

Sec. 2. The same Act is further amended by inserting between Sections one and two thereof a new section to read as follows:

"SEC. 1-a. THE GRANTEE SHALL COMPLETE THE BUILDING OF THE HYDROELECTRIC POWER PLANT AND/OR THERMAL UNITS HEREIN AUTHORIZED WITHIN FIVE YEARS FROM THE APPROVAL OF THIS AMENDMENT AND CHARGE AND COLLECT A SCHEDULE OF PRICES AND RATES FOR THE USE OF ELECTRIC CURRENT, WHICH SCHEDULE OF PRICES AND RATES SHALL AT ALL TIMES BE SUBJECT TO REGULATION BY THE PUBLIC SERVICE COMMISSION."

Sec. 3. This Act shall take effect upon its approval.

Senator TOLENTINO. There is a committee amendment, Mr. President. On page 2 after Sec. 1a add another Section 1 lb and the phrase: "IN CONSIDERATION OF THIS FRANCHISE THE GRANTEE SHALL PAY A TAX EQUIVALENT TO FIVE PER CENT (5%) OF ITS GROSS INCOME."

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) The Chair hears none. The amendment is approved.

Senator TOLENTINO. I move for the approval of the bill, as amended, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. Several senators: *Aye*.) As many as are against will please say *Nay*. (*Silence*.) House Bill No. 5017 as amended is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 16443

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 16443.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 16443 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING THE ASIATIC INTEGRATED CORPORATION, A FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE AN ICE PLANT AND COLD STORAGE IN THE MUNICIPALITY OF MARIVELES, PROVINCE OF BATAAN.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the conditions imposed by this Act, there is granted to the Asiatic Integrated Corporation, its successors or assigns, for a period of twenty-five years after the approval of this Act, the right, privilege and authority to construct, maintain and operate an ice plant and cold storage in the Municipality of Mariveles, Province of Bataan, for the purpose of manufacturing ice and supplying cold storage and to sell and distribute the ice so manufactured and supply cold storage facilities therein and to collect a schedule of rates and prices for the ice and cold storage so furnished which schedule of prices and rates shall at all times be subject to regulation by the Public Service Commission.

SEC. 2. The grantee shall manufacture and supply ice up to the limit of the capacity of its plant: Provided, however, That the total daily output of the ice plant so installed and maintained shall not exceed one thousand tons and for the cold storage

so installed and maintained shall not exceed a total capacity of ten thousand tons.

SEC. 3. All the apparatus and appurtenances to be used by the grantee shall be modern, safe and first class in every respect, and the grantee shall, whenever the Public Service Commission shall determine that public interest reasonably requires it, change or alter any of its apparatus and appurtenances at grantee's expense.

SEC. 4. If grantee shall not commence the construction of the ice plant and cold storage within two years from the approval of this Act, unless prevented by an act of God or *force majeure*, martial law, riot, civil commotion, usurpation by a military power or any other cause beyond the grantee's control, this franchise shall become null and void.

SEC. 5. This franchise is granted subject to the provisions of Commonwealth Act Numbered One Hundred Forty-Six, as amended, only with respect to the fixing of rates, and with the understanding and upon the condition that it shall be subject to amendment, alteration or repeal by the Congress of the Philippines when public interest so requires.

SEC. 6. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on his business, real estate, buildings, and personal property, exclusive of this franchise, as any other persons or corporations are now or hereafter may be required by law to pay.

SEC. 7. In the event of any competing individual, association of persons, or corporation receiving from the Congress of the Philippines a similar franchise in which there shall be any term or terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become a part of the terms hereof and shall operate equally in favor of the grantee as in the case of said competing individual, association of persons or corporation.

SEC. 8. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, as amended, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 16443 as amended is approved on second reading.

CONSIDERATION AND ADOPTION OF HOUSE CONCURRENT RESOLUTION NO. 123

Senator TOLENTINO. Mr. President, I ask that we now consider House Concurrent Resolution No. 123.

The PRESIDENT PRO TEMPORE. Consideration of House Concurrent Resolution No. 123 is now in order.

The Secretary will please read the resolution.

The SECRETARY:

CONCURRENT RESOLUTION APPROVING THE MORTGAGE AND/OR TRANSFER BY THE LINGAYEN GULF DEVELOPMENT CORPORATION OF ITS FRANCHISE PURSUANT TO REPUBLIC ACT 5346.

WHEREAS, Republic Act Numbered Fifty-three hundred forty-six grants the Lingayen Gulf Development Corporation a franchise to install, operate and maintain an ice plant and cold storage in Sual, Pangasinan, and to manufacture and distribute ice and to supply cold storage in the municipalities comprising the First Congressional District of Pangasinan and in the Municipality of Binmaley, of the Second Congressional District, same province;

WHEREAS, under Section six of said Act, this enterprise cannot mortgage or transfer its franchise and all property and rights acquired thereunder unless the approval of the Congress of the Philippines is first had;

WHEREAS, the Lingayen Gulf Development Corporation intends to apply for a loan to finance its expansion programs with the Development Bank of the Philippines or with other government financing agencies, in the furtherance of its franchise and which application cannot be approved

unless such franchise and all property and rights acquired thereunder are correspondingly mortgaged to said Bank or other government financing agencies, and

WHEREAS, the operation and expansion of this enterprise under its franchise will contribute greatly to the economic well-being of the people in that area of the Province of Pangasinan; Now, therefore, be it

Resolved by the House of Representatives of the Philippines, the Senate concurring. To approve, as it hereby approves, the mortgage or transfer by the Lingayen Gulf Development Corporation of its franchise and all its property and rights acquired thereunder, to the Development Bank of the Philippines or other government financing agencies, pursuant to Section six of Republic Act Numbered Fifty-three hundred forty-six.

Senator TOLENTINO. I move for the approval of the resolution, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the resolution. As many as are in favor of the resolution will please say *Aye*. (*Several senators: Aye.*) As many as are against will say *Nay*. (*Silence.*) House Concurrent Resolution No. 123 is adopted.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 16561.

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 16561.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 16561 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING ENRIQUE M. REYES A FRANCHISE TO INSTALL, MAINTAIN AND OPERATE A TELEPHONE SYSTEM IN THE PROVINCE OF DAVAO DEL SUR.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

Sec. 1. Subject to the conditions established in this Act and the provisions of Commonwealth Act Numbered One hundred and forty-six, as amended, and of the Constitution, applicable thereto, there is hereby granted to Enrique M. Reyes, hereinafter called the grantee, his successors or assigns, for a period of twenty-five years from the approval of this Act, the right, privilege and authority to construct, maintain and operate a telephone system in the Municipality of Digos; and in and between the municipalities of the Province of Davao del Sur. The grantee is authorized to carry on the business of the electrical transmission of messages, conversations, impressions and signals in and between the municipalities of the said province, and for this purpose of operating said telephone systems and transmitting messages and signals by means of electricity, to construct, maintain, and operate and use all apparatus, conduits, appliances, receivers, transmitters, antennas, and equipment necessary for the electrical transmission of messages, conversations and signals, and to erect poles, structures, string wires, build conduits, lay cables, and to construct, maintain and use such other approved and generally accepted means of electrical conduction in, on, over, or under the public roads, government right-of-ways, highways, lands, bridges, rivers, waters, streets, lanes and sidewalks of said province, and overhead or underground lines or on the surface of the ground as may be necessary and best adapted to said transmission.

Sec. 2. All poles erected and all conduits constructed or used by the grantee shall be located in places designated by the grantee with the approval of the provincial board of the Province of Davao del Sur: *Provided*, That all poles erected and used by the grantee or its successors or assigns shall be of such appearance as not to disfigure the streets, and wires and cables carried by said poles and the underground cables shall be strung and laid in accordance with professional standards approved by the Public Service Commission and said poles shall be of such height as to maintain the wires and cables stretched on the same at a height of at least fifteen feet above the level of the ground, and said wires and cables shall be so placed as not to imperil the public safety, in accordance with a plan approved by the Public Service Commission: *Provided, further*, That whenever twenty-five or more pairs of wires or other conductors are carried on one line of poles in any place of the pop-

ulation of the province, said wires or conductors shall be placed in one cable, and whenever more than eight hundred pairs of wires or other conductors are carried on one line of poles, said wires or conductors shall be placed underground by the grantee, its successors or assigns, whenever ordered to do so by the Public Service Commission.

Sec. 3. For the purpose of erecting and placing the poles or other supports of such wires or other conductors, or of laying and maintaining underground said wires, cables, or other conductors, it shall be lawful for the grantee, its successors or assigns, to make excavations or lay conduits, in any of the public places, highways, streets, alleys, lanes, avenues, sidewalks or bridges in the Province of Davao del Sur: *Provided, however*, That any public place, highway, street, alley, avenue, sidewalk or bridge disturbed, altered or changed by reason of the erection of poles or other supports, or the laying underground of wires or other conductors, or of conduits, shall be repaired and restored to the satisfaction of the engineer of the province, removing from the same all rubbish, dirt, refuse, or other materials which may have been placed there or taken up on the erection of said poles or the laying of said underground conduits, leaving them in a good condition as they were before the work was done.

Sec. 4. Whenever any person has obtained permission to use any of the streets of the municipality concerned for the purpose of removing any building or in the prosecution of any municipal work or for any other cause whatsoever, making it necessary to raise or remove any of said wires or conduits which may obstruct or hinder the prosecution of said work, the said grantee, upon notice duly served upon said grantee at least forty-eight hours in advance, shall raise or remove any of said wires or conduits which may hinder the prosecution of such work or obstruct the removal of said building, so as to allow the free and unobstructed prosecution of said work, and the person or entity to whose request the wires or poles or other structures have been removed, shall pay one-half of the actual cost of replacing the poles or raising the wires and other conductors or structures. The notice shall be in the form of a resolution duly adopted by the municipal council of the municipality concerned served upon the grantee or its duly authorized representative or agents by a person competent to testify as witness in a court of law.

vil action, and in case of refusal or failure of the grantee to comply with such notice, the municipal mayor with the proper approval of the provincial board of the province first had, as the case may be, shall order such wires or conduits to be raised or removed at the expense of the grantee, for the purpose aforesaid.

Sec. 5. All apparatus and appurtenances used by the grantee, its successors or assigns, shall be modern and first class in every respect, and all telephone lines or installations used, maintained and operated in connection with this franchise by the grantee, its successors or assigns, shall be kept and maintained at all times in a satisfactory manner, so as to render an efficient and adequate telephone service, and it shall be the further duty of said grantee, its successors or assigns, whenever required to do so by the Public Service Commission, to modify, improve and change such telephone system for the electrical transmission of conversations and signals by means of electricity in such manner and to such extent as the progress of science and the improvements in the method of electrical transmission of conversations, messages and signals by means of electricity may make reasonable and proper.

Sec. 6. The grantee, his successors or assigns, shall keep a separate account of the gross receipts of its telephone business, and shall furnish the Auditor General and the Treasurer of the Philippines a copy of such account not later than the thirty-first day of July of each year for the twelve months preceding the first day of July.

Sec. 7. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on his business, real estate, buildings, and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay.

SEC. 8. The granting of this franchise takes cognizance of the fact that on its date of issuance the grantee is providing telephone service under the authority of a Certificate of Convenience and Public Necessity issued by the Public Service Commission of the Philippines in the Municipality of Digos, Province of Davao del Sur.

Sec. 9. The grantee shall not commence any construction whatsoever, pursuant to this franchise

without first obtaining a Certificate of Convenience and Public Necessity from the Public Service Commission of the form and character provided for in Commonwealth Act Numbered One hundred and forty-six, as amended, specifically authorizing such construction. The grantee shall not exercise any right or privilege under this franchise without first having obtained such Certificate of Convenience and Public Necessity from the Public Service Commission. The Public Service Commission shall have the power to issue such Certificate of Convenience and Public Necessity whenever it shall, after due hearing, determine that such construction or such exercise of the rights and privileges under this franchise is necessary and proper for the public convenience, and the Commission shall have the power in issuing such certificate to impose such conditions as to constructions, equipment, maintenance, service or operation as the public convenience and interest may reasonably require, and such certificate shall state the date in which the grantee shall commence construction and the period within which work shall be completed. In order to avail itself of the rights granted by such Certificate of Convenience and Public Necessity, the grantee shall file with the Public Service Commission, within such period as said Commission shall fix, its written acceptance of the terms and conditions of this franchise and of the certificate, together with the document evidencing the deposit required in Section ten has been made. In the event that the grantee shall not commence the telephone service referred to in the certificate obtained and filed as herein provided within such period as the Public Service Commission shall have fixed, said Commission may declare said certificate null and void and the deposit made pursuant to Section ten of this Act forfeited to the National Government unless the grantee shall have been prevented from doing so by fortuitous cause or *force majeure*, usurpation by military power, martial law, riot, uprising or other inevitable cause: *Provided, however*, That if the grantee shall have been prevented by any of said causes from commencing the telephone service within the period specified, the time during which it shall have been so prevented shall be added to said period: *Provided, further*, That failure on the part of the grantee to accept conditions of this franchise and imposed in the certificate of convenience and public necessity shall automatically void this franchise.

SEC. 10. The grantee shall be required by the Public Service Commission for each Certificate of Convenience and Public Necessity obtained by him subsequent to the date of this Act, to make within such period as the said Commission shall fix, a deposit of not less than five thousand pesos, Philippine currency, or negotiable bonds of the Government of the Philippines, or other securities approved by the Public Service Commission, of the par value of not less than five thousand pesos, Philippine currency, in the National Treasury as guaranty of good faith that the grantee, within the period also specified by the Public Service Commission, shall commence and terminate the necessary work and shall be provided with all the equipment necessary to commence furnishing telephone service in the corresponding municipality. The Public Service Commission shall order the return of the deposit hereby required to the grantee upon the termination of the work for the furnishing telephone service in accordance with the terms and conditions of the certificate obtained, and the Treasurer of the Philippines shall return said deposit immediately upon presentation to him of a certified copy of the order of the Public Service Commission.

SEC. 11. The books and accounts of the grantee, his successors or assigns, shall always be open to the inspection of the Auditor of the province or his authorized representatives, and it shall be the duty of the grantee to submit to the Auditor General quarterly reports in duplicate showing the gross receipts for the quarter past and the general condition of the business.

SEC. 12. The rights herein granted shall not be exclusive, and the right and powers to grant to any corporation, association or person other than the grantee franchise for the telephone or electrical transmission of conversations, messages or signals shall not be impaired or affected by the granting of this franchise: *Provided*, That the poles erected, wires strung or cables or conduits laid by virtue of any franchise for telephone, or other electrical transmission of messages, conversations and signals granted subsequent to this franchise shall be so placed as not to impair the efficient and effective transmission of conversations, messages or signals under this franchise by means of poles erected, wires strung, or cables or conduits actually laid and in existence at the time of the granting of said subsequent franchise: *And provided, further*, That

the Public Service Commission, after hearing both parties interested, may compel the grantee of this franchise or his successors or assigns, to remove, relocate, or replace its poles, wires or conduits; but in such case the reasonable costs of the removal, relocation or replacement, shall be paid by the grantee of the subsequent franchise or his successors or assigns to the grantee of this franchise or his successors or assigns.

SEC. 14. The rates for the telephone service, flat rates as well as measured rates, shall be subject to the approval of the Public Service Commission.

The monthly rates for telephone service having a metallic circuit within the limits of the province shall also be approved by the Public Service Commission.

SEC. 15. The grantee shall not, without the previous and explicit approval of the Congress of the Philippines directly or indirectly transfer, sell, or assign this franchise to any person, association, company, or corporation or other mercantile or legal entity. The telephone system of the grantee may however be managed by another entity or corporation if in the sound judgment of the grantee such would redound to the benefit of the public.

SEC. 16. The grantee may install, maintain, operate, purchase or lease such telephone stations, lines, cables or system, as is, or are, convenient or essential to efficiently carry out the purpose of this franchise: *Provided, however*, That the grantee, his successors or assigns, shall not without the permission of the Public Service Commission first had, install, maintain, operate, purchase or lease such stations, lines, cables or systems.

SEC. 17. The Philippine Government shall have the privilege, without compensation, of using the poles of the grantee to attach one ten-pin crossarm, and install, maintain and operate wires of its telephone system thereon: *Provided, however*, That the Bureau of Telecommunications shall have the right to place additional crossarms and wires on the poles of the grantee by paying a compensation, the rate of which is to be agreed upon by the Director of Telecommunications and the grantee: *Provided, further*, That in case of disagreement as to rates of contract rental, same shall be fixed by the Public Service Commission. The Province of Davao del Sur shall also have the privilege, without compen-

sation, of using the poles of the grantee, to attach one standard crossarm and to install, maintain and operate, wires of local police and fire alarm system; but the wires of such telegraph lines, police or fire alarm system shall be placed and strung in such manner as to cause no interference with or damage to the wires of the telephone service of the grantee.

Sec. 18. This Act shall take effect upon its approval.

Senator TOLENTINO. There is a committee amendment, Mr. President. On page 12, Sec. 17, line 16 add another Sec. (12a) and the phrase "IN CONSIDERATION OF THIS FRANCHISE THE GRANTEE SHALL PAY A TAX EQUIVALENT TO FIVE PER CENT (5%) OF ITS GROSS INCOME."

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) The Chair hears none. The amendment is approved.

Senator TOLENTINO. I move for the approval of the bill, as amended, Mr. President.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 16561 as amended is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF SENATE BILL NO. 696

Senator TOLENTINO. Mr. President, I ask that we now consider Senate Bill No. 696.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 696 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT CLARIFYING THE SCOPE AND APPLICABILITY OF REPUBLIC ACT NUMBERED THIRTY-FIVE HUNDRED AND NINETY, OTHERWISE KNOWN AS "THE REVISED BARRIO

CHARTER". AMENDING FOR THE PURPOSE SECTION TWENTY-SIX THEREOF.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section twenty-six of Republic Act Numbered Thirty-five hundred and ninety, otherwise known as "The Revised Barrio Charter", is hereby amended to read as follows:

"SEC. 26. *Extent of applicability.*—Notwithstanding the provisions of any city charter to the contrary, the foregoing provisions shall be made applicable only to such barrios within the jurisdiction of chartered cities as were existing before the enactment of [Republic Act Numbered Two thousand three hundred seventy.] THIS ACT: PROVIDED, HOWEVER, THAT NOTHING IN THIS ACT SHALL BE INTERPRETED AS ABOLISHING ANY BARRIO EXISTING IN CHARTERED CITIES BEFORE THE ENACTMENT OF THIS ACT."

Sec. 2. This Act shall have retroactive effect as of the twenty-second day of June, nineteen hundred and sixty-three.

Senator TOLENTINO. Mr. President, the distinguished chairman of the Committee on Provincial and Municipal Governments and Chartered Cities Senator Perez, will sponsor this measure. I ask that he be recognized.

The PRESIDENT PRO TEMPORE. The gentleman from Nueva Vizcaya has the floor.

BRIEF REMARK OF SENATOR PEREZ ON SENATE BILL NO. 696

Senator PEREZ. Mr. President, this bill merely seeks to clarify certain doubts as to the scope of Section 26 of Republic Act 3590, otherwise known as the Revised Barrio Charter. There have been doubts as to whether the barrios which previously fell under the jurisdiction of chartered cities would continue to exist or not after the enactment of this law, the Revised Barrio Charter. In order to clarify this provision, Mr. President, this bill which seeks to amend Section 26 of the Revised Barrio Charter is being

presented. The amendment consist of deleting the phrase "Republic Act Numbered Two thousand three hundred seventy" and placing in lieu thereof "THIS ACT: PROVIDED, HOWEVER, THAT NOTHING IN THIS ACT SHALL BE INTERPRETED AS ABOLISHING ANY BARRIO EXISTING IN CHARTERED CITIES BEFORE THE ENACTMENT OF THIS ACT.." This amendatory measure would remove the dispute that has been hanging over the existence of barrios that were in the jurisdiction of chartered cities at the time of the enactment of the Revised Barrio charter.

Senator PELAEZ. Mr. President, may I just ask a question to the distinguished sponsor for clarification?

The PRESIDENT PRO TEMPORE. The sponsor may yield if he so desires.

Senator PEREZ. Willingly, Mr. President.

Senator PELAEZ. Just for the record. Does this mean that those barrios in the cities which after the enactment of the Revised Barrio Charter were deemed non-existent or at least put in doubt will now be restored to their existence as of the approval of the Revised Barrio Charter?

Senator PEREZ. The scope of this, Your Honor, is more or less to remove the cloud of doubt on barrios that were in the jurisdiction of cities before the enactment of the Revised Barrio Charter. Now under this amendatory proposal they will be recognized as existing barrios.

Senator PELAEZ. Retroactively to the date on which the Revised Barrio Charter was approved.

Senator PEREZ. Yes, Your Honor.

Senator PELAEZ. Thank you very much.

Senator PEREZ. There are no committee amendments, Mr. President.

The PRESIDENT PRO TEMPORE. Are there

any individual amendments? (*Silence.*)

Senator PEREZ. I move for the approval of the bill, Mr. President.

APPROVAL ON SECOND READING OF SENATE BILL NO. 696

The PRESIDENT PRO TEMPORE. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) Senate Bill No. 696 is approved on second reading.

CONFERENCE COMMITTEES

Senator TOLENTINO. Mr. President, the Senate has approved Senate Bill No. 511 and there is a counterpart bill approved by the House of Representatives, House Bill No. 18623, which creates the Board of Examiners for Physical Therapists and Occupation Therapists. The House requests a conference on these two bills and has appointed its conference committee. I move that we agree to the request of the House and appoint as members of our conference committee Senators Ganzon, Antonino and Ziga.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) The Chair hears none. The motion is approved.

Senator TOLENTINO. Mr. President, the Senate approved Senate Bill No. 881 and the House has approved a counterpart measure, House Bill No. 18944, on the establishment of the Bicol University. I move that we seek a conference with the House on these two measures and appoint as members of our conference committee Senators Laurel, Aytona and Ziga.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) The Chair hears none. The motion is approved.

CONSIDERATION OF HOUSE BILL NO. 1095

Senator TOLENTINO. Mr. President, I move that we consider Senate Bill No. 1095 to be sponsored by its author, the distinguished Minority Floor Leader, Senator Padilla.

The PRESIDENT PRO TEMPORE. Consideration of Senate Bill No. 1095 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT REGULATING THE ORGANIZATION AND OPERATION OF FINANCING COMPANIES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. This Act shall be known as the "Financing Company Act."

SEC 2. *Declaration of Policy.*—It is hereby declared to be the policy of the State to regulate the activities of financing companies to place their operations on a sound, stable and efficient basis, so that they may be in a better position to extend effective service in a fair manner to the general public and to industry, commerce, and agriculture; to curtail and prevent acts or practices prejudicial to the public interest:

Sec. 3. *Definition of terms.*—As used in this Act, the term:

(a) "Financing companies," hereinafter called companies, are corporations, or partnerships, except those regulated by the Central Bank of the Philippines, the Insurance Commissioner and the Cooperatives Administration Office, which are primarily organized for the purpose of extending credit facilities to consumers and to industrial, commercial, or agricultural enterprises, either by discounting or factoring commercial papers or accounts receivable, or by buying and selling contracts, leases, chattel mortgages, or other evidences of indebtedness, or by leasing of motor vehicles, heavy equipment and industrial machinery, business and office machines and equipment, appliances and other movable property;

(b) "Securities and Exchange Commission" shall mean the office of the Securities and Exchange

Commission of the Philippines;

(c) "Credit" shall mean any loan, mortgage, deed of trust, advance, or discount; any conditional sales contract, any contract to sell, or sale or contract of sale of property or service, either for present or future delivery, under which, part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract; any option, demand, lien, pledge, or other claim against, or for the delivery of, property or money, any purchase, or other acquisition of or any credit upon the security of, any obligation or claim arising out of the foregoing; and any transaction or series of transactions having a similar purpose or effect; and

(d) "Purchase discount" is the difference between the value of the receivable purchase or credit assigned, and the net amount paid by the finance company for such purchase or assignment, inclusive of fees, service charges, discounts, and other charges incident to the extension of credit.

Sec. 4. *Grant of Authority to the Securities and Exchange Commission to Supervise Financing Companies.*—The Securities and Exchange Commission of the Philippines is hereby empowered to supervise the operations of financing companies in accordance with the provisions of this Act.

Sec. 5. *Limitation on Discount Fees.*—In the case of assignments of credit or the buying of installment papers, accounts receivables, and other evidences of indebtedness by financing companies, the purchase discount, exclusive of collection fees, which in no case shall exceed ten pesos (P10.00) for each installment, shall be limited to fourteen (14%) per cent of the value of the credit assigned or the value of the installment papers, accounts receivable and other evidence of indebtedness purchased based on a period of twelve (12) months or fraction thereof.

In case of factoring of accounts receivables or other evidences of indebtedness for short term periods of less than one year, the discounting rate that can be charged shall not exceed two per cent of the value of the credit assigned or receivable purchased for every thirty days.

Sec. 6. *Form of organization.*—Financing companies shall be organized in the form of stock cor-

porations or general partnerships at least sixty per centum of the capital of which is owned by citizens of the Philippines and shall have a paid-up capital of not less than one million pesos: *Provided, however,* That financing companies duly existing and operating before the approval of this Act shall comply with the requirement that sixty (60%) per centum of the capital be owned by citizens of the Philippines within one year from the date of said approval.

Sec. 7. Requirement for Registration.—Aside from requiring compliance with the provisions of the Corporation Law and the New Civil Code in case of partnership, the Securities and Exchange Commission shall not register the articles of incorporation or the articles of partnership of any financing company unless his office is satisfied on the evidence submitted to it, that:

(a) All the requirements of existing laws to engage in the business for which the applicant is proposed to be incorporated or organized have been complied with;

(b) the organization, direction, and administration, as well as the integrity and responsibility of the organizers and administrators reasonably assure the protection of the interest of the general public; and

(c) all the requirements of this Act have been complied with: *Provided,* That financing companies duly incorporated or registered prior to the approval of this Act, and which are actually existing and operating as such, shall file an information sheet with the Securities and Exchange Commission in the form to be prescribed by the Securities and Exchange Commission within sixty (60) days after notice from the said Commission. No person, association, partnership, or corporation shall hold itself out as doing business as a "financing company" or "finance and investment company" or any other title or name tending to give the public the impression that it is engaged in the operations and activities of a financing company, unless so authorized under this Act.

Sec. 8. Citizenship Requirement of the Board of Directors.—In the case of a corporation, at least a majority of all members of the Board of Directors of any financing company which may be established after the approval of this Act, shall be

citizens of the Philippines. In the case of partnership, all the managing partners must be citizens of the Philippines. In the case of corporations and partnerships existing before the approval of this Act, compliance with this provisions shall be required within the period of one year from the date of said approval.

Sec. 9. Revocation and Suspension of Registration.—The Securities and Exchange Commission may revoke or suspend the registration of any financing company by entering an order to this effect together with its findings in respect thereto, if upon examination into the affairs of said financing company or complaint by any person, it shall appear that:

(a) It is insolvent; or

(b) It has violated any provision of this Act.

Sec. 10. Examination and Fees.—It shall be the duty of the Securities and Exchange Commission through its authorized representative to make an examination of the books of every financing company not more than a year, and to make a report on the same to the Secretary of Commerce and Industry.

The Securities and Exchange Commission shall assess, charge, exact, or collect from financing companies for the supervision, regulation and examination of their operations within the first thirty days of each year, an annual fee in an amount to be determined by the Securities and Exchange Commission in the manner hereinafter provided. The annual fee to be paid by each company shall be an amount equal to a prescribed percentage to its total assets during the preceding year, as shown in its audited financial statements: *Provided, however,* That said percentage may not exceed one fortieth of one per cent (1/40 of 1%) but in no case shall it be more than ten thousand pesos (P10,000.00) per annum.

The proceeds of the examination fees herein collected shall form a special fund, which is hereby appropriated to provide for the necessary personnel in the Securities and Exchange Commission to carry out the provisions of this Act.

Sec. 11. Penalty.—A fine of not less than five thousand pesos (P5,000.00) and not more than ten thousand pesos (P10,000.00) or imprisonment

for not more than six months or both, at the discretion of the court, shall be imposed upon.

1. Persons, associations, partnerships, or corporations, including the managing officer thereof, that shall:

(a) Engage in the business of a financing company without authority from the Securities and Exchange Commission;

(b) Hold themselves out to be a financing company, either through advertisement in whatever form, whether in its stationary, commercial paper, or other document, or through other representations without authority;

(c) Make use of a trade or firm name containing the words "financing company" or "finance Company" or "finance and Investment Company" or any other designation that would give the public the impression that it is engaged in the business of a financing company as defined in this Act without authority; and

(d) Violate the provisions of this Act.

2. Any officer, employee, or agent of a financing company who shall:

(a) Knowingly and willingly make any statement in any application, report, or document required to be filed under this Act, which statement is false or misleading with respect to any material fact; or

(b) Overrule or aid in overvaluing any security for the purpose of influencing in any way the action of the company on any loan, or discounting line.

3. Any officer, employee, or examiner of the Securities and Exchange Commission directly charged with the implementation of this Act who shall commit, connive, aid, or assist in the commission of acts enumerated under subsections 1 and 2 of this Section.

Sec. 12. *Separability of Clause.*—If any provision or section of this Act or the application thereof to any person or circumstances is held invalid, the other provisions or sections hereof and the application of such provisions or sections to other persons or circumstances shall not be affected thereby.

Sec. 13. *Repealing Clause.*—All Acts inconsistent with this Act are hereby repealed.

Sec. 14. *Effectivity.*—This Act shall take effect upon its approval.

The PRESIDENT PRO TEMPORE. The sponsor of the measure has the floor.

SPONSORSHIP SPEECH OF SENATOR PADILLA
ON SENATE BILL NO. 1095

Senator PADILLA. Mr. President, this bill was going to be sponsored by the distinguished chairman of the Committee on Banks and Currencies, the senator from Negros Oriental, Senator Teves. But given this privilege I would like to say a few words in support of this bill.

Mr. President, over the last 15 years we have been witnesses to the development in the Philippines of financing companies, a new type of financial institution. Today there are more than 300 financing companies registered with the Securities and Exchange Commission.

Financing companies have been performing a significant function in our economy. They have acted as catalysts to the production and expansion of factories and assembly plants because they provide the financial assistance which makes possible the distribution and sale of their products to the consumers.

Financing companies have extended the necessary credit facilities which have allowed the wider and greater distribution, through installment sales, of farm machineries, heavy equipment, construction and road building units, trucks and motor vehicles, household appliances — all of which contribute to the progress and development of our economy and people. This would not have been possible without the discounting facilities of financing companies because banks and other financial institutions do not ordinarily extend this type of service. Undoubtedly, Mr. President, financing companies are here to stay and will continue to participate actively and substantially in the economic de-

velopment of our country.

Considering the importance of financing companies in our economy, it is with concern that I view the absence of a special law to govern their organization and operations, and the absence of regulatory legislation has spawned the organization of a number of "fly-by-night" concerns that prey on unknowing consumers and give the industry a bad name. Not surprisingly, the clamor for a statute to regulate the operations of financing companies has come not only from the consumer sector, but more particularly from reputable and responsible financing companies that are justifiably concerned in maintaining the integrity of the industry.

Mr. President, Senate Bill No. 1095 proposes to remedy this gap in our legal system by providing the ground rules which shall regulate the organization, operations and management of financing companies. Permit me to briefly discuss the salient features of the bill.

The bill defines a financing company and makes it clear that it is primarily engaged in discounting activities, but not in lending activities. Thus, a distinction is drawn between discounting which is essentially the activity of a financing company, and that of lending, which is the activity of banks and other financial institutions.

Instead of creating a new government agency which would merely compound our already complex bureaucracy, the SEC is specifically authorized to supervise the operation of financing companies. It has the capability and sophistication for this purpose. The proposal also provides for payment of fees by financing companies which would go to a special fund to be used for enforcement of the Act.

The bill specifies the maximum discounting rates and other fees which may be charged. The rates are fair and would provide financing companies with a reasonable profit margin in relation to the service it render and the risks it

assumes. At the same time, also allows the establishing and interplay of competitive rates among the different financing companies.

It is required that financing companies be in the form of stock corporations or general partnerships, at least 60% of the capital of which must be owned by citizens of the Philippines. This citizenship requirement would effectively forestall wholly-owned foreign financing companies from operating in the Philippines, yet would still allow an acceptable basis for joint ventures. This provision is significant and critical because even today, there are indications that giant foreign financing companies are interested in venturing into the Philippines to the prejudice of domestic financing companies which pioneered and developed the industry in our country. Thus the 60% Philippine requirement achieves a balance between the imperatives of nationalism and the desirability of attracting foreign investments in this field.

New financing companies are required to have a paid-up capital of at least P500,000. This would eliminate fly-by-night companies which are difficult to control and are often the source of abuses. Companies with bigger capital tend to be more stable and could charge lower rates because they depend on volume of business for their profits.

For purposes of registration of new financing companies, the SEC is authorized to inquire into the integrity and responsibility of the organizers and administrators. This procedure would assure protection for the general public against unscrupulous managers and operators.

The bill also provides that at least two-thirds of all the members of the board of directors shall be citizens of the Philippines. This would assure a Philippine orientation on the management of the company.

The SEC may revoke or suspend the registration of a financing company which is insolvent

er has violated any provisions of the Act. This gives teeth to the SEC's supervisory power.

Finally, various penalties are provided for violations of the Act.

Mr. President, with these provisions, I submit that we have here a bill that is reasonable, comprehensive, and satisfies the need for regulation of financing companies for the protection of the industry itself, and of the consuming public in general. I understand there is a counterpart bill in the House of Representatives which has already been approved.

Mr. President, I therefore urge the enactment of this bill into law.

Senator AYTONA. Mr. President.

The PRESIDENT PRO TEMPORE. Gentleman from Albay.

Senator AYTONA. Will the distinguished sponsor and author of the measure yield to some questions.

The PRESIDENT PRO TEMPORE. The sponsor may yield if he so desires.

Senator PADILLA. Gladly, Your Honor.

Senator AYTONA. I would like to announce that I am in favor of this bill, but I have some reservations with respect to some provisions of the bill.

For one, the idea of subjecting financing companies to supervision of their operations by the Securities and Exchange Commission, just like banks which are supervised by the Department of Banks of the Central Bank, and like the insurance companies which are supervised by the Office of Insurance Commissioner, and to subject them to examinations, I would like to bring to the attention of the distinguished author and sponsor of this measure that financing companies are unlike banks and insurance companies.

Banks and insurance companies are subject to

supervision and are subject to examination by the State on the ground that banks and insurance companies hold moneys in trust. The primary business of banks is deposit and the primary business of insurance companies is to hold savings of the insured.

But financing companies, Mr. President, do not hold money in trust. Their business is not like banks nor that of insurance companies and, therefore, Mr. President, I believe that it is not necessary nor justified to subject the business of financing companies to supervision of operations and examination of their accounts by the State.

Would not the distinguished sponsor and author please consider that point?

Senator PADILLA. Your Honor is correct in making the observation that banks are subject to supervision by the Insurance Commissioner for funds that are in the character of trust funds, at least part of the funds are trust funds, and that there will be more reason to exercise supervisory regulation or jurisdiction over banks and insurance companies. I grant that point, Your Honor.

Now, while it is true that a financing company may be more in the nature of a private business, with private capital, oftentimes borrowed capital, at the same time it has entered the field of practically all branches of business where receivables and other documents of credit are being discounted and negotiated. And while, for example, the lending by private individuals is also the need to regulate the operations of financing companies in order to maintain the integrity of the industry as well to extend protection to the consumers. That is the moving spirit of this bill because the financing companies themselves would like to uphold their integrity as well as to merit the confidence of the consumers — those who rely on their credit facilities.

Now, as I stated in the explanatory note and

in my short sponsorship speech, the other point is that we would like to eliminate possible abuses of small and unreliable fly-by-night operators and also, at the same time, protect the industry from possible huge foreign capitalization that may destroy the rightful Filipino financing companies. In other words, there are two provisions here for Filipinization.

Senator AYTONA. Yes. I have no disagreement with that, Mr. President. I do not disagree with the purpose as explained by the distinguished sponsor. And I must state for the record — perhaps the better word is, I must disclose for the record — that I am a stockholder, probably one of the principal stockholders, of a financing company known as the FILFACTORS Finance Corporation. Mr. President, my company deplores the existence of fly-by-night operators and those engaged in usurious practices — and certainly, we would like to support every move to do away with these practices. But Mr. President, that is not the point I am raising here. I think, Mr. President, that precisely the distinguishing features between a bank and financing company is that banks are authorized to receive deposits from the general public. So that, Mr. President, the necessity for supervision and examination with respect to banks does not hold true with respect to financing companies. But I agree with the objectives of Your Honor. What I am merely suggesting is, why don't we simply lay down the rules of the finance business in order to do away with these evil practices and these so-called fly-by-night financing companies? And since the Securities and Exchange Commission has powers over all corporations, I agree that the Securities and Exchange Commission should be given the power to enforce the rules of the game, so to speak. So that if there is any financing company which, upon investigation by the Securities and Exchange Commission, may be found to be violating any of the rules provided for in this bill, then the appropriate proceedings — like those with respect to any business corporation — can be initiated in the SEC and the proper penalties

applied, including dissolution of the financing company like any other corporation. What I am merely objecting to is subjecting financing companies to supervision and examination and assessment of fees. I think, Mr. President, that that is not necessary.

Senator PADILLA. Your Honor, there are only two portions of the bill which have reference to the SEC. One is Section 4 — that is, it is "empowered to supervise the operations of financing companies in accordance with the provisions of this Act." And the other portion is on page 5, where an annual fee is collected.

Senator AYTONA. Examination fees.

Senator PADILLA. Yes — and the proceeds shall constitute a special fund merely for purposes of affecting the provisions of this bill. These are the only two provisions.

Senator AYTONA. Yes. I think, Your Honor, it would be sufficient that the SEC is granted powers to enforce the provisions of this measure against erring financing companies and to deal with them like the SEC deals with private corporations.

Senator PADILLA. Yes, Your Honor. So on page 2, for example, instead of saying "is hereby empowered to supervise the operations of financing companies in accordance with the provisions of this Act," we can just say "is hereby authorized to enforce the provisions of this Act."

Senator AYTONA. Yes, Your Honor.

Senator PADILLA. That is perfectly acceptable.

Senator AYTONA. And also, eliminate the examination and the fees so that the ordinary powers of the SEC over private corporations will be exercised. So, merely provide that the SEC shall exercise all its powers over financing companies as now provided by law with respect to

its powers over private corporations under the Corporation Law.

Senator PADILLA. I have no objection to Your Honor's suggestion.

Senator AYTONA. Well, I am grateful to the distinguished Minority Floor Leader.

Senator PADILLA. And in that regard, we could simply amend the provision of Section 4 as Your Honor has suggested.

Senator AYTONA. Yes.

Senator PADILLA. And perhaps eliminate completely Section 10.

Senator AYTONA. Yes, Your Honor.

Now, Mr. President, to go to another point — about the limitation on discount fees. The bill says: "In the case of assignments of credit or the buying of installment papers, accounts receivable, and other evidences of indebtedness by financing companies, the purchase discount, exclusive of collection fees, x x x" Now, I have no objection to limiting collection fees not to exceed 10 for each installment — because my financing company does not charge any fee for collection. But I question, Mr. President, the wisdom of limiting the purchase discount to 14 per cent or fixing of the maximum purchase discount at 14 per cent for this reason, Mr. President. The financing companies operate on the basis of bank rates. That is a determinant in the purchase discounts on which financing companies operate. Now, Mr. President, we know it for a fact that of today, for example, the average cost of money, in the open market or in the legal market is anywhere from the 12 to 14 per cent — 12 per cent when the loan is secured, 14 per cent when the security is not real estate. Mr. President, if we limit the purchase discount of financing companies to 14 per cent, I wonder whether financing companies — and I mean legitimate financing companies — will be maximum rate if the going rates with banks are

12 to 14 per cent, the effective rate. Because, Mr. President, many of these financing companies avail of credit facilities from banks. In other words, their cost of money ranges from 11 per cent to 12 per cent, and if we fix the maximum at 14 per cent, I wonder what will happen to financing companies.

Besides that, Mr. President, there is a second fundamental concept that I think we should not lose sight of. The finance business is different from money lending. It is different in the sense that financing companies — and these are the legitimate financing companies — are supposed to buy commercial paper such as accounts receivable, such as factory, and so forth and so on. Whereas, these financial companies, like banks, lend money. So the income of banks and other financial institutions is interest on money or credit extended. But financing companies, Mr. President, buy commercial paper, installment paper or accounts receivable and so forth and so on. So that, Mr. President, in the true business of a financing company the limitations on interest rates provided for under the Anti-Usury Law do not apply.

Senator PADILLA. That is correct.

Senator AYTONA. And in general, the main business of a financing company involves three parties, unlike transactions with banks which generally involved financing companies, Mr. President, we have the principal creditor, we have principal debtor, and financing companies buy the papers that I mentioned. So, Mr. President, the idea of applying the maximum interest rates provided for in the Anti-Usury Law does not apply to the business of financing companies, except when the financing company grants a loan. Then, Mr. President, by operation of the Anti-Usury Law, even without this bill, financing companies can be proceeded against for transactions involving loans. But with respect to the true and what should be the main business of a financing company, the limitations of the

Anti-Usury Law do not apply.

Senator PADILLA. Your Honor, I agree perfectly with all your statements and observations. The true business of financing companies is not in the granting of loans but the discounting of the commercial papers. Therefore, they do not fall under the provisions of the Anti-Usury Law. And Your Honor is correct that it does not involve only the debtor and the creditor but actually three persons.

Regarding the limitation mentioned in this bill, I have received reliable information, not only necessarily from the consuming public, or the consumers, but also from the financing companies themselves, that this rate will be adjustable.

However, if Your Honor has any suggestion to increase this rate, I believe Your Honor is well-informed regarding the business of financing companies. But while banks grant mortgages loans at not more than 12 per cent, interest and it is true the many financing companies are making use of credit facilities, and the high cost of money, as Your Honor said, is from 10 per cent, 11 per cent to 12 per cent, it seems to me that the continuous and rapid use of these companies to realize as the effective rate of discount more than 14 per cent, although in every given transaction it will be limited to that amount.

Senator AYTONA: That is again another point, Mr. President. . . .

Senator PADILLA. But if Your Honor has any suggestion to improve this bill

Senator AYTONA. Yes.

Senator PADILLA. . . . I will be very happy to accept your suggestion.

Senator AYTONA. As Section 5 is worded in this bill, Your Honor, is this 14 per cent the effective rate?

Senator PADILLA. Actually, I believe that the effective rate would be more than this.

Senator AYTONA. Well, it is not clear, Your Honor, because if the purchase discount is 14 per cent of a 12 months paper and the contract involves equal installments over a period of 12 months, the 14 per cent becomes an effective rate of almost 28 per cent—almost 28 per cent. Now, as this section is worded, this can be interpreted one way or the other—that 14 per cent should be the effective rate, or that 14 per cent is merely the discount rate regardless of the other terms and conditions of the discount.

Senator PADILLA. This is the discount rate, Your Honor.

Senator AYTONA. So, Mr. President, to clarify matters, would the distinguished sponsor then incorporate an amendment to the effect that this is the discount rate regardless of the terms of the discount? Because the terms of the discount may provide for monthly installment payments and it may provide for quarterly installment payments—and this will be very material in the interpretation of this section.

Senator PADILLA. Would Your Honor prefer, say, to increase this rate of 14 per cent and fix it as the effective discount. . . .

Senator AYTONA. I would rather that we keep this as the discount rate to distinguish this from a straight lending operation. Because if it is a straight loan, we really have to work on effective rates in order not to go afoul with the Anti-Usury Law. But with respect to purchase discount, I would rather that we make it clear here that this is the discount rate regardless of the terms and conditions of the contract.

Senator PADILLA. That is the meaning and intent, I think, of this 14 per cent.

Senator AYTONA. Yes.

Senator PADILLA. Because it is true, as Your

Honor said, that when it is a loan, say, for 12 months, and if the installments are paid monthly, the effective rate is actually much higher.

Senator AYTONA. Yes.

Senator PADILLA. So, if Your Honor would want to make it clear that this 14 per cent is the discount rate . . .

Senator AYTONA. And we just say regardless of the terms and conditions of the discount.

Senator PADILLA. I have no objection to Your Honor's suggestion.

Senator AYTONA. With those amendments, Mr. President, I would like to say that I will be in favor of this bill and I would like to congratulate the distinguished sponsor, the author of this bill, for a very timely piece of legislation.

Senator PADILLA. Thank you, Your Honor. Now, I do not believe that there will be other interpellations. So, if the

Senator GANZON. Mr. President.

The PRESIDENT PRO TEMPORE. Gentleman from Iloilo.

Senator GANZON. I intend to speak against this bill, but because of the time I will not speak anymore.

The PRESIDENT PRO TEMPORE. Any further interpellations?

Senator PADILLA. Mr. President, may I ask that we suspend consideration of this bill for a few minutes?

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) Consideration of the bill is suspended.

CONSIDERATION OF S. NO. 1102

Senator TOLENTINO. Mr. President.

The PRESIDENT PRO TEMPORE. The Majority Floor Leader.

Senator TOLENTINO. In the meantime, I ask that we consider Senate Bill No. 1102 to be sponsored by the distinguished Chairman of the Com-

mittee on Scientific Advancement, Senator Pelaez.

The PRESIDENT PRO TEMPORE. Consideration of Senate Bill No. 1102 is now in order. The Secretary will please read the bill.

The SECRETARY:

AN ACT ESTABLISHING THE FOREST PRODUCTS RESEARCH AND INDUSTRIES DEVELOPMENT COMMISSION.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Title.—This Act shall be known as the "Forest Products Research and Industries Development Act of 1969."

SEC. 2. *Integration with NSDB; reconstitution of office; supervision and transfer of property.*—In order to effectively accelerate, expand and promote the full development, operations, industrial integration and productivity of forest products industries of the Philippines, the Forest Products Research Institute is hereby modified and integrated with the Nation Science Development Board, hereinafter referred to as "NSDB," and reconstituted as the Forest Products Research and Industries Development Commission, hereinafter referred to as "FORPRIDECOM," which shall take over the powers, duties and functions of the Forest Products Research Institute as created by Reorganization Plan Numbered Seventy-seven under Republic Act Numbered Nine hundred and ninety-seven, as amended by Republic Act Numbered One thousand two hundred and forty-one and implemented by Executive Order Numbered Two hundred and fifty-seven, dated July five, nineteen hundred fifty-seven. The "FORPRIDECOM" shall be under the supervision of the "NSDB." All personnel of the Forest Products Research Institute, including all its appropriations, equipment, facilities and properties are hereby transferred to the "FORPRIDECOM."

SEC. 3. *Creation of FORPRIDECOM Council.*—There is hereby created and established a Forest Products Research and Industries Development Council, hereinafter referred to as the "Council," to serve as the policy-making body of the "FORPRIDECOM." The powers of the "FORPRIDECOM" shall be vested in the Council subject to the ap-

proval by the "NSDB."

Sec. 4. Composition of FORPRIDECOM Council—The Council are composed of five members: the Director of Forestry who shall serve as Chairman of the Council; the Dean of the College of Forestry, University of the Philippines; and three others to be appointed by the Chairman of the "NSDB." Of the three appointive members, one shall come from the lumber industry, one from other forest industries, and one from the general public. In the absence or in the event of the incapacity of the Chairman, the members of the Council present at any meeting of this Council shall elect from among themselves an acting chairman who shall preside during the meeting. The Council shall have a secretary who shall be appointed by the Commissioner subject to the approval of the Council.

Sec. 5. Term of Membership.—The term of the appointive members shall be three years except that the members initially appointed shall serve for the period specified in their appointments, one for a term of one year, one for a term of two years, and one for a term of three years: *Provided*, That any person chosen to fill any vacancy shall serve only for the unexpired term of the member whom he succeeds.

Sec. 6. Compensation.—For actual attendance at a Council meeting, the Chairman and members shall receive a per diem of fifty pesos each while the Council's Secretary, twenty-five pesos.

Sec. 7. Prohibition.—Whenever any member has a direct personal or financial interest in any matter under discussion, or any of his relatives within the third degree of consanguinity or affinity has such interest, such member shall abstain from the discussion of the matter and shall retire from the meeting during deliberation. The withdrawal of such member shall be noted in the minutes of the meeting.

Sec. 8. Quorum, Meetings, Principal Office and Seal.—The Council shall be convened in a regular meeting at least once a month, but it will not hold more than two special meetings a month. The presence of three members shall constitute a *quorum*. The principal office of the Council shall be at College, Laguna, where its meetings shall be held but, whenever public convenience and interest may be served and unnecessary expenses prevented, the

Council may hold meetings at any other designated place in the Philippines. The Council shall provide the "FORPRIDECOM" with an official seal which shall be preserved in the custody of the Commissioner.

Sec. 9. General Powers and Duties of the Council.—The Council shall have the following powers and duties:

(1) To perform such acts, conduct investigations, prescribe amend orders, make and amend general or special rules, regulations and procedures, pursuant to and consistent with the provisions of this Act, as it may deem necessary to carry out the pertinent policies, provision; and intent under this Act.

(2) To appoint, suspend or relieve for cause the Commissioner, subject to the approval of the "NSDB" Chairman.

(3) Upon recommendation of the Commissioner, to approve punishment, suspension or relief, for cause, of the Internal Auditor, subject to the concurrence of the "NSDB" Chairman.

(4) Upon recommendation of the Commissioner, to approve appointment, punishment, suspension or relief, for cause, of the Deputy Commissioner and Associate Commissioners, subject to the concurrence of the "NSDB" Chairman.

(5) To recommend to the "NSDB" final approval of the regular and such supplemental budgets which may be submitted to it by the Commissioner: *Provided*, That any request for congressional appropriation shall be submitted to and in the form prescribed by the Budget Commission.

(6) To prepare its annual report, which shall contain, in addition to the work performed under this Act, such information and data collected by it as may be considered of value in the development of industries for the wise and profitable utilization of forest products, together with recommendations as it may deem necessary. It may also transmit recommendations to the proper authorities on legislative measure which may be considered necessary.

(7) Upon recommendation of the Commissioner, to authorize the giving of awards, *honoraria* and additional compensation for deserving researchers, inventors and other employees of the maximum of

iciency, exceptional recognition and meritorious accomplishment subject to the approval of the "NSDB" Chairman.

(8) To review and approve implementing details of staffing pattern, compensation, functions and duties of the organization of "FORPRIDECOM" as submitted by the Commissioner, subject to the approval of the "NSDB" Chairman.

(9) To engage the services of highly competent technical men to advise the council on special matters deemed necessary to be deliberated upon in any of its meetings.

(10) To promote and, in its discretion, assist in the establishment of private foundations for scientific advancement as well as specific research and development projects by private individuals, firms and foundations. All funds contributed to the support and maintenance of such foundations and their project as well as specific research and development projects undertaken by private individuals and educational institutions, shall be tax-exempt and deductible from the donor's income tax returns, upon certification by the Council that such foundations and funds are dedicated to scientific pursuits. All income of whatever kind and character which such foundations may derive from any of their properties, real or personal, or from their investments shall also be tax-exempt.

SEC. 10. *Technical Advisory Panel.*—Living retired directors of the Forest Products Research Institute, living retired commissioners of the "FORPRIDECOM," and highly competent technical men duly commissioned by the Council, constitute the technical advisory panel of the "FORPRIDECOM." They may attend the meetings of the Council, participate in its deliberation but without the right to vote. For actual attendance at a Council meeting, they shall receive a *per diem* of fifty pesos each.

SEC. 11. *Organization.* — (1) The "FORPRIDECOM" shall be headed by a Commissioner, herein-after referred to as the "Commissioner," who shall be appointed by the Council, subject to the approval of the "NSDB" Chairman. He shall be responsible for the exercise of all the powers and the discharge of all duties of the "FORPRIDECOM," and shall have authority and control over all personnel and activities thereof.

(2) *Deputy Commissioner.*—There shall be a Deputy Commissioner, subject to the approval of the Council and the "NSDB" Chairman. He shall perform such duties and exercise such powers as the Commissioner shall delegate to him, and exercise such powers as may be delegated to him by the Commissioner during the latter's absence or temporary disability.

(3) *Associate Commissioners.* — There shall be two Associate Commissioners; one for forest products research and the other for forest products industries development. They shall be appointed by the Commissioner with the approval of the Council and the "NSDB" Chairman.

(4) *Directors of Services.*—There shall be a Director and an Assistant Director for each of the research and industries-development or scientific services, administrative-management service, and publications and information service. They shall be appointed by the Commissioner, subject to the approval of the Council and "NSDB" Chairman.

(5) *Qualification.* — (a) The Commissioner, Deputy Commissioner, Associate Commissioners, Directors of scientific services shall be citizens of the Philippines, and they shall be appointed with due regard for fitness and efficient discharge of the powers and duties imposed by this Act for their respective organizations. At the time of their nominations, they shall be forest products research career men who have distinguished themselves in science and technology.

(b) *Directors and Assistant Directors of Administrative-Management Service and Publications and Information Service* shall be citizens of the Philippines, and they shall be appointed with due regard for their fitness and efficient discharge of the powers and duties imposed by this Act for their respective organizations. At the time of their nomination, they shall be career men in their respective fields.

(6) *Staffing Pattern.* — The "FORPRIDECOM" shall be organized into Office of the Commissioner, Institutes, services, departments, divisions, and sections.

(a) The Office of the Commissioner shall consist of the staffs of the Commissioner, Deputy Commissioner, Accounting Department, Internal Audit

Department, Patents and Legal Affairs, and Technical Consultants Staff. The Technical Consultants Staff shall be composed of deserving scientists who are highly specialized in their particular fields, with outstanding accomplishments in scientific or technological research and inventions. Each technical consultant or subject matter specialist shall receive compensation equal to that of Associate Commissioner.

(b) There shall be two institutes: (1) Forest Products Research and (2) Forest Products Industries Development.

SEC. 12. *Purposes and Powers of the FORPRIDECOM.* — The "FORPRIDECOM" shall have the following purposes and powers:

(1) To conduct research on the properties, uses, processing, and protection of wood and wood products and develop such practices and processes as will increase the utility, value, quality, and serviceability of wood and other products of the forest;

(2) To furnish technical information and service to manufacturers, exporters, users of wood and other forest products and to the public;

(3) To establish, expand, maintain, and operate research centers, test laboratories, offices, and pilot plants in any suitable part of the Philippines;

(4) To improve, service, and assist existing and new forest products-using industries in their technological development as will increase their usefulness, efficiency, and productivity;

(5) To cooperate with other agencies, both national and international, in the promulgation of grading rules, specifications, and quality control of manufactured and treated wood and forest products;

(6) To train technicians for industries using forest products;

(7) To cooperate with other agencies, both national and international and both private and public, in conducting special research relating to forest products and in promoting dissemination of their results;

(8) To provide for the publications of information pertaining to the results of research on forest products for the benefit of wood-producing and wood-using industries and the general public;

(9) To receive assignment of patents, grant exclusive or non-exclusive rights for their use, charge and collect fees for their use, and discharge the income therefrom in accordance with the established policies of the "FORPRIDECOM;"

(10) To accept grants or donations and provide for reasonable charges for examinations, tests, cooperative investigations, consulting services, verifications, certification, identifications, and other work performed;

(11) To transact any business, directly or indirectly necessary, incidental, or conducive to the attainment of the purposes of the "FORPRIDECOM;" and

(12) To ameliorate and implement salary adjustments and emoluments of "FORPRIDECOM" personnel whenever necessary and resultant of this Act.

SEC. 13. *Duties of Commissioner.*—The chief executive officer of the "FORPRIDECOM" shall be the Commissioner who shall have the following powers and duties:

(1) To prepare and submit the implementing details of this Act, as regards to the staffing pattern, compensations, functions, and duties of the organization of "FORPRIDECOM," to the Council for review and approval;

(2) To direct and manage the affairs and business of the "FORPRIDECOM" in pursuance of the policies of the Council and "NSDB;"

(3) To sit with the Council at its meetings and participate in its deliberations, but without the

(10) To receive and appropriate to the ends specified by law such sums as may be provided by law right to vote;

(4) To submit, within sixty days after the close of each fiscal year, an annual report to the Council and "NSDB;"

(5) With the approval of the Council and "NSDB" Chairman, to appoint, suspend, remove, or otherwise discipline, for cause, the officers of the "FORPRIDECOM," as follows: Deputy Commissioner, Associate Commissioners, Directors and Assistant Directors of Services;

(6) Upon recommendation of the Deputy Commissioner, to appoint, punish, suspend or relieve for cause, all non-technical employees;

(7) Upon recommendation of the Associate Commissioners, to appoint, punish, suspend or relieve, for cause, all technical employees below the rank of Assistant Director;

(8) To reorganize, subject to limitations in this Act, the internal organization of the "FORPRIDECOM," when advisable, for purposes of efficiency and economy: *Provided*, That any major reorganization be subject to the approval of the Council;

(9) To delegate his authority in whole or in part to the officers of the "FORPRIDECOM:"

(10) To receive and appropriate to the ends specified by law such sums as may be provided by law such sums as may be provided by law for the support of the "FORPRIDECOM;"

(11) To enter into, make, and execute with any person, firm or entity, public or private, contracts of any kind, including the purchase of machinery, materials, equipment, and supplies or the furnishing of services which may be necessary or incidental to the attainment of its purposes;

(12) To authorize travel grants and scholarships for scientific or technological purposes; send delegates and observers to scientific and technological conferences and conventions in the Philippines and in other countries;

(13) To perform such duties of *ex-officio* member of the "NSDB" without extra compensation; and

(14) To perform such other duties as may be assigned to him by the Council and "NSDB" Chairman.

SEC. 14. *Duties of Associate Commissioners.* — The heads of the Institutes shall be the Associate Commissioners who shall have the following powers and duties:

(1) To prepare and recommend to the Commissioner the staffing pattern, compensation, functions, and duties of their respective institutes for review and approval;

(2) Under the supervision of the Commissioner, to direct and manage the affairs and business of their respective institutes in pursuance of the policies of the Council and "NSDB;"

(3) With the approval of the Commissioner, to appoint, suspend, remove, or otherwise discipline for cause all officers and employees of their respective institutes except the Directors and Assistant Directors of Services;

(4) To recommend to the Commissioner the internal reorganization of their respective institutes, when advisable, for the efficient function and operation of their respective organizations;

(5) With the approval of the Commissioner, to delegate his authority in whole or in part to his subordinates; and

(6) To perform such other duties as may be assigned to him by the Commissioner.

SEC. 15. *Personnel Administration.* — All officers and employees shall be subject to civil service and other personnel laws, rules and regulations: *Provided, however*, That all scientific or technical positions of the "FORPRIDECOM," which are considered technical in nature, shall be embraced under the non-competitive or unclassified service.

SEC. 16. *Classification and Compensation.* — Provisions of law to the contrary notwithstanding, all officials and employees appointed under this Act shall be classified according to Section twenty-six of Republic Act Numbered Two thousand and sixty-seven which is hereby amended to include those who belong to the clerical and janitorial classification; the compensation of these officials and employees shall be in accordance with the salary scales to be established by the Commissioner, based on the salary scales adopted by the "NSDB," the University of the Philippines, and their affiliate agencies, subject to the approval of the Council.

SEC. 17. *Government Service Insurance System, Insurance and Retirement.* — Officers and employees of "FORPRIDECOM" shall enjoy the rights of National Government employees with regard to participation in the Government Service Insurance System and to retirement benefits under existing laws: *Provided, however*, That the appointing authority concerned may, with the approval of the President of the Philippines, extend the service of scientist and researchers beyond the compulsory age of retirement.

SEC. 18. *Availability of Funds.* — Appropriations

from the General Fund and such other funds as are authorized by Congress shall be available for the use of "FORPRIDECOM" and the balance of these appropriations after the end of each fiscal year shall revert to the "FORPRIDECOM" Foundation Fund. The "FORPRIDECOM" is authorized to receive donations, fees, bequests, and grants for research and industries technological development purposes. Such grants, bequests, and donations are dedicated to the purpose above mentioned, any provisions of law, rule or regulation to the contrary notwithstanding.

Sec. 19. *Collection of Fees.*—The "FORPRIDECOM" is authorized and empowered to charge reasonable fees in connection with examinations, tests, cooperative investigations, consulting services, verifications, certifications, identifications, inspections, and other work performed. The Commissioner shall issue rules and regulations as he may deem desirable for the collection of such fees, subject to the approval of the Council.

Sec. 20. *Acquisition of Property.*—All income, donations, grants, and bequests shall accrue to a fiduciary fund, to be known as the "FORPRIDECOM" Foundation Fund, which shall be expended by the Commissioner thereof solely for scientific researches, investigations, and technological development in the field of forest products science, the provisions of existing laws to the contrary notwithstanding.

Sec. 21. *FORPRIDE Fund.*—To insure the continuous and efficient operation of the "FORPRIDECOM", a Forest Products Research and Industries Development Fund, a special fund to be known as "FORPRIDE FUND," is hereby created upon approval of this Act. Source of this Fund shall be in the form of fees as authorized by law for the "FORPRIDECOM". "A wood-conservation fee" shall be collected, in addition to the regular forest charges and/or competitive bidding sales provided for under the National Internal Revenue Code, as amended, and those provided for under Republic Act Numbered One hundred fifteen, as amended, and Republic Act Numbered Three thousand five hundred twenty-three, the amount of twenty-five centavos on each cubic meter of timber removed from any public forest, forest reserve and national park for commercial purposes, which shall be collected in the same manner and with the same remedies provided for in the National Internal Revenue Code, as

amended, with respect to forest charges and/or competitive bidding sales, and with the same penalties provided for in Republic Act Numbered One hundred fifteen, as amended, and Republic Act Numbered Three thousand five hundred twenty-three, and which shall be turned over to the "FORPRIDECOM" at the end of the fiscal year beginning with the fiscal year on approval of this Act.

Sec. 22. *Disbursement.*—Any provision of law to the contrary notwithstanding the "FORPRIDECOM" is hereby authorized to disburse the income of this fund subject to the pertinent provisions of Commonwealth Act Numbered Two hundred and forty-six, as amended.

Sec. 23. *Availability of Appropriations.*—(a) The sums appropriated for the fiscal year ending the year when this Act is approved as well as the continuing appropriations since fiscal year 1958, including receipts automatically appropriated for the Forest Products Research Institute, are hereby transferred to the "FORPRIDECOM" Foundation Fund to be used in such manner as shall best insure the implementation of the objectives of this Act.

(b) Funds appropriated for the "FORPRIDECOM" shall remain available for obligation, for expenditure, and for obligation and expenditure until expended.

Sec. 24. *Tax Exemptions.*—Any provision of existing law to the contrary notwithstanding, apparatus, instruments, utensils, equipment and materials may be imported into the Philippines free from taxes and duties, upon certification of the Council, that such articles are imported solely for scientific and technological research and development and not for barter, sale, or hire: *Provided, however,* That in case such articles are subsequently conveyed and transferred to other parties for a pecuniary consideration, taxes and duties shall be collected thereon at the rate provided for under existing laws, payable to the transferer: *Provided, further,* That the Council shall promulgate the rules and regulations to implement this provision.

Sec. 25. *Internal Auditing.*—Internal auditing of "FORPRIDECOM" accounts and transactions shall be the sole responsibility of the "FORPRIDECOM." Any such audit shall authorize the disbursement of funds without prior approval of the Auditor General.

neral. The results of such audit shall be transmitted to the Council.

Sec. 26. Accounting Work of FORPRIDECOM. — No funds of the "FORPRIDECOM" shall be used to pay the salaries and expenses of the auditing officer under the Auditor General in excess of one-third of the total salaries and other expenses for the accounting work of the "FORPRIDECOM."

Sec. 27. Allowances.—The Commissioner, the Deputy and the Associate Commissioners, shall each receive monthly commutable allowances of two hundred fifty pesos and two hundred pesos for representation and transportation expenses, respectively. Such allowances shall be reflected in the annual budget of the "FORPRIDECOM."

Sec. 28. Adjustments. — Any savings in the appropriations of the Forest Products Research Institute for fiscal year 1967, fiscal year 1968, fiscal year 1969 and fiscal year 1970 provided for in the corresponding General Appropriations Act, receipts automatically appropriated, and fund provided for in Sec. 21 of this Act shall be used to provide for the salary adjustments and allowances herein authorized. Thereafter, the amount necessary for said adjustments and allowances shall be included in the annual General Appropriations Acts: *Provided, however,* That nothing in this Act shall be construed so as to reduce the salaries and allowances to which such incumbent official and employee are now entitled under existing laws, rules or regulations.

Sec. 29. Separability. — If any provision of this Act is declared unconstitutional, such provisions thereof as are not affected by such declaration shall remain in full force and effect.

Sec. 30. Repeal of Inconsistent Laws.—All Acts, Executive Orders, administrative rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Sec. 31. Effectivity.— This Act shall take effect upon its approval.

The PRESIDENT PRO TEMPORE. The sponsor of the bill, Honorable Emmanuel Pelaez, has the floor.

SPONSORSHIP SPEECH OF SENATOR PELAEZ

Senator PELAEZ. Mr. President, one of the research agencies we have today which has been serving industry very well has been the Forest Products Research Institute located at Los Baños. This research agency has to do with our lumber industry and for the past 11 years, it has worked very closely with it, serving businessmen and industrialists in lumber enterprises.

This institute was created by Executive Order No. 257 on July 5, 1957, instead of an enabling Act. It was created because of the need of having a research agency that would study our forest products and service industries that are engaged in the processing of forest products. In the 11 years of its existence, the institute has been an important source of technical information and assistance in wood and forest products.

Before 1956, the veneer and plywood industry was a slow growing, but through a vigorous and aggressive research training program and technical knowhow offered by the institute, this industry has been boosted to its present productive and lucrative stature resulting in more income to the government, more employment for our people and substantial improvement in the quality of plywood for home use and for export.

When I speak of the good record of the Forest Products Research Institute, Mr. President, I do so with the full knowledge of the facts. As your Chairman of the Committee on Scientific Advancement, I have been investigating the work of our different research agencies and the Forest Products Research Institute is among the top agencies.

While, as a general rule, our research instrumentalities have been conducting investigations and studies without relevance to the day to day needs of the industries which they are supposed to serve, the Forest Products Research Institute has been working very closely with the Lumber industry.

Today, Mr. President, ten years after the establishment of the National Science Development

Board, we are reaching a turning point. During the last 10 years, the National Science Development Board has been engaged primarily in promoting science consciousness, infusing more science in education, and preparing the ground for launching a scientific and technological research program. Today, when we are trying to industrialize, it is necessary that our research effort should be accelerated. For this reason, this bill is being presented to give the Forest Products Research Institute a bigger assignment and at the same, more authority.

For instance, instead of merely being a research institute of forest products, the bill would seek to enlarge the scope of its purposes by making it also an Industries Development Commission. With this new objective, it will have more powers and it can do more in actively participating in and promoting new industries involving forest products.

To do this we propose to give it a legislative charter through this bill and to put it under the National Science Development Board as an independent commission. This, in brief, is the gist of this bill. There are other details which are usual with respect to commissions finally, I would like to say that a companion bill has already been approved in the House of Representatives, and it is now calendared for third reading.

So, Mr. President, if there are no further interpellations, I move that we go to the period of amendments.

The PRESIDENT PRO TEMPORE. Any interpellations or objections to the bill? (*Silence.*) There being none, we will now go to the period of amendments.

Senator PELAEZ. Mr. President, I would like to propose the following committee amendments: On page 2, Section 6, line 23, after the word "each", put a period.

The PRESIDENT PRO TEMPORE. What line, please?

Senator PELAEZ. Line 23, page 2, Mr. Pres-

ident.

The PRESIDENT PRO TEMPORE. Will the gentleman repeat the amendment?

Senator PELAEZ. On page 2, line 23, after the word "each", put a period and then, as a consequence, delete all of line 24.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator PELAEZ. On page 4, line 22, between the words "projects" and "by", insert the words "OF FOREST PRODUCTS".

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator PELAEZ. On the same page, line 28, after the word "Council" insert the word "AND APPROVAL OF THE NSDB CHAIRMAN".

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator PELAEZ. On page 5, line 2, delete the word "Living".

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator PELAEZ. On the same page, line 3, delete the word "living".

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator PELAEZ. On the same page, line 5, delete the words "technical men" and in lieu thereof, insert the word "SPECIALISTS".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PELAEZ. On page 7, line 14, after

the word "part" insert the words "OR PARTS".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PELAEZ. On page 7, line 15, after the word "and" insert a diagonal (/) and the word "OR". So that it will read "and/".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PELAEZ. On the same page 7, line 16, delete the word "as" and in lieu thereof, insert the word "THAT".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PELAEZ. On page 11, delete the words "President of the Philippines" on line 12 and in lieu thereof, insert the words "NSDB CHAIRMAN".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PELAEZ. On page 11, lines 13 and 14, after the word "retirement", add the phrase "IN ACCORDANCE WITH REPUBLIC ACT NUMBERED TWO THOUSAND SIXTY-SEVEN, AS AMENDED".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PELAEZ. On page 13, line 20, after the word "development" insert the word "OF FOREST PRODUCTS FIELD INDUSTRIES."

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PELAEZ. No further amendment, Mr. President.

The PRESIDENT PRO TEMPORE. Is there any individual amendment? (*Silence.*)

APPROVAL ON SECOND READING OF
SENATE BILL NO. 1102

Senator PELAEZ. If there are no individual amendments, Mr. President, I move that we vote on the bill as amended on second reading.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill as amended on second reading.

As many as are in favor of the bill as amended will please say *Aye.* (*Several senators: Aye.*) As many as are against will please say *Nay.* (*Silence.*) Senate Bill No. 1102 is approved on second reading as amended.

CONSIDERATION AND APPROVAL ON SECOND
READING OF HOUSE BILL NO. 17228 (*con-
tinuation*)

Senator TOLENTINO. Mr. President, I move that we resume consideration of House Bill No. 17228.

The PRESIDENT PRO TEMPORE. Resumption of the consideration of House Bill No. 17228 is now in order.

Senator TOLENTINO. Mr. President, we are now on the period of amendments on this bill. I would like now to present the committee amendments.

The PRESIDENT PRO TEMPORE. The sponsor may proceed.

Senator TOLENTINO. On page 3, line 2, change the letter "n" in the word "cleaned" to letter "R". This is a typographic error.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 5, line 8, add

the sentence: OFFICERS HOLDING PERMANENT GRADE OF REAR ADMIRAL OR HIGHER AT THE TIME OF RETIREMENT SHALL RECEIVE BENEFITS COMPUTED UPON SUCH GRADE."

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 9, line 5, insert the word "THE" between "(e)" and "Efficiency".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 12, line 1, insert the word "HE" between the words "grade" and "held".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 13, line 25, change the period (.) to colon (:) and insert the proviso:

"PROVIDED, FURTHER, THAT NOTHING HEREIN SHALL PREVENT THE SURVIVING SPOUSE AND/OR CHILDREN, OR PARENTS FROM CLAIMING THE BENEFITS UNDER REPUBLIC ACT NUMBERED SIX HUNDRED AND TEN, IN LIEU OF THE BENEFITS HEREIN PROVIDED, IF THE FORMER IS MORE ADVANTAGEOUS."

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 16, line 15, insert the word "ALL" between the words "from" and "other".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none,

the amendment is approved.

Senator TOLENTINO. On page 19, line 14, delete the word "two" and insert the word "THREE".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. There are no more committee amendments, Mr. President.

The PRESIDENT PRO TEMPORE. Individual amendments? (*Silence.*)

APPROVAL ON SECOND READING OF HOUSE BILL NO. 17228

Senator TOLENTINO. If there are no more amendments, Mr. President, I move for the approval of the bill on second reading as amended.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill as amended on second reading. As many as are in favor of the bill as amended will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 17228 is approved on second reading as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF SENATE BILL NO. 1095 (continuation)

Senator TOLENTINO. Mr. President, I move that we now resume consideration of Senate Bill No. 1095 being sponsored by the distinguished Minority Floor Leader, Senator Padilla.

The PRESIDENT PRO TEMPORE. Resumption of the consideration of Senate Bill No. 1095 is now in order.

The Minority Floor Leader, sponsor of the bill, is recognized.

Senator PADILA. Mr. President, in accordance with the interpellations of the distinguished gentleman from Albay and at his suggestion, may

I propose the following amendments.

On page 2, line 20, after the word "Commission", eliminate the phrase "to Supervise Financing Companies".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. On page 2, line 21, delete the word "supervise" and on line 22 delete the words "the operations of financing companies in accordance with" and in lieu thereof, insert the word "ENFORCE". So that the section will read:

"The Securities and Exchange Commission of the Philippines is hereby empowered to ENFORCE the provisions of this Act."

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. On page 3, line 1, after the word "thereof" delete the period (.) and in lieu thereof put a comma (,) and insert the following: REGARDLESS OF THE TERMS AND CONDITIONS OF THE ASSIGNMENT OR PURCHASE."

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. On page 3, line 6, after the word "days", delete the period (.) and in lieu thereof put a comma (,) and insert the following: "REGARDLESS OF THE TERMS AND CONDITIONS OF THE FACTORY AGREEMENT."

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. On page 3, line 11, delete the word "one million" and in lieu thereof, insert "FIVE HUNDRED THOUSAND".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. On page 4, line 22, between the words "upon" and "into" delete the word "examination" and in lieu thereof insert the word "INVESTIGATION".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. On page 4, from line 22 to page 5, line 15, delete the entire Section 10 entitled "Examination and Fees".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. On page 5, line 16, renumber Section 11 to Section 10.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. On page 6, line 10, a clerical error, delete the word "Overrule" and in lieu thereof, insert the word "OVERVALUE".

The PRESIDENT PRO TEMPORE. The word is "overvaluing" here on line 10.

Senator PADILLA. It should be "OVERVALUE or aid in overvaluing".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. On page 6, change the numbering of the section, as follows: Section 12 be changed to Section 11, Separability Clause; Section 13 be changed to Section 12, Revealing Clause; and Section 14 be changed to Section 13, Effectivity.

The PRESIDENT PRO TEMPORE. Is there

any objection? (*Silence.*) There being none, the amendment is approved.

APPROVAL ON SECOND READING OF SENATE
BILL NO. 1095

Senator PADILLA. Mr. President, if there are no other amendments, I move for the approval of the bill on second reading as amended.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill as amended on second reading. As many as are in favor of the bill as amended will please say *Aye.* (*Several senators: Aye.*) As many are against will please say *Nay.* (*Silence.*) Senate Bill No. 1095 is approved on second reading as amended.

CONSIDERATION ON SECOND READING OF
SENATE BILL NO. 1061

Senator TOLENTINO. Mr. President, I move that we now consider Senate Bill No. 1061 to be sponsored by the chairman of the Committee on Health, Senator Ganzon.

The PRESIDENT PRO TEMPORE. Consideration of Senate Bill No. 1061 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT TO REGULATE THE PRACTICE OF PHARMACY AND TO SET STANDARDS OF PHARMACEUTICAL EDUCATION IN THE PHILIPPINES AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

ARTICLE I—Objectives and Implementation

SECTION 1. *Objectives.* — This Act provides for and shall govern (a) the standardization and regulation of pharmaceutical education; (b) the examination for registration of graduates of schools of Pharmacy and (c) the supervision, control and regulation of the practice of Pharmacy in the Philippines.

SEC. 2. *Enforcement.*—For the purpose of implementing the provisions of this Act, there are created hereunder the following agencies: the "Council of Pharmaceutical Education" and the "Board of Pharmacy."

ARTICLE II—THE COUNCIL OF
PHARMACEUTICAL EDUCATION

SEC. 3. *Composition.*—The Council of Pharmaceutical Education shall be composed of: Secretary of Education, as Chairman; Undersecretary of Health Services; Food and Drug Administrator; Chairman of the Board of Pharmacy; the dean of the College of Pharmacy, University of the Philippines; the dean of a college of Pharmacy, representing duly accredited private schools of pharmacy, and a representative of the bonafide national pharmaceutical organizations in the Philippines, as members.

It shall be incumbent upon all deans of duly accredited colleges of pharmacy of private colleges and universities by agreement among themselves to promulgate rules and regulations regarding the selection of one from among their group to represent them in the said Council and it shall be incumbent upon all presidents of bonafide national pharmaceutical organizations in the Philippines by agreement to promulgate rules and regulations regarding the selection of one from among them to represent them in the said Council.

The members of the Council shall hold office until their successors have been appointed, elected or designated and duly qualified.

SEC. 4. *Functions.*— The functions of the Council of Pharmaceutical Education shall be:

(a) To promulgate rules and regulations relative to Pharmaceutical Education in the Philippines;

(b) To forward these rules and regulations, which shall have a binding effect, for implementation to the proper agencies such as the Department of Education, the Board of Pharmacy, the bonafide national pharmaceutical organizations in the Philippines and others;

(c) To recognize and accredit colleges of pharmacy in the different private colleges and universities; and

(d) To approve the accreditation of community

or prescription pharmacies, pharmaceutical manufacturing laboratories and hospital pharmacies for purposes of pharmacy internship.

Sec. 5. *Meetings and travelling expenses.*— The Council of Pharmaceutical Education shall meet at least once a month for regular business and as often as the Council may decide. The Chairman and members of the Council of Pharmaceutical Education shall not be entitled to any compensation except for travelling expenses in connection with their official duties as herein provided.

ARTICLE III—THE BOARD OF PHARMACY AND EXAMINATION AND REGISTRATION OF PHARMACISTS

Sec. 6. *The Board of Pharmacy and its Composition.*—The Board of Pharmacy shall be composed of a Chairman and two members who shall be appointed by the President of the Philippines from a list of nominees recommended by the Commissioner of Civil Service who shall secure such lists from bonafide professional national organizations of pharmacists which should be certified in accordance with Republic Act Numbered Five hundred forty-six.

Sec. 7. *Qualification of Board Members.* — To be appointed a member of the Board of Pharmacy, a person shall be:

- (a) A natural born citizen of the Philippines;
- (b) A duly registered pharmacist and has been in the practice of pharmacy for at least ten years;
- (c) Of good moral character and of recognized standing in the Pharmaceutical profession;
- (d) At the time of appointment, not a member of the faculty of any school, college or university offering courses in pharmacy; nor have any direct or indirect pecuniary interest in such school or college of pharmacy; and
- (e) A member of good standing of any bonafied national pharmaceutical association of the Philippines.

Sec. 8. *Tenure of office and fees of board members.*— The Chairman and members of the Board of Pharmacy shall hold office for three years after appointment or until their successors shall have

been appointed and duly qualified: *Provided.* That members of the first Board to be appointed after the approval of this Act shall hold office for the following terms: Chairman for three years, one member for two years and one member for one year: *Provided. further,* That any chairman or member may be reappointed for another term of three years but in no case shall he serve continuously for more than six years. The most senior member of the Board shall automatically be the Chairman.

The Chairman and members of the Board shall each receive the sum of ten pesos for each applicant examined regardless of whether or not he is already in the government service when appointed.

Sec. 9. *Removal of the Board members.* — Any chairman or member of the Board may be removed by the President of the Philippines if found guilty of neglect of duty; incompetence; malpractice; or unprofessional, unethical, immoral or dishonorable conduct, after having been given the opportunity to defend himself in a proper administrative investigation. The President may in his discretion suspend such member under investigation: *Provided,* however, That the period of suspension shall not exceed sixty (60) days after which the latter shall be automatically reinstated pending the outcome of the investigation.

Sec. 10. *Executive Offices of the Board.* — The Commissioner of Civil Service shall be the Executive Officer of the Board and shall conduct the examination given by it according to the rules and regulations promulgated by him and approved by the President of the Philippines. The Secretary of the Board of Examiners in accordance with Republic Act Numbered Five hundred and forty-six shall also be the Secretary of the Board. To assist both officials, there shall be appointed from the ranking employees of the Boards of Examiners, an Assistant Secretary, a Legal Officer and a Records Officer with compensation of P8,832. P7,236 and P5,928, respectively, who may also handle identical functions for the other existing examining boards. All the records of the Board, including examination papers, minutes of deliberation and records of administrative proceedings shall be kept by the Secretary of the Board.

Sec. 11. *Powers and duties of the Board.* — The

Board of Pharmacy conformably with the provisions of this Act, is vested with authority:

(a) To examine applicants for the practice of Pharmacy;

(a) To issue certificates of registration of pharmacists;

(c) To reprimand any pharmacist or to suspend or revoke his certificate of registration on the grounds as provided for in Section Thirteen hereof, after a formal administrative investigation has been conducted by it.

(d) To promulgate from time to time the necessary rules and regulations for the effective enforcement of this Act, subject to the approval of the President upon advice of the Commissioner of Civil Service.

(e) To study the conditions affecting the practice of pharmacy in the Philippines;

(f) To check the employment of qualified personnel in drug stores, hospital pharmacies, drug or pharmaceutical laboratories, cosmetic laboratories and similar establishments for which the Board may designate inspectors from the Board of Pharmacy; and

(g) To encourage the development of botanical gardens and their inspection particularly the propagation of Philippine medicinal plants with the cooperation of the Department of Agriculture and Natural Resources.

Sec. 12. Detailmen; requirements, qualifications and fees.—Any person who shall be employed as detailman by any pharmaceutical or drug laboratory or other manufacturers of medical, dental, pharmaceutical, biological and veterinary products and by distributors, dealers or wholesalers of said products, doing business directly or indirectly in the Philippines, shall be required, at the beginning of each year, to register with the Board of Pharmacy that he is employed as such.

(a) An applicant for registration shall be, preferably, a graduate of a college of pharmacy.

There shall be an initial fee of twenty pesos upon registration and thereafter fifteen pesos shall be charged annually for renewal. Upon payment of

said fees, the proper credential shall be issued to the applicant.

(b) It shall be incumbent upon these drug establishments referred to in the beginning of this Section to see to it and require that detailmen employed or to be employed by them possess the necessary credentials issued by the Board of Pharmacy as provided for herein.

For purposes of this Section, a detailman is one who represents any duly authorized manufacturer, dealer, distributor, representative or wholesaler of drugs, pharmaceuticals, biologic products and devices, whose primary duty is to introduce and/or acquaint a product or products prepared, distributed or made by said manufacturers, dealer, distributor, representative or wholesaler to the physician, dentists, pharmacist, veterinarian or any other qualified person and which forms part of their program for promotion by describing its use, composition, action, dosage, administration, contra-indication, advantages and other salient information relative to said drug, pharmaceutical, biological product or device.

Sec. 13. Grounds for reprimand, suspension or revocation of registration certificate.—Any of the following shall be sufficient ground for reprimanding a pharmacist, or for suspending or revoking his certificate of registration:

(a) Conviction by a court of competent jurisdiction of any violation as penalized in Section forty and forty-one hereof;

(b) Immoral or dishonorable conduct which includes conviction by a competent court of any criminal offense involving moral turpitude;

(c) Fraud or Deceit in the acquisition of the certificate of registration;

(d) Gross negligence, ignorance or incompetence in the practice of his profession resulting in the injury, damage or death to another;

(e) Malpractice, including aiding or abetting the commission of criminal abortion or sex crimes through illegal compounding, dispensing or sale of abortive or sex drugs, as the case maybe;

(f) Acting as a dummy of an alien or of a per-

son who is not qualified to open and operate a retail drugstore;

(g) Addiction to alcoholic beverage or to any habit-forming drug rendering him incompetent to practice his profession;

(h) Insanity;

(i) False or extravagant or unethical advertisements wherein other things than his name, profession, limitation of practice, office and home address and the like are mentioned; and

(j) Violations of any provision of the Code of Ethics which maybe adopted as part of the Rules and Regulations of the Board.

Sec. 14. *Administrative Investigation.* — Administrative investigations shall be conducted by all the members of the Board sitting *en banc*. The existing rules of evidence shall be observed as far as practicable during administrative investigations.

If the Board, by majority vote of the members, shall find that the charges are sustained by evidence adduced, it may at its discretion reprimand the respondent or revoke or suspend his certificate of registration. In case of suspension, it shall be for a period of not more than six months. Where the certificate of registration has been revoked as herein provided, the Board may, after the expiration of six months and upon application, issue a new certificate of registration in place of revoked certificate without the necessity of undergoing any examination if the respondent in the meanwhile has conducted himself in an exemplary manner.

Sec. 15. *Procedure and rules.* — The Board of Pharmacy, upon receipt of a formal complaint under oath against any pharmacist, shall furnish the latter a copy of the complaint which he shall answer within ten days from receipt hereof. If the Board of Pharmacy, after careful study of the records, finds that there is a valid ground to the charge, it shall conduct a formal investigation setting the dates of hearing thereof. For this purpose, *subpoena* or *subpoena duces tecum* may be issued by the Chairman of the Board. The proceedings shall at all times be recorded. The investigation shall be terminated and resolved within ninety days from the time of the first date of hearing has been set and heard.

Sec. 16. *Right of respondent.* — The respondent pharmacist shall be entitled to be heard by himself or be represented by counsel; to have a speedy and public hearing; to confront and to cross-examine witnesses against him; to summon and present witnesses in his behalf; and to any other process for the protection of his individual or civil rights.

Sec. 17. *Appeal from judgment.* — The decision of the Board of Pharmacy shall automatically become final thirty days from notice to respondent, unless the latter after receipt of the decision and within the same period has appealed to the President of the Philippines.

Sec. 18. *Candidate for board examination.* — A candidate for the board examination in Pharmacy shall have the following qualifications:

(a) He shall be a natural-born citizen of the Philippines;

(b) He shall be of good moral character;

(c) He shall have completed an Internship Program which shall consist of at least 960 hours, one half of which shall be spent equally distributed in a prescription pharmacy, a pharmaceutical manufacturing laboratory and a hospital pharmacy duly accredited by the Council of Pharmacy and the rest of the hours of internship shall be spent in any or all of the said establishments at the choice of the candidate.

For this purpose, the above mentioned prescription pharmacy, pharmaceutical manufacturing laboratory and hospital pharmacy shall keep a separate record of those Pharmacy students who have undergone said internship program directly under their control and as a result thereof shall issue the proper certificate of said hours of internship. It shall also be the duty of said establishments to submit annually a complete report of the names of those who have undergone training under their supervision and the corresponding number of hours of internship credit of each of the pharmacy students to their respective colleges or schools and to the Board of Pharmacy for proper accreditation; and

(d) He shall have graduated with a degree of Bachelor of Science in Pharmacy or with an equivalent degree from a school, college or university

duly accredited by the Council of Pharmaceutical Education after satisfactorily completing a standard pharmacy course of not less than five academic years.

SEC. 19. Scope of Examination.—The pharmacist examination shall consist of both theoretical and practical examinations. The theoretical examination shall include subjects in Chemistry, Biological Sciences and Pharmacy.

The Chemistry subjects shall include (1) General Inorganic Pharmaceutical and Physical Chemistry, (2) Organic and Medicinal or Pharmaceutical Chemistry, (3) Qualitative and Drug Assaying. The Biological Science subjects shall include (4) Physiology and Bio-chemistry, (5) Microbiology and Public Health, (6) Pharmacology and Toxicology. The Pharmacy subjects shall include (7) Botany and Pharmacognosy, (8) General Pharmacy, (9) Compounding and Dispensing, (10) Physical and Manufacturing Pharmacy, (11) Pharmacy Administration, and (12) Pharmaceutical Jurisprudence and Ethics. The subjects shall be weighted as follows: Chemistry — thirty per cent; Biological Sciences—twenty percent; Pharmacy, fifty percent.

The practical examination shall consist of (1) Identification and Analysis of Drugs, (2) Preparation of Official Pharmaceuticals, (3) Compounding and Dispensing of Prescriptions and Fixing of Prices of Prescriptions, and (4) Manufacturing Pharmacy and Quality Control. The practical examination shall be weighted as follows: Identification and Analysis of Drugs, thirty per cent; Compounding of Official Pharmaceutical Preparations, Dispensing and Fixing of Price of Prescription and Manufacturing Pharmacy and Quality Control, seventy per cent.

It shall be the duty of the Board of Pharmacy to prepare the schedules of the theoretical and practical examinations and the syllabus of each subjects to be given two months before the dates of the examinations wherein they are to be used.

SEC. 20. Ratings required. — In order to pass the examination, a candidate must obtain on the basis of one hundred per cent (100%) a general average of seventy-five per cent (75%) or over in both the theoretical and practical examinations, with no ratings below fifty per cent (50%) in more than two

subjects in the theoretical examinations: *Provided*, That any candidate who passed in the theoretical examination but failed in the practical examination, may, upon taking a re-examination, repeat only the practical examination and vice-versa: *Provided, further*, That any candidate who fails to pass the theoretical and/or practical examination in three successive attempts shall not be admitted in the fourth examination unless he could present to the Board a certification that he had enrolled and undergone within the year preceding, a pre-board review course from a duly accredited college of Pharmacy.

SEC. 21. Holding of examination.— Examination for registration to practice pharmacy in the Philippines shall be given twice a year in the City of Manila and environs as the Board of Pharmacy may fix.

SEC. 22. Fees for examination and registration.— The Board of Pharmacy shall charge for each applicant for examination the sum of fifty pesos, and after passing the Board examinations, for each certificate of registration, twenty pesos; and for each duplicate registration certificate, ten pesos. All fees shall be paid to the cashier of the Board of Examiners and all expenses including the fees of the Board members shall be disbursed by him from such funds.

ARTICLE IV.—PRACTICE OF PHARMACY

SEC. 23. Definition of practice of Pharmacy.—A person shall be deemed to be practicing pharmacy within the meaning of the this Articles, who shall, for a fee, salary, percentage or other reward paid or given directly to himself or indirectly through another, prepare or manufacture, analyze, essay, preserve, store, distribute or sell any medicine, drug, chemicals, cosmetics, pharmaceuticals, devices or contrivances used in pursuance therefor; or render pharmaceutical service in any office or drug and cosmetic establishment where scientific, technological or professional knowledge of Pharmacy is applied; or engages in teaching scientific, technological or professional pharmacy subject in a College of Pharmacy; or conduct and/or undertake scientific pharmaceutical research for biological and bacteriological testings and examinations.

However, managerial persons performing executive, managerial and/or administrative functions

and their subordinate personnel employed in the pharmaceutical laboratories referred to in the second paragraph of Section 27 hereof, shall not be considered for purposes of this definition, persons in the practice of pharmacy.

SEC. 24. Prerequisite for the practice of pharmacy. — No person shall engage in the practice of pharmacy in the Philippines unless he is at least twenty-one years of age, has satisfactorily passed the corresponding examination given by the Board of Pharmacy, and is a holder of a valid certificate of registration duly issued to him by said Board.

SEC. 25. Sale of medicine, pharmaceuticals, drugs, and/or devices. — No medicine, pharmaceutical, or drug of whatever nature and kind and/or device shall be compounded, dispensed, sold or resold, or otherwise be made available to the consuming public except through a prescription drugstore or hospital pharmacy, duly established in accordance with the provisions of this Act.

Pharmaceutical, drug and/or biological manufacturing establishments, importers and wholesalers of drugs, medicines, and/or biologic products are authorized to sell their products only at whole sale to duly established retail drugstores or hospital pharmacies.

SEC. 26. Markings and inhibition to the sale of drug samples.— No sample of any drug, biologic product, device or proprietary medicine, given or intended to be given for free to the physician and other qualified person by any manufacturer and/or distributor or its representative or detailman as part of its program of promotion, may be sold.

The statement "Sample, not for sale" shall appear conspicuously on the container, package and/or carton of the drug or device to be given.

SEC. 27. Pharmacist required and compensation. — Every pharmacy, drugstore or hospital pharmacy whether owned by the government or a private person or firm shall at all times when open for business be under the personal and immediate supervision of a registered pharmacist: *Provided*, That no pharmacist shall have personal supervision of more than one such establishment. In case where a drug establishment operates in more than one shift, each must be under the supervision and control of a registered pharmacist.

Drug or pharmaceutical laboratories or similar es-

establishments engaged in the repackaging, manufacture and/or sale of drugs, biologic products and pharmaceutical products in quantities greatly in excess of the therapeutic doses of each substance, such processes involving the preparation, quality control and/or repackaging of said products shall for each respective operation be under the direct and immediate supervision of a registered pharmacist, or, in the sale of pharmaceuticals, medicine and drugs at wholesale, such business shall be conducted under the immediate supervision of a registered pharmacist practicing only in such establishment.

Every pharmacist employed as such in any of the establishments mentioned in this Section whose capitalization is not less than ten thousand (P10,000.-00) pesos shall receive, notwithstanding any provision of law to the contrary, a minimum compensation similar to that of government pharmacists.

SEC. 28. Display of certificate required. — It shall be the duty of every pharmacist engaged in the practice of pharmacy either on his own account or under the employ of another, to display his certificate of registration in a prominent and conspicuous place in pharmacy, drugstore, hospital pharmacy or drug establishment which he operates or in which he is employed. No pharmacist shall with his knowledge allow his certificate of registration to be displayed in such establishments when he is not actually employed or operating therein in his professional capacity.

SEC. 29. Responsibility for quality of drugs. — In cases of drugs, pharmaceuticals or poisons sold in their original packings, the seal of which has not been broken or tampered with, the liability that may arise because of their quality and purity, rests upon the manufacturer or in his absence, upon the importer, distributor, representative or dealer who was responsible for their distribution or sale.

It shall be unlawful for any person, whosoever, to manufacture, prepare, sell or administer any prescription, drug, pharmaceutical or poison under any fraudulent name, direction or pretense or to adulterate any drug, pharmaceutical, medicine or poison so used, sold or offered for sale. Any drug, pharmaceutical, medicine or poison shall be held to be adulterated or deteriorated within the meaning of this Section if it differs from the standard of quality of purity given in the United States Pharmacopeia or National Formulary, both in their latest edition or, in lieu thereof, in any standard reference for drugs and medicines given official recognition; and those

which fall within the meaning as provided for in Food, Drug and Cosmetic Act (R.A. 3720).

SEC. 30. Filing and refilling of prescription. — No prescription shall be filled or compounded except by a registered pharmacist in the employ of the drugstore or pharmacy. It shall be incumbent upon the pharmacist so compounding or filling the prescription called for meets the standard of purity and quality given in the standard references. Students undergoing pharmaceutical internship may assist pharmacist in the compounding and dispensing of the prescription called for.

No prescription shall be refilled except upon express order of the person so prescribing.

SEC. 31. Label of dispensed medicine. — Upon every box, bottle, or other package containing medicine sold or dispensed by a pharmacist based on prescription there must be pasted, affixed or imprinted a seal or label bearing among others; the name and address of pharmacy; the names and quantities of the ingredients; required doses thereof, its expiration date if any; the name of the prescriber, date and the number of prescription; and the direction for its use.

Every prescription, which in its preparation, contains any quantity of a drug or derivative of such drug which is habit-forming, shall have in the label attached to the container the added statement, "Warning—may be habit-forming."

Every prescription for external use filled in the drugstore shall bear a red label showing in black ink the components of such prescription and the words "For external use only" at the bottom of the label.

SEC. 32. Record books for prescription. — All prescriptions dispensed in the drugstore must be recorded in the book kept for the purpose indicating therein, among others, the name of the manufacturer, the original stock, lot and control numbers of the main ingredients of the prescriptions, which book shall be open to inspection by the proper authorities at any time of the day when the pharmacy is open to the public and must be preserved for a period of not less than two years after the last entry in it has been made. All prescription shall be attached to said book for prescriptions and numbered consecutively and shall be preserved for the same length of time as the prescription book.

SEC. 33. Inhibition against use of cipher or un-

sual terms in prescriptions and prescription switching. — No pharmacist shall compound or dispense prescriptions, recipes or formulas which are written in ciphers, codes or secret keys or in which they are employed unusual names of drugs which differ from the names ordinarily used for such drugs in standard pharmacopoeias or formularies.

No pharmacist dispensing or compounding prescriptions shall substitute the drugs calls for in the prescription with any other drug or substance or ingredient without prior consultation with and a written consent of, the person prescribing.

SEC. 34. Provisions relative to dispensing of violent poisons. — Every pharmacist who dispenses, sells or otherwise delivers any of the violent poisons intended for medicinal use, to wit: arsenical preparations phosphorus; corrosive sublimate; atrophine; strychnine, or any of their salts; hycocyanic acid or any of its salts; oil of bitter almonds containing hydrocyanic acid or prussic acid; oil of mirbane (Nitro-benzene); and such other poisonous substances which may from time to time be classified under category by the Food and Drug Administration; shall do so only upon prescription of a duly licensed physical dentist or veterinarian. He shall make or cause to be made in a separate book, kept for the purpose, an entry stating the date of each sale and the name and address of the purchaser, the name and quantity of the poison sold and the purpose for which it was claimed to be purchased, before delivering it to the purchaser.

No prescription, the prescribed dose of which contains a dangerous quantity of poison shall be filled without first consulting the prescribing authority and verifying the prescription. The pharmacist before delivery of such poison to the purchaser shall acquaint the latter of its poisonous character.

The pharmacist shall also affix to every box, bottle or other package containing any dangerous or poisonous drug, another label of red paper upon which shall be printed in large black letters the word "Poison" and a vignette representing a skull and bones before delivering it to the purchaser.

No poison specified in this Section shall be sold or otherwise delivered to any person less than eighteen years of age or who is mentally deranged or under the influence of liquor or one who is apparently addicted to opiates and other habit-forming drugs.

The books kept for the purpose of recording the

sale of violent poisons shall be open at all times to the inspection of the proper authorities, and every such book shall be preserved for at least five years after the last entry in it has been made.

Should any of the poisons above-stated be intended for purposes other than medicinal, the same may be sold without a prescription by the pharmacist but the other requirements of this Section must be complied with.

SEC. 35. *Provisions relative to dispensing of less violent poisons.* — Every pharmacist who dispenses, sells or delivers any poison which is less violent in category as classified by the Food and Drug Administration may do so even without the prescription of a physician and its sale may be recorded in the poison book. The other requirements as provided for in Section thirty — four hereof, however, shall be complied with.

SEC. 36. *Receptacle for poisonous drugs.* — The poisonous drugs specified in Sections Thirty-four and thirty-five hereof shall be kept in a cabinet to be provided in every pharmacy carrying such drugs in stock and the same shall be kept securely locked when not in use.

SEC. 37. *Provisions relative to dispensing of abortifacients or anticonceptual substances and/or devices.* — No drug or chemical product or device capable of provoking abortion or preventing conception as classified by the Food and Drug Administration shall be delivered or sold to any person without a proper prescription by a duly licensed physician.

The pharmacist in charge of a drug store or pharmacy after filling a prescription containing abortive or anti-conceptual substances or devices shall record in a separate register book for abortives and anticonceptuals, the following data:

- (e) Date of filling the prescription; and
- (b) Name and address of the physician;
- (c) Name, quantity and manufacturer of the drug;
- (d) Name and address of the purchaser;
- (e) Date of filling the prescription; and
- (f) Signature of the pharmacist filling the prescription.

SEC. 38. *Provisions relative to dispensing of potent drugs.* — Every pharmacist who dispenses, sells or delivers any drug which falls under the classification

of the Food and Drug Administration as potent drugs shall do so only upon prescription of a duly licensed physician, dentist or veterinarian.

SEC. 39. *Requirements for the opening and operation of drugstores and pharmacists.* — The minimum requirements necessary for the opening and operation of drugstores and pharmacist shall be in accordance with the rules and regulations to be prescribed by the Food and Drug Administration. Only natural-born Filipino citizens who are registered pharmacists can apply for the opening of a retail drugstore.

SEC. 40. *Penal provisions.* — Any person who shall violate any of the provisions of Sections twelve, twenty-four, twenty-five, twenty-six, twenty-seven and twenty-nine of this Act or any person who shall make false representation to procure a registration certificate as pharmacist for himself or for another; or any person who shall allow anyone in his employ who is not a registered pharmacist to engage in the practice of pharmacy; or any person who shall falsely display within the establishment the certificate of registration of a pharmacist who is not actually and regularly employed therein as such or to act as a dummy for any alien or an unqualified person for the purpose of opening and operating a retail drugstore; shall, upon conviction thereof, be sentenced to a fine of not less than five hundred (P500.00) pesos but not exceeding two thousand (P2,000.00) pesos or to an imprisonment of not less than four months and one day but not more than two years, in the discretion of the court.

SEC. 41. *Other penalties.* — Any pharmacist who shall violate any of the provisions of Sections twenty-eight, thirty, thirty-one, thirty-two, thirty-three, thirty-four, thirty-five, thirty-seven and thirty-eight, of this Act; or any pharmacist after his certificate of registration has been lawfully suspended or revoked, who continues to engage in the practice of pharmacy, shall, upon conviction thereof, be sentenced to a fine of not less than one hundred (P100.00) pesos but shall not exceed five hundred (P500) pesos or to an imprisonment of not less than thirty (30) days but more than four (4) months, in the discretion of the court.

Any person other than citizens of the Philippines having been found guilty of any violation as provided for in this and the preceding Section shall, after having paid the fine and/or having

served his sentence, be also subject to deportation.

SEC. 42. *Definition of terms.* — For purposes of this Act, the term (a) "Pharmacy" or "Drug Store" means a place or establishment where drugs, chemical products, active principles of drugs, pharmaceutical specialties, devices, and poisons are sold at retail and where medical, dental and veterinary prescriptions are compounded and dispensed.

(b) "Drug or Pharmaceutical Laboratory" or "Pharmaceutical Manufacturing Laboratory" means an establishment where pharmaceuticals proprietary medicines or pharmaceutical specialties are prepared, compounded, standardized and distributed or sold.

(c) "Wholesaler" means and includes every person who acts as a jobber, merchant, broker or agent, who sells or distributes for resale pharmaceuticals proprietary medicines or pharmaceutical specialties.

(d) "Person" means and include an individual, partnership, corporation or association.

(e) "Drug" means (1) articles recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States or official National Formulary, or any of their supplements; (2) articles intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or animals; (3) articles (other than food) intended to affect the structure or any function of the body of man or animals; and (4) articles intended for use as a component of any articles specified in clauses (1), (2), or (3), but do not include devices or their components, parts or accessories.

(f) "Pharmaceuticals", "Proprietary Medicines" or "Pharmaceutical Specialties" means any drug, preparation or mixture or drugs marked under a trade name and intended for the cure, mitigation or prevention of disease in man or animals.

(g) "Device" means instruments, apparatus or contrivances including their components, parts and accessories, intended (1) for use in the diagnosis, cure, mitigation, treatment or prevention of disease in man or animals; or (2) to affect the structure or any function of the body of man or animals.

(h) "Biologic Products" are viruses, sera, toxins and analogous products used for the prevention or cure of human diseases.

(i) "Poison" is any drug, active principle, or preparation of the same, capable of destroying life or seriously endangering health when applied externally to the body or introduced internally in moderate doses.

(j) "Cipher" means a method of secret writing that substitutes other letters or characters for the letter intended or transposes the letter after arranging them in blocks or squares.

(k) "Code" means a system of words or other symbols arbitrarily used to represent words.

(l) "Secret Keys" means a characteristic style or symbols kept from the knowledge of others or disclosed confidentially to but one or few.

SEC. 43. *Final Provisions.* — To carry out the provisions of this Act, there is hereby authorized to be appropriated out of any funds of the national treasury not otherwise appropriated, the sum of not less than thirty thousand pesos within the fiscal year of the approval hereof. Thereafter, such funds as are necessary for the maintenance and operation of the Board of Pharmacy and of the Council of Pharmaceutical Education shall be included in the annual General Appropriations Act.

SEC. 44. *Repealing clause.* — The following are hereby repealed: Section seven hundred seventeen to seven hundred fifty-seven inclusive, sections two thousand six hundred seventy-five to two thousand six hundred seventy-seven inclusive of the Revised Administrative Code, as amended; and such other laws or part of laws, executive orders, administrative orders, circulars, regulations and memoranda inconsistent or incompatible with this Act.

SEC. 45. *Separability of provisions.* — If any part, section or provision of this Act shall be held invalid or unconstitutional, no other part, section or provision thereof shall be affected thereby.

SEC. 46. *Effectivity.* — This Act shall take effect upon its approval.

The PRESIDENT PRO TEMPORE. The distinguished gentleman from Iloilo, sponsor of the bill, is recognized.

SPONSORSHIP SPEECH OF SEN. GANZON
on S. B. No. 1061



REPUBLIC OF THE PHILIPPINES

Congressional Record

SENATE

(Entered at the Manila Post Office, Philippines, as second-class mail matter, on September 3, 1946.)

SIXTH CONGRESS OF THE REPUBLIC, FOURTH SESSION

Vol. IV MANILA, PHILIPPINES

No. 69

MONDAY, MAY 19, 1969

OPENING OF THE SESSION

At 10:29 a.m., the President Pro Tempore of the Senate, Hon. Jose J. Roy, called the Senate to order.

The PRESIDENT PRO TEMPORE. The Senate will please come to order and the Secretary will please call the roll.

ROLL CALL DISPENSED WITH

Senator TOLENTINO. Mr. President, I move that we dispense with the roll call.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is carried.

The Secretary will now please read the minutes of the preceding session.

APPROVAL OF THE MINUTES

Senator TOLENTINO. Mr. President, I move that we dispense with the reading of the minutes of the preceding session and consider the same as approved.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is carried.

The Secretary will now proceed with the Order of the Business.

REFERENCE OF BUSINESS

The SECRETARY:

MESSAGES OF THE PRESIDENT OF THE PHILIPPINES

MANILA, May 16, 1969

The Senate President and Members of the Senate Congress
Manila

Gentlemen:

We seek today in many and diverse ways to accelerate our economic development. One way by which we can further hasten its present pace is to utilize our untapped natural resources. For this purpose, I am transmitting herewith for the consideration and approval of the Congress a bill, entitled:

4243

121

"AN ACT TO FACILITATE THE DEVELOPMENT OF PHILIPPINE PETROLEUM RESOURCES."

The time has come for us to change our present concept of exploration and development of possible petroleum sources in the Philippines. The Petroleum Act of 1949 did not produce the desired effect. This bill will allow international oil companies who are technically and financially capable to explore and drill for oil at their own risk without any financial assistance on the part of the government. At the same time the Philippine Government is assured of a substantial share of the benefits, if oil is found, to the extent share of the benefits, if oil is found, to the extent of 60% of the realized profit on the venture. This proposed formula is similar to those adopted by many countries in the world where no risk capital is available for this purpose.

The development of our petroleum resources was an integral part of the original Four-Year Economic Program we formulated in 1966. I therefore recommend approval of the accompanying bill. Furthermore, in view of its vital importance to the nation, I hereby certify to the necessity of the immediate enactment of the bill, pursuant to the provisions of paragraph (2), Section 21, Article VI, of the Constitution.

Respectfully,

(Sgd.) F. E. MARCOS

The PRESIDENT PRO TEMPORE. To the Committee on Rules.

The SECRETARY:

MANILA, May 16, 1969

Gentlemen of the Congress:

Pursuant to the provisions of Article VI, Section 21 (2), of the Constitution, I hereby certify to the necessity of the immediate enactment of S.B. No. 1175, entitled:

"AN ACT TO PROHIBIT THE IMPORTATION OR INTRODUCTION INTO THE PHILIPPINES OF CERTAIN KINDS OF TEXTILE ARTICLES."

Respectfully,

(Sgd.) F. E. MARCOS

The Senate
Congress of the Philippines
Manila

The PRESIDENT PRO TEMPORE. To the Committee on Rules.

The SECRETARY:

COMMITTEE REPORTS

(Committee Report No. 2565)

Mr. President:

The Committee on Natural Resources, to which was referred: House Bill No. 18682—6th C.R.P., introduced by Congressman Cosalan, entitled:

"AN ACT AUTHORIZING THE SALE OF ONE PARCEL OF PUBLIC LAND IN THE BAGUIO TOWNSITE, CITY OF BAGUIO,"

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITHOUT AMENDMENT.

Respectfully submitted:

(Sgd.) HELENA Z. BENITEZ

Chairman

Committee on Natural Resources

The Honorable
The President of the Senate
M a n i l a

The PRESIDENT PRO TEMPORE. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2566)

Mr. President:

The Committee on Natural Resources, to which was referred: House Bill No. 17478—6th C.R.P., introduced by Congressman Cosalan, entitled:

"AN ACT AUTHORIZING THE SALE OF THREE PARCELS OF PUBLIC LAND IN THE BAGUIO TOWNSITE, CITY OF BAGUIO,"

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITHOUT AMENDMENT.

Respectfully submitted:

(Sgd.) HELENA Z. BENITEZ
Chairman
Committee on Natural Resources

The Honorable
 The President of the Senate
 Manila

The PRESIDENT PRO TEMPORE. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2567)

Mr. President:

The Committee on Natural Resources, to which was referred: House Bill No. 17690—6th C.R.P., introduced by Congressman Cosalan, entitled:

"AN ACT AUTHORIZING THE SALE OF FOURTEEN PARCELS OF PUBLIC LAND IN THE BAGUIO TOWNSITE, CITY OF BAGUIO,"

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITHOUT AMENDMENT.

Respectfully submitted:

(Sgd.) HELENA Z. BENITEZ
Chairman
Committee on Natural Resources

The Honorable
 The President of the Senate
 Manila

The PRESIDENT PRO TEMPORE. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2568)

Mr. President:

The Committee on Housing, Urban Development & resettlement, to which was referred: House Bill No. 18616—6th C.R.P., introduced by Congressmen Mercado, Montano, Concordia and Sarmento, entitled:

"AN ACT PROVIDING FOR THE SOCIAL AND ECONOMIC UPLIFT OF DISLOCATED FAMILIES RELOCATED FROM THE GREATER MANILA AREA TO RESETTLEMENT PROJECTS",

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITH THE FOLLOWING AMENDMENTS:

1. On page 2, lines 11 and 12, delete after Bulacan the words "shall be sold at not more than eighty-five centavos per square meters".
2. On page 2, line 15, delete the word "more" and in lieu thereof insert "less".
3. On page 2, line 16, delete "fifty" and insert in lieu thereof "SEVENTY-FIVE" and insert between "centavos" and "per" the words "NOT MORE THAN ONE PESO".

Respectfully submitted:

(Sgd.) HELENA Z. BENITEZ
Chairman

Committee on Housing, Urban, Development and Resettlement

The Honorable
 The President of the Senate
 Manila

The PRESIDENT PRO TEMPORE. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2569)

Mr. President:

The Committee on Culture, to which was referred: House Bill No. 17786 — 6th C. R. P., introduced by Congressmen Valdea, and Ablan, Jr., entitled:

"AN ACT DECLARING PAOAY LAKE IN THE PRO-

VINCE OF ILOCOS NORTE A NATIONAL PARK",

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITHOUT AMENDMENT.

Respectfully submitted

(Sgd.) HELENA Z. BENITEZ
Chairman
Committee on Culture

The Honorable
The President of the Senate
Manila

The PRESIDENT PRO TEMPORE. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2570)

Mr. President:

The Committee on Ways and Means, to which was referred: House Bill No. 18637 — 6th C. R. P., introduced by Congressmen Castillejos & Abrigo, & the Com. on Ways and Means per Com. Rept. No. 4431, & Congressmen Cosalan, Sanidad, Reyes, Mitra, Lucman, Palacol and Hora, entitled:

"AN ACT CREATING A SPECIAL PEACE AND ORDER FUND TO BE CONSTITUTED FROM THE PROCEEDS OF THE TAX ON TRAVEL AND A PORTION OF THE GOLD SUBSIDY, AMENDING FOR THE PURPOSE REPUBLIC ACT NUMBERED FOUR THOUSAND SEVENTY-EIGHT, AS AMENDED AND REPUBLIC ACT NUMBERED THREE THOUSAND EIGHTY NINE, AS AMENDED, RESPECTIVELY",

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT THE ATTACHED AMENDMENT BY SUBSTITUTION BE APPROVED.

Respectfully submitted:

(Sgd.) W. RANCAP LAGUMBAY
Chairman
Committee on Ways and Means

The Honorable
President of the Senate
Manila

(AMENDMENT BY SUBSTITUTION TO H. NO. 18637 ATTACHED TO COMMITTEE REPORT NO. 2570)

AN ACT CREATING A SPECIAL PEACE AND ORDER FUND TO BE CONSTITUTED FROM THE PROCEEDS OF FINES AND PENALTIES FOR VIOLATIONS OF GENERAL AND SPECIAL LAWS, A PORTION OF THE TAX ON TRAVEL, AND A PORTION OF THE GOLD SUBSIDY, AMENDING FOR THE PURPOSE REPUBLIC ACT NUMBERED FOUR THOUSAND AND SEVENTY-EIGHT, AS AMENDED, AND REPUBLIC ACT NUMBERED THREE THOUSAND EIGHTY-NINE, AS AMENDED, AND APPROPRIATING THE FUNDS THEREFOR.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Declaration of Policy, Creation of Special Peace and Order Fund.* — It is hereby declared the policy of the State that peace and order is a prerequisite to the attainment of social and economic progress and stability and its maintenance, the prime duty of Government. To implement effectively this policy, there is hereby created a Special Peace and Order Fund, hereafter referred to as the Fund, which shall be expended exclusively to finance the activities, functions and programs of the Police Commission calculated to upgrade, professionalize and maintain a high degree of efficiency in the organization, administration, and operation of local police agencies, foster civic consciousness, and enhance a sustained citizen participation in the crusade against crime, with the end in view and providing the proper climate for social and economic progress and stability of the country.

SEC. 2. *Expenditure of the Fund subject to Congressional action.* Expenditure of the Fund shall be in pursuance of appropriation made by law: Provided, That for the period from the date of the effectivity of this Act up to June thirty, nineteen hundred seventy, the collections accruing to the Fund shall be used exclusively to finance the unprogrammed appropriation of the Police Commission for fiscal year nineteen hundred seventy. Expenditures for subsequent fiscal years shall be included in the corresponding Annual General Appropriations Act.

SEC. 3. *Administration of the Fund.* — The Fund shall be administered by the Police Commission and shall be allocated and spent strictly as follows:

1. Eighty per cent for salary subsidy and each and disability benefits for members of local police forces and provided in Republic Act Numbered Four thousand eight hundred sixty-four;

2. Ten per cent for training of members of local police forces and members of police forces of other government agencies, and for seminars, conferences, symposia and other related activities for citizen participation in law enforcement and in the fight against crime;

3. One per cent for approval of appointments, promotions, transfers and reinstatements in the local police agencies, and for giving and administering appropriate examinations for officers and members of the local police forces, and the processing and payments of claims for award, the provision of any general or special law to the contrary notwithstanding;

4. Seven per cent for the purchase of firearms and ammunition, communications equipment, motor vehicles, to be given as aid to local police agencies and for the conduct of studies and researchers on crimes and crime prevention;

5. Two per cent for administrative expenses and salaries of officials and employees who shall be appointed by the Chairman of the Police Commission subject to civil service laws, rules and regulations, *Provided, however,* That the appointment of said purely clerical, janitorial and similar functions, shall be exempt from the rules and regulations of the Wage Position Classification Office.

SEC. 4. *Sources of the Fund* — This Fund shall be constituted from the following sources:

a. All fines and penalties collected for the violation of any general or special law and/or implementing rules and regulations;

b. A portion of the gold subsidy; and

c. A portion of the tax on travel.

SEC. 5. *Fines and Penalties.* — All fines and penalties collected and paid by reason of the violation of any general or special laws and/or implementing

rules and regulations shall accrue to and form part of the Fund: *Provided.* That twenty per cent thereof shall first be paid free from income tax to the person who supplied the information under oath to any police agency in appropriate cases, and the balance of eighty per cent shall be turned over to the collecting officer concerned within fifteen days from date of receipt of payment.

Any person or group of person, hereafter referred to as citizen-informer, who, having knowledge of frauds upon any revenue or customs laws or of any violation of any law of the Republic of the Philippine, shall submit voluntarily to any police agency, definite and sworn information not yet in the possession of any police agency, stating the facts constituting the violation, particularly the name and address of the perpetrator of the act, the time place, manner and other circumstances, which in best and honest judgment, is patently in violation of the law, and which will lead to the arrest or apprehension of the offender, thereby resulting in the recovery of revenues, surcharges, fees and other charges through compromise with and/or the imposition of any fine or penalty, shall be entitled to a compensation or reward equivalent to twenty per centum of such revenues, surcharges, fees or other charges recovered and/or fines, penalty, indemnities, assessments, compromises imposed and collected, or of the proceeds from the sale of any property forfeited or confiscated.

SEC. 6. *A Portion of the Gold Subsidy.*—Notwithstanding the provisions of Republic Act Numbered Thirty hundred and eighty-nine, as amended, assistance shall be paid only to mining companies producing gold as principal product as follows: Those whose annual production of gold is one hundred thousand ounces or less, the official price plus one hundred sixty-three pesos and fifty centavos per ounce, and those whose annual production of gold is more than one hundred thousand ounces fifty pesos per ounce plus sixty-five per cent of the positive difference between the cost of production per ounce of gold and the official price: *Provided.* That this latter assistance and official price shall not exceed two hundred thirty pesos per ounce: *Provided, further,* That assistance shall be given only to the extent that there will be an estimated return of twenty-four per cent on the paid-up capital stock but in no case to exceed the assistance due as computed by the Board in accordance with Republic Act Numbered Thirty-hundred eighty-nine,

as amended. All mines producing gold shall render such reports and furnish such information as may be required by the Gold Mining Industry Assistance Board. The Board shall compute assistance due each mine in accordance with Republic Act Numbered Thirty hundred eighty-nine, as amended, and pay assistance in accordance with this section. The difference between assistance as computed and assistance as paid out shall accrue to and form part of the Fund.

An owner or operator of a mine who shall receive the assistance provided in Republic Act Numbered Thirty hundred eighty-nine, as amended, because of the provisions of this Act shall have the option to sell his entire annual production of gold or a portion thereof to the Central Bank of the Philippines at the official price or in the domestic and foreign market after filing a report on the production and sale thereon with the Central Bank: *Provided*, That gold which has been processed and refined outside of the Philippines from ores or concentrates exported by a domestic mining company not entitled to the assistance can be imported by the same mining company free from any tax, duty or levy.

SEC. 7. Assistance to Employees.—Seven and one-half per cent assistance given to employees whose salaries do not exceed five hundred pesos per month provided for in the second paragraph of Section five-C of Republic Act Numbered three thousand eighty-nine, as amended, shall continue to be given employees of persons, partnerships or associations from whom assistance may be withdrawn in pursuance of this Act and the remaining ninety-two and one-half per cent shall accrue to the Gold Mining Assistance Fund.

SEC. 8. A portion of the taxation travel.—In lieu of the tax in Section three of Republic Act Numbered Fourteen hundred and seventy-eight, as amended, a fixed travel tax of ten per cent of the value of the passage ticket shall be collected for foreign travel issued or sold in the Philippines or abroad to a permanent resident whose starting point of travel is the Philippines: *Provided*, That the tax herein imposed shall not be less than one hundred pesos: *Provided, further*, That crew members on duty aboard ships and airplanes plying international routes shall be exempt: *Provided, finally*, That any returning permanent resident, shall upon disembarkation, submit his passport for verification to a committee composed of a represent-

ative of the Secretary, Department of Foreign Affairs, a representative of the Commissioner of Customs and of the Commissioner of Tourism, as members. The Committee shall issue the corresponding travel tax clearance upon proof of the full payment, within five days from the date of his arrival, of the travel tax or any portion thereof, if any.

Out of the total collections from the tax on travel, eight million pesos shall accrue to the funds of the Philippine Tourist and Travel Association and the Board of Travel and Tourist Industry to be spent in accordance with Republic Act Numbered Fourteen hundred and seventy-eight, as amended, by Section five of Republic Act Numbered two thousand six hundred and twenty-seven. The balance of such collections shall accrue to and form part of the Fund.

SEC. 9. Turnover of the collection; release of the Fund is ministerial.— All collecting officers shall turn over all collections of fines and penalties accruing to the Fund, arising from the violation of any general or special law and/or the implementing of rules and regulations promulgated pursuant thereto within fifteen days following the close of each quarter to the Treasurer of the Philippines. The Commissioner of Tourism shall, likewise, turn over his collection of the taxes mentioned in the preceding section to the Treasurer of the Philippines within fifteen days after the close of each quarter. The Central Bank of the Philippines and the Gold Mining Industry Assistance Board shall turn over the amount accruing to the Fund as computed under Section five hereof to the Treasurer of the Philippines within ninety days after the end of each semester.

It shall be the ministerial duty of the Budget Commissioner and the National Treasurer, as well as the officers and employees under their supervision and control, to effect releases from the Fund upon order and/or authorization of the Police Commission.

SEC. 10. Duration of the Special Peace and Order Fund.—The Fund shall be operative for a period of five years from the date of approval of this Act, after which period, the proceeds from fines and penalties, the portion of the gold subsidy and the portion of the travel tax heretofore constituting the Fund, including the unappropriated balance thereof after the fifth year shall accrue to the General Fund.

SEC. 11. *Rules and Regulations.*—The Treasurer of the Philippines, the Governor of the Central Bank of the Philippines, the Executive Secretary, upon recommendation of the Commissioner of Tourism, the Gold Mining Industry Assistance Board and the Police Commission, shall each promulgate such rules and regulations for the effective enforcement of the provisions of this Act pertaining to their respective jurisdiction.

SEC. 12. *Penal Provision.*—Any person who falls refuses to turn over collections of the taxes mentioned in this Act within the period fixed in Section seven hereof, or who delays, obstructs or prevents the same, or who fails or refuses to effect releases from the Fund, or who delays, obstructs or prevents the same; or who orders, causes, or effects the transfer or diversion of the collections of this Fund shall be punished with a fine not exceeding ten thousand pesos or imprisonment not exceeding six years, or both, in the discretion of the court. If the offender is a government official or employee, he shall, in addition, be dismissed from the service with prejudice to reelection to any public office.

SEC. 13. *Separability Clause.*—If any clause, sentence, provision or section of this Act or application thereof to any person or circumstance should for any reason be held invalid and unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Act which can be given force and effect without the invalid or unconstitutional provisions of application, and this end the provisions and applications of this Act are declared to be separable.

SEC. 14. *Repealing Clause.* — Republic Act Numbered Two thousand two hundred sixty, Republic Act Numbered Five thousand one hundred eighty-five, and all Acts, executive orders, rules and regulations, or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 15. *Effectivity Clause.*—This Act shall take effect on July first, nineteen hundred sixty-nine: *Provided, That* assistance payments which have accrued as of this date shall be paid in accordance with Republic Act Numbered Three thousand and eighty-nine.

The PRESIDENT PRO TEMPORE. To the Calendar of Ordinary Business.

The SECRETARY:
(Committee Report No. 2571)

Mr. President:

The Committee on Commerce and Industry, to which was referred: House Bill No. 18740 — 6th C.R.P., introduced by Congressmen Castillejos, Roman, Sarmiento, Briones, Tablos, Crisologo, Valdez, Mercado and the Committee on Banks, Currency and Corporations as per Committee Report No. 4532, entitled:

“AN ACT REGULATING THE ORGANIZATION AND OPERATION OF FINANCING COMPANIES”,

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITHOUT AMENDMENT.

Respectfully submitted:

(Sgd.) A. D. ALMENDRAS
Chairman
Committee on Commerce
and Industry

The Honorable
The President of the Senate
M a n i l a

The PRESIDENT PRO TEMPORE. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2572)

Mr. President:

The Committee on Finance, to which was referred: House Bill No. 18774—6th C.R.P., introduced by Congressmen Enverga, Barbero, Legaspi and Others, entitled:

“AN ACT APPROPRIATING ADDITIONAL FUNDS FOR THE PHILIPPINE VETERANS ADMINISTRATION”,

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITHOUT AMENDMENT.

Respectfully submitted:

(Sgd.) DOMINADOR R. AYTONA
Chairman
Committee on Finance

The Honorable
 The President of the Senate
 M a n i l a

The PRESIDENT PRO TEMPORE. To the Calendar of Ordinary Business.

Senator TOLENTINO. Mr. President.

The PRESIDENT PRO TEMPORE. The Majority Floor Leader.

Senator TOLENTINO. The distinguished Chairman of the Committee on Economic Affairs, the gentleman from Batangas, Senator Diokno, would like to make a brief statement. I ask that he be recognized.

The PRESIDENT PRO TEMPORE. The gentleman has the floor.

Senator DIOKNO. Mr. President, distinguished colleagues of this Chamber. I take this opportunity, in the closing days of this session, to place on record the appreciation of the members and of the Chairman of the Committee on Economic Affairs for the efforts of the technical staff of the committee in the preparation of the several reports that have been filed with this Chamber. In particular, Mr. President, I wish to single out the report on the regional development authorities and the report on the compilation of statistics on the Philippines economy. In the preparation of this work, Mr. President, no effort was spared by the members of the technical staff who have acted over and beyond the call of duty. It is for this reason, Mr. President, that their efforts may receive due recognition from this Chamber, that I have asked the permission of the Floor Leader to make this brief statement, and to place on record the appreciation of the members and chairman of the Committee on Economic Affairs for the work that has been done, the efforts exerted, and the result produced by the technical staff of that Committee. Thank you, Mr. President.

The PRESIDENT PRO TEMPORE. Let it be so recorded.

Senator GANZON. Mr. President.

The PRESIDENT PRO TEMPORE. Gentleman from Iloilo.

Senator GANZON. May I be allowed to make a few remarks for the record.

The PRESIDENT PRO TEMPORE. With the unanimous consent of the Senate, the gentleman from Iloilo has the floor.

Senator GANZON. Mr. President, yesterday morning our session ended at 1:30 in the morning. At 6:00 o'clock yesterday morning, I was in Calapan, Mindoro. There I was met by barrio capitanes who were given checks of P2,000 per barrio about two months ago, and until now they have not been cashed. No money in the bank! No money in the Treasury!

At 11:00 o'clock, I proceeded to Calbayog, Samar. I was met by barrio capitanes and I was met by the mayors of Calbayog and surrounding municipalities. They received their checks three months ago, Mr. President, and until now they cannot be cashed. No money in the bank! No money in the Treasury!

Incidentally, Mr. President, from Calbayog we wanted to land in Catbalogan. There was a train and bulldozer in the ramp, so we were not able to land and we received a radio communication that the airstrip cannot be used. So, we went around just on top of Catbalogan and there was really a big fire. The fire had been stopped but there was smoke over Catbalogan. I called Catbalogan by long distance. I was able to talk to two government officials and two lawyers that were asking aid from the government from the calamity fund.

So, I rise, Mr. President, this morning to appeal to Mr. Marcos, if there is any left for the calamity fund. Last year, we gave him P13 mil-

lion for the calamity fund; P5 million for the contingent fund. These two items could be used for calamity. If there is any left, if he used the money for legitimate purposes and not for political leaders, I ask him, Mr. President, to send to Catbalogan at least P500,000. That is the minimum the people of Catbalogan are asking.

Mr. President, before proceeding to Cebu we passed around Iloilo and there was no fire yet. But last night, while I was speaking on television in Cebu which was followed by two press and radio interviews in two radio stations, I received a wire from Iloilo saying that Iloilo was also gutted by fire. I also ask, Mr. President, in this forum now that Mr. Marcos should send to Iloilo P100,000 as calamity fund. If there is any calamity fund left, if he has not misused the money, if he has not abused the people's confidence, I ask him to send half a million peso aid to Catbalogan and P100,000 to the fire victims in Iloilo. Thank you, Mr. President.

Senator TOLENTINO. Mr. President.

The PRESIDENT PRO TEMPORE. The Majority Floor Leader.

Senator TOLENTINO. The distinguished Minority Floor Leader, I understand, would like to make a motion.

The PRESIDENT PRO TEMPORE. The Minority Floor Leader has the floor.

Senator PADILLA. Mr. President, I have been informed, to my surprise, that Senate Bill No. 1139 was approved on second reading last Friday. This bill fixes the salaries of judges of the Court of Agrarian Relations and of the solicitor general and for other purposes. It came to my surprise because I did not know that this bill had been called when I have tried to stand guard for the good of the service, from the early hour up to the last hours every session.

Mr. President, I also understand that there is a Senate Bill No. 1144 which is pending on se-

cond reading fixing the salaries of certain judges and the chairman and members of the Commission on Elections and other government officials, and among these government officials, will include the Land Registration Commissioner, the Judicial Superintendent of the Department of Justice, the first solicitor general and others.

Mr. President, I would have no objection to considering the various bills increasing the salaries of officials, but I have always tried to adhere to the principle that a bill should cover one office and in increasing the salaries of top officials we should also consider the salaries of the intermediate and low salaried employees within that office.

Now, Mr. President, if Senate Bill No. 1139 covers two subject matters which are, the judges of the court of agrarian relations and the Solicitor General, and if we should increase the salaries of the court of agrarian relations' judges we should also make studies as to the other officers and employees working in the court of agrarian relations; and if we must consider increasing the salary of the solicitor general, the six assistants solicitor general, as well as the other solicitors in that growing office. I understand that there have been a number of changes during the past few years increasing the salaries of many of these officers. I do not know whether public service demands further increasing or updating the appropriations covering the salaries of many of these officers. I would naturally appeal to a uniform system like the Wapco Plan and improve or increase their salaries in accordance with the importance of the positions and their functions, to increase their ranges within a well-studied government plan of employment, salaries and functions that would operate as much as possible through the governmental machinery.

Mr. President, I believe that public service would justify the reconsideration of Senate Bill No. 1139 so that we may improve on the salary schedule even if they are limited only to the heads of the offices. There should be an equal



or a proportionate study of the increases of salaries of the assistants as well as the other government officers and employees within that office.

Mr. President, with the kind indulgence of this Chamber, and I hope without the opposition of the distinguished Majority Floor Leader, may I ask for the reconsideration of the approval on second reading of Senate Bill No. 1139.

Senator TOLENTINO. Mr. President, I have no objection to the reconsideration of the approval on second reading of this bill. But I would like to give notice that we may call it again some time this day.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, approval on second reading of Senate Bill No. 1139 is reconsidered.

Senator TOLENTINO. Mr. President, I move that we now resume consideration of Senate Bill No. 676 to be sponsored by the distinguished chairman of the Committee on Economic Affairs, Senator Diokno.

The PRESIDENT PRO TEMPORE. Resumption of the consideration of Senate Bill No. 676 is now in order.

The sponsor of the bill may proceed.

Senator DIOKNO. Mr. President, this bill is now on second reading and is ready for approval on second reading. If there are no further amendments...

Senator LAUREL. Mr. President.

The PRESIDENT PRO TEMPORE. The gentleman from Batangas.

Senator LAUREL. I would like to propose the following amendments, Mr. President, with the permission of the distinguished sponsor.

I move that we delete on page 2 all the words beginning from line 13 after the comma (,) fol-

lowing the word "and", starting with the word "TO" and up to the end of the paragraph on line 21.

Senator DIOKNO. May I know if the sponsor will accept an amendment to the amendment, that is, to include the word "and" in the deletion?

Senator LAUREL. Yes, Your Honor.

Senator DIOKNO. So that we will also have to insert after the word "conditions" a semi-colon (;).

Senator LAUREL. Yes. I accept the amendment to the amendment.

Senator DIOKNO. I move for the approval of the amendment as amended, Mr. President.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment as amended is approved.

Senator LAUREL. Then on page 12, line 14, delete all the provisions from Section 13, beginning of the sentence, up to line 24

The PRESIDENT PRO TEMPORE. What does the sponsor say?

Senator DIOKNO. Accepted, Mr. President.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator LAUREL. And then on page 13, beginning on line 1 and up to line 20, delete all of Section 15.

The PRESIDENT PRO TEMPORE. What does the sponsor say?

Senator DIOKNO. Accepted, Mr. President.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator LAUREL. That is all. Thank you, Mr. President.

Senator DIOKNO. Mr. President, if there are no more amendments, I ask that the bill be approved on second reading as amended. This is certified.

Senator PADILLA. Mr. President.

The PRESIDENT PRO TEMPORE. The Minority Floor Leader.

Senator PADILLA. On page 8, line 31, delete words "lease and" appearing between the words "all" and "dealership", so that the line will read: "Require all dealership x x x".

The PRESIDENT PRO TEMPORE. What does the sponsor say?

Senator DIOKNO. Accepted, Mr. President.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. Now, on page 9, line 2, in lieu of the phrase...

Senator DIOKNO. Excuse me, Your Honor. Page 9, line 2. Well, this entire section has been deleted already. That is why there are brackets from line 1 to line 4.

Senator PADILLA. My copy did not include any deleting marks.

Senator DIOKNO. I am sorry, Your Honor.

Senator PADILLA. I am satisfied.

The PRESIDENT PRO TEMPORE. Any further amendment.

Senator PADILLA. Well, I am satisfied, Your Honor, with the deletion of that paragraph (D) on page 9, which may entitle the President to seize or transfer to public ownership any phase of the oil industry. Thank you, Mr. President.

Senator DIOKNO. Mr. President, one conse-

quential amendment that we have overlooked. On page 9, line 5, 9 and 13, change the lettering. A as consequence of the deletion of paragraph (D), the following paragraphs' lettering should consequently be changed.

I ask for the approval of the amendment, Mr. President.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

APPROVAL ON SECOND READING OF SENATE BILL NO. 676

Senator DIOKNO. Mr. President, I move for the approval of this bill as amended on second reading.

The PRESIDENT PRO TEMPORE. We shall now vote on the bill as amended on second reading. As many as are in favor of the bill as amended will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) Senate Bill No. 676 is approved on second reading as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 1541

Senator TOLENTINO. Mr. President, I move that we now consider House Bill No. 1541 to be sponsored also by the distinguished Chairman of the Committee on Economic Affairs, Senator Diokno.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 1541 is now in order. The Secretary will please read the bill.

The SECRETARY:

AN ACT TO AMEND AND REPEAL CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED FORTY-ONE HUNDRED TEN.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The title of Republic Act Numbered

Forty-one hundred and ten is hereby amended to read as follows:

AN ACT TO PROVIDE FOR SPECIALIZATION IN AIR CONDITIONING AND REFRIGERATION IN THE PHILIPPINES.

SEC. 2. Section 1 of the same Act is hereby amended to read as follows:

"Section 1. *Title of Act.*—This Act shall be known as the 'Air Conditioning and Refrigeration [Engineering] SPECIALIZATION LAW'".

SEC. 3. Section 2 of the same Act is amended to read as follows:

SEC. 2. [Creation and Composition of the Board.— Within days after the approval of this Act, there shall be created a Board of Examiners for Air and Refrigeration Engineers to be composed of three members, who shall be appointed by the President of the Philippines with the consent of the Commission on Appointments, from such Refrigeration Engineering Profession who, aside from the qualifications set forth in Section 5 hereof, shall be recommended and certified by the Philippine Air Conditioning and Refrigeration Engineering Society, as professionally, academically and morally fully qualified. The Board shall elect a Chairman from among its members.] CERTIFICATE OF SPECIALIZATION. — THE BOARD OF MECHANICAL ENGINEERING EXEMINERS IS HEREBY AUTHORIZED TO ISSUE CERTIFICATE OF SPECIALIZATION TO REGISTERED PROFESSIONAL MECHANICAL ENGINEERS, AFTER THEY SHALL HAVE PASSED A SPECIAL EXAMINATION TO BE GIVEN BY THE BOARD.

ALL CERTIFICATES OF SPECIALIZATION SHALL SHOW THE FULL NAME OF THE SPECIALIST, SHALL HAVE A SERIAL NUMBER, AND BE SIGNED BY ALL THE MEMBERS OF THE BOARD, AND SHALL BE ATTESTED TO BY THE OFFICIAL SEAL.

SEC. 4. Sec. 3 of the same Act is hereby repealed.

SEC. 5. Sec. 4 of the same Act is hereby renumbered as Sec. 3 and is hereby amended to read as follows:

SEC. [4] 3. Powers, vested in the Board of MECHANICAL ENGINEERING Examiners [for An Air

Conditioning and Refrigeration Engineers]. — The Board is vested with authority conformably in the provisions of this AMENDATORY Act, to administer the provisions thereof, to issue, suspend and revoke certificates of [registration for the practice of] SPECIALIZATION IN air conditioning and refrigeration [engineering] and to administer oaths.

In carrying into effect the provisions of this Act, the Board may, under the hand of its Chairman and the seal of the Board subpoena witnesses and compel their attendance, and also case involving practice without registration. Any member of the the revocation of registration, practice or offer to Board may administer oaths or affirmation to witness appearing before the Board. If any person shall refuse to testify or produce any book, paper, document, etc., the Board may present its petition to the Court of First Instance, setting forth the facts, and hereupon such Court shall, in a proper case, issue its subpoena requiring his attendance before such court and there to testify or to produce such books, papers, documents, etc., as may be deemed necessary and pertinent by the Board. Any person failing or refusing to obey any subpoena or order of the said court may be proceeded against in the same manner as for the refusal to obey any other subpoena or order of the court.

The Board shall exercise the powers conferred upon it by this Act, shall have charge of the selection, development, preparation of all codes, recommended standards of practice in the field of air conditioning and refrigeration [engineering] SPECIALIZATION and all revisions therein to be adopted by all [practitioners] SPECIALISTS.

It shall cooperate with other government agencies in the promotion and encouragement of research in the fields of air conditioning and refrigeration.

The Board shall inspect at least once a year; refrigerating engineering works, projects or plants, corporation established in the Philippines, for the purpose of adequately safeguarding life, health and property; [the Board also shall inspect educational institution offering course in an air conditioning and refrigerating engineering] and shall discharge such other powers and duties as may affect ethical and technological standards of the air conditioning and [refrigerating engineering profession] REFRIGERATION SPECIALIZATION in the Philippines.

For the purpose of this Act the Director of Bu-

bureau of Labor Standards and/or or his duly authorized representative in the provinces and such other competent registered engineer of chartered cities, shall be *Ex-officio* agent of the Board, and as such it shall be their duty to help in the enforcement of the provisions of this Act.

SEC. 6. Sec. 5 of the same Act is hereby repealed.

SEC. 7. Sec. 6 of the same Act shall be renumbered as Sec. 4.

SEC. 8. Sec. 7 of the same Act is hereby repealed.

SEC. 9. Sec. 8 of the same Act is hereby renumbered as Sec. 5 and is hereby amended to read as follows:

SEC. [8] 5. *Compensation of the Board.* — The members of the Board shall each receive as compensation the sum of TEN PESOS for each applicant examined [or registered with or without examination for any of the two grades under Section twelve hereof]. All fees shall be received by the permanent Collecting Officer designated by the Board of Examiners, and such Officer shall pay all authorized expenses of the Board, including the compensation provided for by this Act for the members of the Board.

SEC. 10. Sections 9, 10, 11, 12, 13, 14, 15, and 16 of the same Act are hereby repealed.

SEC. 11. Sec 17 of the same Act is hereby renumbered as Sec. 6 and is hereby amended to read as follows:

SEC. [17] 6. *Scope of Examination.* — The scope and procedure of the examination shall be prescribed by the Board with special reference to applicant's ability [to do the class of air conditioning and refrigeration engineering work pertaining to the particular grade he is to be registered for] AND EXPERIENCE IN AIR CONDITIONING AND REFRIGERATION, and to prove that said applicant has sufficient technological knowledge to insure safety to life, health and property as well as economy and efficiency in the design, construction, installation, maintenance, operation organization and management of air conditioning and refrigerating plants or works.

SEC. 12. Sec. 18 of the same Act is renumbered as Sec. 7 and is hereby amended to read as follows:

SEC. [18] 7. *Report of Ratings.* — The Board [of Air Conditioning and Refrigerating Engineers.] shall, within one hundred twenty days after the date of the completion of the examinations, report the ratings obtained by each candidates to the Commissioner of Civil Service, who shall submit such ratings to the President of the Republic of the Philippines.

SEC. 13. Sections 18, 20 and 21 of the same Act are hereby repealed.

SEC. 14. Sec. 22 of the same Act is renumbered as Sec. 8 and is hereby amended to read as follows:

SEC. [22] 8. *Seal of Air Conditioning and [Refrigerating Engineer] REFRIGERATION SPECIALIST.*—Each registrant for the [grade] TITLE of [professional] air conditioning and [refrigerating Engineer] REFRIGERATION SPECIALISTS" Plants specifications? price quotations, reports and other professional documents prepared by or executed under the immediate supervision of, and issued by a [registrant] SPECIALIST, shall be stamped on every sheet seal when filed with government authorities or when submitted or sued professionally: **Provided.** That it shall be unlawful for any person to stamp or seal any document with said seal after the certificate of the [registrant] SPECIALIST named therein has been revoked or suspended, unless said certificate shall have been reinstated or reissued.

SEC. 15. Sec. 23 of the same Act is renumbered as Sec. 9 and is hereby amended to read as follows:

SEC. [23] 9. *Fees for examination [and registration Technician, the amount of thirty pesos, which we shall accompany the application.]*

[Every registrant for the grades of air conditioning and refrigerating engineer shall pay a registration fee of ten pesos; and for the grade of Air Conditioning and Refrigeration Technician shall pay a registration fee of five pesos: *Provided,* That when an applicant is registered without an examination, for grade of Air Conditioning Refrigerating engineer he shall be required to pay a registration fee of fifty pesos; for the grade of Air Conditioning and refrigeration Technician as fee of fifty pesos.]

SEC. 16. Sec. 24 of the same Act is renumbered as Sec. 10 and is hereby amended to read as follows:

SEC. [24] 10. *Refusal to issue a certificate.*—The Board [of Air Conditioning and Refrigerating Engineers] shall refuse to issue a certificate to any person convicted by a court of competent jurisdiction of any criminal offense involving moral turpitude, or to any person guilty of immoral or dishonorable conduct, or to any person of unsound mind. In the event of a refusal to issue a certificate for any person the Board shall give to the applicant a written statement setting forth its reason for such action, which statement shall be incorporated in the record of the Board.

SEC. 17. Sec. 25 of the same Act is renumbered as Sec. 11 and is hereby amended to read as follows:

SEC. [25] 11. *Suspension and revocation of certificates.* — The Board shall have the power, upon proper notice and hearing, to suspend or revoke any certificate of [registration] SPECIALIZATION of any registrant for any specified in the preceding section, a certificate of [registration] SPECIALIZATION, or for gross negligence or incompetency, or for unethical practice or dishonorable and unprofessional conduct: *Provided, however,* That the action of the Board shall be subject to appeal to the President.

It shall be sufficient ground for the revocation of a certificate issued under this Act for unethical practice or dishonorable and unprofessional conduct, that he has (1) signed and affixed his seal on any, plans, designs, technical report, valuations specifications, quotations, estimates, or other similar documents, or works not prepared by him; (2) represented himself as having taken charge of, undertaken or supervised the design, construction, erection, installation, or alteration of an air conditioning or refrigeration works, projects or plant, without actually having done so; (3) represented himself as having performed air conditioning or refrigeration [engineering] service in connection with the manufacture, sale, supply or distribution of mechanical equipment, machinery or process, without actually having done so; or (4) represented himself as having managed, operated, tended, or maintained an air conditioning or refrigerating work, project or plant without actually having done so.

Any person or persons, firming, association, or corporation may prefer charges in accordance with the provisions of this section, against any [registrant] SPECIALIST; or the Board itself may "motu

proprio" investigate and/or take cognizance of acts practices constituting sufficient cause for suspension or revocation of the certificate[s or registration] by proper resolution or order. Such charges shall be in writing, and shall be sworn to by the person making them and shall be filed with the Secretary of the Board. SEC. 18. Sec. 26 of the same Act is renumbered as Sec. 12 and is hereby amended to read as follows:

SEC. [26] 12. *Reissue of revoked certificates and replacement of lost certificate.*—The Board may, after the expiration of one year from the date of revocation of a certificate, for reasons it may deem sufficient, entertain an application for a new certificate of [registration] SPECIALIZATION from a person whose certificate[s] has been revoked in the same manner as application for original ones, and in doing so it may, at its discretion, exempt the applicant from the necessity of undergoing an examination.

A new certificate of [registration] SPECIALIZATION to replace any certificate lost, destroyed or mutilated may be issued, subject to the rules of the Board, and a charge of twenty pesos shall be made for such issuance.

SEC. 19. Sec 27 of the same Act is renumbered as Sec. 13 and is hereby amended to read as follows:

SEC. [27] 13. [*Prohibition in the practice of air conditioning and refrigeration engineering*]. *Penal provision[s].* — Any person who shall [practice or offer to practice] REPRESENT HIMSELF AS AN air conditioning or refrigeration [engineering] SPECIALIST in the Philippines without being registered [or exempted from registration in accordance with provisions of this Act], or any person presenting or attempting to use his own the certificate [or registration] or the seal of another, or any person who shall give any false or forged evidence of any kind to the Board or any member thereof in obtaining a certificate of [registration] SPECIALIZATION, or any person who shall falsely impersonate any [registrant] SPECIALIST of like or different name, or any person who shall attempt to use a revoked or suspended certificate of [registration] SPECIALIZATION, or any person who shall use in connection with his name or otherwise assumed, use or advertise any title or description tending to convey the impression that he is an air conditioning and [refrigeration engineer or that he is registered under any of the grades enumerated in

Section nine of this Act, without holding a valid certificate of registration for that grade] REFRIGERATION SPECIALIST or any person who shall violate any of the provisions of this Act, shall be guilty of misdemeanor and shall, upon conviction, be sentenced to a fine of not less than one thousand pesos, or to suffer imprisonment for a period not exceeding three months, or both, in the discretion of the Court.

SEC. 20. Section 28, 29, 30, 31 and 32 of the same Act are hereby repealed.

SEC. 21. Sections 33, 34, 35 and 36 of the same Act are hereby renumbered as Sections 14, 15, 16 and 17, respectively.

SEC. 22. This Act shall take effect upon its approval.

The PRESIDENT PRO TEMPORE. The gentleman from Batangas has the floor.

Senator DIOKNO. Mr. President, House Bill No. 1541 proposes to repeal Republic Act No. 4110 which has not been implemented. However, Mr. President, in view of the opposition of segments of the industry to House Bill No. 1541 the Senate Committee on Revision of Laws prepared an amendment by substitution and we request that the amendment by substitution be the basis of our discussion this morning.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment by substitution will be the basis for the debate. The gentleman may proceed.

Senator DIOKNO. Mr. President, Republic Act No. 4110 in effect created a new profession in this country, the profession of air conditioning and refrigeration engineering. Prior to the enactment of Republic Act No. 4110, the functions of air conditioning and refrigeration were being performed by mechanical engineers. Because of the fact that Republic Act No. 4110 would cause many mechanical engineers to lose a possible portion of their practice and also because it entailed additional expenses to the owners and operators of ice plants, electric light and power plants and

even in some instances would require the hiring of an air conditioning or refrigeration engineer to install an air conditioning unit whenever it exceeded 4-horse power in a house, it was deemed better to appeal this measure.

However, Mr. President, during the hearings conducted by the Senate Committee on Revision of Laws it was found that specialization in air conditioning and refrigeration would contribute towards the economic development of the country. Therefore, in the amendment by substitution it is proposed no longer to repeal Republic Act No. 410 but to change its nature so that in lieu of becoming a separate profession air conditioning and refrigeration engineering will become a specialization of mechanical engineering, and mechanical engineering, and mechanical engineers who wish to be known as specialists in air conditioning and refrigeration will take an examination for that purpose to be given by the Board of Mechanical Engineers and they will thereafter, and only they will be entitled to carry the title Specialist in Air Conditioning and Refrigeration after their names and, therefore, it then becomes up to the general public determine whether it would hire a generalist, that is a mechanical engineer, or a specialist, one who has qualified as such by making an examination. Thus, Mr. President, in the amendment by substitution, we proposed to change the title of Republic Act No. 4110, to amend Section 2, repeal all other sections that would make a separate profession of air conditioning and refrigeration, and amend the sections that would be fraudulent to making it a specialization within the profession of mechanical engineering.

We have eliminated, Mr. President, the Board of Air Conditioning and Refrigeration Engineering because this provision has never been implemented. There were appointments made to this Board but the appointments were not acted upon by the Commission on Appointments, and after the Commission on Appointments had failed to act on the appointments no other appointments were made by the President. Therefore, the Board

of Air Conditioning and Refrigeration Engineering created by Republic Act No. 4110 does not now exist except, of course, legally.

Mr. President, if there are no questions, I move that we pass on to the period of amendments.

Senator PADILLA. Mr. President, will the distinguished sponsor yield to a few questions?

The PRESIDENT PRO TEMPORE. The gentleman may yield if he so desires.

Senator DIOKNO. Gladly, Mr. President.

Senator PADILLA. House Bill No. 1541 and Senate Bill No. 409 provide for the total repeal of Republic Act No. 4110.

Senator DIOKNO. Yes, Your Honor.

Senator PADILLA. Under this proposed amendment by substitution, there will be specialists in air conditioning and refrigeration.

Senator DIOKNO. Yes, Your Honor.

Senator PADILLA. These specialists must be mechanical engineers or electrical engineers.

Senator DIOKNO. Mechanical engineers, Mr. President, because under existing law only mechanical engineers perform these functions of air conditioning and refrigeration. That was one of the major objections to Republic Act No. 4110. That is it allowed people who were not mechanical engineers, such as electrical engineers or even those who have experience in air conditioning but who were not engineers at all to take the examination and qualify.

Senator PADILLA. Air conditioning has been widespread because of the demand for better, cooler atmosphere especially during the hot season. Does that mean, Your Honor, that people who are employed in air conditioning firms and those who sell air conditioners whether for a room, local unit, or more particularly when it is a central system for an entire building, that the technicians practicing this profession must first be me-

chanical engineers who should and later on qualify in the examination?

Senator DIOKNO. No, no, Sir. It means that they must qualify under the Mechanical Engineering Law which has been in existence many years now.

Senator PADILLA. These engineers, most of them, perform perhaps planning, checking or other highly qualified functions in the industry, but the actual work in servicing, in repair and other matters are being done by technicians who perhaps have no adequate degree but have had plenty of experience.

Senator DIOKNO. Yes, Your Honor.

Senator PADILLA. Does that mean that under this amendment by substitution or even under the original law which is sought to be repealed, these technicians must first qualify?

Senator DIOKNO. No, Your Honor, no. I am now talking of Mechanical Engineering Law which does not cover the operation of individual units of air conditioning. It covers the operation of plants. In other words if you are going to set up a factory, make air conditioning units, then you must have a mechanical engineer in the factory. But as far as servicing is concerned, this can be by mechanics without necessarily being mechanical engineers. If we allow Republic Act No. 4110 to continue in force, then even for the job of servicing they must have at least the rating of air conditioning and refrigeration technicians which means that they must take an examination, etc. and this of course makes it much more difficult, considering the need of today. Now, the position that the committee took was that the law on air conditioning as covered by the Mechanical Engineering Law is adequate. However, there are people who would want to be known that they specialized in this line, the air conditioning and refrigeration people. Therefore let them take the necessary examination and then they can hold themselves out as specialists. The public therefore is now free to choose whether it would want

a specialist or a generalist.

Senator PADILLA. Now, are there curricula in our engineering schools that offer these special subjects on refrigeration and airconditioning that would satisfy the minimum requirements before the graduate can take the Board examination and qualify as a specialist?

Senator DIOKNO. No, Sir. As general rule, the basic principles of airconditioning and refrigeration engineering are covered in mechanical engineering courses, that is why the law requires that they should first be mechanical engineers before they can become specialists.

As it is now, to the best of my recollection, there is only one school that offers courses leading to a specialization in airconditioning. But, as a general rule, the basic principles are the same for mechanical engineers, airconditioning and refrigeration engineering courses, which is really only the coversio of nenergy taken up in the general coures of mechanical engineering.

That is another objection to the law, Rep. Act No. 4110, Mr. President. This law requires a mechanical engineer or an electrical engineer degree plus an additional four years or more of active practice in airconditioning and refrigeration, provided, however, that one year after this course, this will not apply.

So, one year after the passage of Rep. Act No. 4110, that is, today, only if one has been a graduate of a duly accredited school or college and after completing an approved course in airconditioning and refrigeration can one qualify. There is no school as far as I recollect, except one, possibly, that has special courses in airconditioning and refrigeration or one that offers the degree of airconditioning and refrigeration engineer. That is why there was a lot of objection to this Rep. Act 4110.

Senator PADILLA. The trouble, I suppose, Your Honor, is that when the bill that led to this Rep. Act 4110 was considered in this Chamber, it was

probably one of the bills that was called during the last days of the discussion.

Senator DIOKNO. Well, the objection, Sir, was doubled.

Senator PADILLA. There are so many bills, Your Honor, that are being called during the last days of the session without the benefit of careful study and more thorough consideration. And yet they are hurriedly passed. Perhaps, some or many of us have not even read the bill, and time is pressing because the day of the session is closing. Later on we realize that what we had approved is not a good law. One or two years afterwards, we are compelled either to repeal the law or immediately amend it.

On the other hand, Your Honor, when we call a bill during the early part of the session, even if the bill is somewhat satisfactory or if it is not a good bill, every section, every line, sometimes every word is being scrutinized.

So the tendency now is, if one wants to have his bill approved with ease in this Chamber—I suppose it is the same and with more reason in the House,—he withholds the consideration of the bill until the latter days of the session. The same may be approved by just calling the bill, the Secretary reads the title, the sponsor or the Majority Floor Leader delivers very short remarks, and in the absence of opposition or objection the bill is approved on second reading. After it is approved on second reading, the third reading is a matter of routine. Don't you believe, Your Honor, that this system should drastically be changed?

Senator DIOKNO. Yes, Your Honor. And, perhaps, in the forthcoming constitutional convention by amending the Constitution we can make changes. Also, I would suggest that at the next regular session, if Your Honor and your humble servant are both here, then it is possible that we may initiate such changes, with the concurrence, of course, of the majority of the Members of the Chamber.

But in connection with this particular bill, Mr. President, I would like the record to show that the complaint of mechanical engineers was, that Rep. Act No. 4110 was passed without giving them a chance to be heard. On the other hand, the complaint of the airconditioning and refrigeration engineers was, that House Bill No. 1541 repealing Rep. Act No. 4110, was also passed by the House without giving them a chance to be heard.

Therefore, to obviate the same objection, what the Committee on the Revision of Laws did was to call both groups in, together with the teachers, the representatives of the various engineering schools and we held three hearings. At the end of which the Chairman proposed what is now an amendment by substitution as a compromise measure, that is, we don't repeal Republic Act No. 4110 outright but we change it from separate profession into a specialization of mechanical engineering.

We hope that if this is approved, it may serve as a pattern for the other professions to break up the professions into two minute segments. For example, in the case of medicine we should, perhaps, have a general law, as we do now and then have specialization laws for others, let us say, surgeons, specialization for eye, ear, nose and throat, specialization for anesthesiology, and so forth, rather than making these separate professions completely different and allowing only the specialists to practice these lines. Let the public make their choice because very often the public may have more confidence in the generalist than in specialist. However, by law, we tie the hands of the public.

In my particular case, Sir, giving as an example, I have more confidence really in my family doctor than a specialist. It is only when my family doctor says: "You better consult a specialist," that I go to a specialist. Should we not therefore do the same thing with respect to all professions? For example, in engineering, can we not have just one engineering profession and then special-

ists in mechanical engineering, specialist in this or that kind of engineering, and let the public decide.

Now, these are the hopes of the Committee on Revision of Laws. In proposing this compromise, which I can say was accepted by the representatives of the faculty and of the mechanical engineers, the airconditioning and refrigeration group did not accept it, but said: "If that is the best we can expect, that is better than anything." It is not really an acceptance of the compromise. I want the records to show that. But this was accepted by the mechanical engineers and also by the representatives of the various universities offering courses in mechanical and electrical engineering.

Senator PADILLA. May we know, Your Honor, what was the exact position of the airconditioning and refrigeration representatives?

Senator DIOKNO. They insisted upon the full implementation of Rep. Act No. 4110 and outright disapproval of H.B. 1541. But by and large, discussions with the businessmen and others indicated that Rep. Act. No. 4110, in addition to taking away some of the practices of existing mechanical engineers, would render costs more expensive because they will be forced to hire airconditioning and refrigeration engineers for jobs that are now being performed by mechanical engineers.

As a matter of fact, it was pointed out to me, and it is quite correct because it is here in the law, that even for the installation of an airconditioning unit in the house, which as we know generally entails only an electrical connection plus the making of a hole in the wall, one would still have to get a registered airconditioning engineer under Republic Act No. 4110. And really, that seems to me to be too much.

Senator PADILLA. That was one of the points I raised earlier. The men who actually perform the manual and technical work these equipment are the technicians, and some of them are just employees and laborers. We cannot expect an

academic graduate in engineering to do that manual work.

Now, Your Honor mentions about a parity or a comparison with regard to practitioners in general medicine or some specialized courses—say, for example, surgery, eye, ear, nose and throat, and so forth. I agree with Your Honor that the public—the patients, the families—should have a choice as to whether they want a man engaged in the general practice of medicine or one who has specialized in a particular portion of the science. But these doctors or physicians who are, for example, specialists in their respective lines, do not have to undergo any board examination.

Senator DIOKNO. That is true, Your Honor.

Senator PADILLA. They do not undertake any special course except perhaps a special training in some foreign hospitals—and they dedicate themselves—by extra study of their own or extra training in other firms or by continuous dedication to this particular field—they acquire a special skill. Now, I believe that they will be considered specialists, regardless of whether or not they are called specialists.

Senator DIOKNO. That is true, sir.

Senator PADILLA. And they will be getting the patronage of the public, regardless of whether they have passed an examination to that effect or not.

Senator DIOKNO. That is true, sir.

Senator PADILLA. In other words, Your Honor, I do not know about the necessity of having a board that will grant them a specialization or specialized degree.

Senator DIOKNO. Well, the reason for that, Sir, is because of the fact that airconditioning and refrigeration is budding or growing fast in mechanical engineering—and the reason why the Committee thought it best to provide for a title of specialization was precisely to prevent people from being misled. As it is now, anybody can

put after his name, say, "Jose W. Diokno, Mechanical Engineer, Specialist in Airconditioning" I may not really have any special knowledge on the matter. But I can advertise myself as such. However, under this law, one can only advertise himself as a specialist in airconditioning and refrigeration if he had taken a special examination for that purpose. But even if one has not taken such examination, if he is a mechanical engineer, he can still do airconditioning and refrigeration work. However, he is not now deceiving the people by saying, "*Espesyalista ako diyan.*" The people will take him simply as an ordinary mechanical engineer with the ordinary mechanical engineer's knowledge of airconditioning and refrigeration. That is only reason why the Committee deemed it proper to provide for a specialist's certificate so that nobody can hold himself out as a specialist unless he is really qualified.

Senator PADILLA. A good mechanical engineer, like in any other profession, if he has shown his proven skill and experience, hardly needs such an advertisement. It is probably those who are less qualified who will resort to such kind of advertisement.

Senator DIOKNO. It will probably be those who are younger, rather than those who are less qualified. It takes time to build a reputation as a specialist. A young man may have, for example, finished his studies here, worked for one or two years, gone abroad, specialized in airconditioning there and then come back. Now, by the time he can acquire a reputation, it will be four or five years. But if he comes back and says, "I want to specialize in this line," so he has to take a board examination. If he passes the examination, he can hold himself up as "Specialist in Airconditioning and Refrigeration" — and it gives him a chance to make his way up in the world faster than without this specialization examination. But it is up to him—nobody forces him to take the test. The only thing is, if he does not take the test, he cannot hold himself out publicly as a specialist. That is the only purpose of this

Mr. President—to help the younger people and, at the same time, to protect the public.

Senator PADILLA. Are there enough graduates and practising mechanical engineers who are themselves already engaged in airconditioning and refrigeration as exports or specialists?

Senator DIOKNO. Yes, Your Honor. I would say this. I have here the list of the mechanical engineers, and I am told that they number close to almost 5,000. And out of these 5,000, there are the members of the Philippine Association of Airconditioning and Refrigeration Engineers who are approximately 300 or 400 in number, although some of them are electrical engineers and some are not engineers at all. So, one can say that for specialization, as it now exists, about 45 per cent of the mechanical engineers are specializing in airconditioning and refrigeration. However, many of those who are not members of the Philippine Association of Airconditioning and Refrigeration Engineers are employed as plant engineers and junior plant engineers, etc., and whose jobs, which is not proper. That is why it was decided to repeal Republic Act No. 4110. But rather than to repeal this, so as to accomplish some useful purpose out of Republic Act No. 4110, the Committee thought it best just to provide for specialization for purposes of publicly holding oneself out.

Senator PADILLA. So, under this amendment by substitution, those gentlemen Your Honor mentioned who are actually employed as, say, plant superintendents, in certain firms which are engaged in airconditioning and refrigeration...

Senator DIOKNO. ... will continue to be so employed.

Senator PADILLA. Even without the need for a board examination?

Senator DIOKNO. Yes, Your Honor.

Senator PADILLA. Well, I would like to hear that because it was not clear whether or not all

these mechanical engineers who are actually engaged in this particular section of the industry—particularly airconditioning and refrigeration—will have, under this bill, to qualify by passing the board examination.

Senator DIOKNO. No, no. Let me be very clear on that point. All mechanical engineers and all other persons — because some of them are not mechanical engineers — covered by the Mechanical Engineering Law will continue to perform all the functions that they are permitted to do by the Mechanical Engineering Law without need of taking this particular examination. The only limitation that this new law provides is that they cannot hold themselves out as specialists publicly unless they qualify under this examination. That is the only purpose of this law.

Senator PADILLA. Now, there are other technicians who have been working for many years and have gained experience but who are neither graduates, nor engineers. Does that mean, Your Honor, that under this bill they may not continue in their present positions as technicians unless they qualify in the Board?

Senator DIOKNO. No; they may continue without qualifying.

Senator PADILLA. I am glad to hear those clarifications, Your Honor, because I was afraid that this requirement of a board examination may be utilized as a means to ease from employment certain technicians who perhaps are already more qualified...

Senator DIOKNO. No, sir.

Senator PADILLA. ...since they have already gained experience in this field, and due to this technically of qualifying for examination they may be replaced by others whose primary qualification is their degree, their board examination, without adequate experience.

Senator DIOKNO. No. We have in the amendment by substitution expressly repealed every sec-

tion which prohibits persons other than air conditioning and refrigeration engineers to do the following things. We have repealed all of those sections. And the only penal provision that we have retained is, "Any person who holds himself out as a refrigeration specialist without having passed the examination shall suffer a penalty." But that is all, Mr. President. It is only the "holding out" publicly as a refrigeration specialist.

Senator PADILLA. Well, I am very glad to hear those explanations, Your Honor, because I was very much concerned about these technicians who are in actual employment and who might be replaced by a legal technicality.

Senator DIOKNO. That concern was shared by all the members of the Committee and all the members of this Chamber, and we did not want that to happen. We did not want any person who is now doing the job to lose his job by virtue of this law.

Senator PADILLA. Thank you, Your Honor.

Senator TEVES. Mr. President.

The PRESIDENT PRO TEMPORE. What is the pleasure of the gentleman from Negros Oriental?

Senator TEVES. I just want to find out from the Chairman if this measure will put a new board of examiners.

Senator DIOKNO. No, sir. The present mechanical board of examiners — that is the one provided for by the Mechanical Engineering Law — will be the one to give the examination for specialization.

Senator TEVES. That is all, Mr. President.

Senator DIOKNO. Mr. President, I ask that we now pass on to the period of amendments.

Senator LIWAG. Mr. President.

The PRESIDENT PRO TEMPORE. The gentleman from Nueva Ecija.

Senator LIWAG. Just one question, Mr. President, if the distinguished gentleman from Batangas will yield.

The PRESIDENT PRO TEMPORE. The gentleman may yield if he so desires.

Senator DIOKNO. Gladly, Mr. President.

Senator LIWAG. This is only to put on record that this is rather a bad policy because there are many other professions which admit specialization. I would have been in favor of the original bill — on total repeal — considering that if in the medical profession, in order to avoid competition, others would also ask that there be a separate examination given, for example obstetricians, for eye specialists, before they can ostensibly announce their specialization, we will be flooded with such kind of laws. That is why I feel that if this refrigeration aspect of mechanical engineering is already covered under existing law, there is no need for disturbing it. And I believe that that is the objective of this amendment by substitution—to give way to the plea or appeal that before anyone, any mechanical engineer can announce himself as a specialist in air conditioning and refrigeration engineering, he has to pass another examination, because, Your Honor, the first examination that an electrical engineering must take is on that particular course, that is, electrical engineering. So I believe that the first bill would have been in consonance with a good policy.

Senator DIOKNO. Well, Your Honor, the Committee has weighed the arguments of the distinguished gentleman because this was brought up also during the course of the hearing. But as against this argument, Mr. President, there is no doubt that Congress is now being flooded with requests to create separate professions. For example, in the case of medicine, we recently enacted legislations making anesthesiology a separate profession so that doctors who would become anesthesiologists had to take a special examination on anesthesiology. And yet until a few years ago—as the distinguished gentleman is aware—

this was a part of general medicine. Engineering itself has been divided into several branches: mechanical engineering, electrical engineering, chemical engineering, mining engineering—and I do not know how many branches. Now, Mr. President, in some instances, rather than give way towards creating a completely separate profession, and at the same time recognizing the right of the public to be protected against those holding themselves out as being more than what they really are, the Committee thought that it does not hurt the public in any way to provide for specialization. It does not hurt the generalists because, as the distinguished Minority Floor Leader said, if a man has built up a reputation over the years as a specialist, the people will go to him whether he calls himself specialist or not. But at the same time, we thought that it was a better policy, rather than make an outright repeal, to provide for specialization because we fear that people who were specializing in air conditioning as well as those who were not, because of the absence of legislation, would be free to say "specialized in this, specialized in that" although they are not really specialists, and the general public may be deceived. That is why the Committee thought it best to provide for this particular measure.

Well, I would like to state that this is also to obviate the differences and discussions between the mechanical engineers on the one hand and the society of air conditioning and refrigeration engineers on the other hand.

Senator LIWAG. So actually, one who has passed the mechanical engineering examination will be required to undertake some specialized course first before he can undertake an examination for the practice of air conditioning and refrigeration...

Senator DIOKNO. Yes, Your Honor. As a matter of fact, it is provided in the amendment by substitution that, "The scope and procedure of the examination shall be prescribed by the Board with special reference to the applicant's ability

AND EXPERIENCE IN AIR CONDITIONING AND REFRIGERATION x x x"

Senator LIWAG. Now, with respect to the constitution of the Board, is there some requirement that those who will provide for this examination must also be experts on air conditioning and refrigeration?

Senator DIOKNO. No, Your Honor. It is the same mechanical board of engineering, because as a general rule, the basic principles in the air conditioning and refrigeration course are all covered in the ordinary mechanical engineering course. And therefore, rather than provide for a separate board, the Committee deemed it better to make the same board of mechanical engineers give the examinations. The reason being that the people chosen for this board are men of experience and character and who, therefore, are in a position to make or provide examinations for such specialization.

Senator LIWAG. They are fully equipped to provide the examination?

Senator DIOKNO. Yes, Your Honor.

Senator LIWAG. Well, thank you, Mr. President.

Senator DIOKNO. Mr. President, if we are now in the period of amendments, I move that the amendment by substitution presented by the Committee and circulated to the members of this Chamber be approved.

The PRESIDENT PRO TEMPORE. Is there any objection to the amendment by substitution? (*Silence.*) There being none, the amendment is approved.

Are there any other Committee amendments?

Senator DIOKNO. There are no other committee amendments except the amendment by substitution.

The PRESIDENT PRO TEMPORE. Any individual amendments (*Silence.*)

Senator DIOKNO. Mr. President, I move that this bill be approved on second reading as amended.

The PRESIDENT PRO TEMPORE. Is the Senate ready to vote on Senate Bill No. 409?

Senator DIOKNO. No, no—House Bill No. 1541, Mr. President.

The PRESIDENT PRO TEMPORE. The amendment by substitution bears the Senate Bill Number 409.

Senator DIOKNO. That is correct, Your Honor, but we are consolidating House Bill No. 1541 and Senate Bill No. 409 because their subject-matter and their contents are identical and that is why it was House Bill No. 1451 which was called.

The PRESIDENT PRO TEMPORE. House Bill 1541?

Senator DIOKNO. Yes, Your Honor, House Bill No. 1541.

The PRESIDENT PRO TEMPORE. The Senate will take a vote. As many as are in favor of the bill may please say *Aye*. (*Several senators: Aye.*) As many as are against may please say *Nay*. (*Silence.*) The *Ayes* have it. House Bill No. 1541 as amended is approved on second reading.

Senator TOLENTINO. Mr. President.

The PRESIDENT PRO TEMPORE. The Majority Floor Leader.

RESUMPTION OF CONSIDERATION OF
SENATE BILL NO. 659

Senator TOLENTINO. Mr. President, I move that we resume consideration of Senate Bill No. 659 being sponsored by the distinguished gentleman from Batangas, the Chairman of the Committee on Justice.

The PRESIDENT PRO TEMPORE. Resumption of Senate Bill No. 659 is now in order and the

sponsor of the bill, Chairman of the Committee on Justice, Senator Salvador Laurel, is recognized.

Senator LAUREL. Mr. President, during the last deliberation of this bill, consideration was suspended upon request of the distinguished colleagues and the Committee agreed to enable the collation of the different suggestions particularly with reference to the amount of salary increases. After collating the various suggestions from our colleagues, Mr. President, the Committee is now ready to propose the different suggestions and individual proposals as committee amendments.

On page 1, line 14, delete the period after the word "COURTS" and in lieu thereof place a semicolon (;) and add the following: "PROVIDED, HOWEVER, THAT IF THE CASE WAS TRIED IN A CITY OR MUNICIPAL COURT BEFORE THE LATTER BECAME A COURT OF RECORD THEN ON APPEAL THE CASE SHALL PROCEED BY TRIAL *DE NOVO*." This was suggested by the distinguished gentleman from Batangas, Senator Diokno, and the distinguished gentleman from Iloilo, Senator Ganzon. I move that the amendment be approved.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) The Chair hears none. The amendment is approved.

Senator LAUREL. At the suggestion of my distinguished *kababayan*, Senator Diokno, which proposal the Committee on Justice has accepted we propose the following: On page 3, line 23, put a new section, Section 4, which shall read as follows:

"SEC. 4. SECTION 70 OF SAID ACT IS HEREBY AMENDED TO READ AS FOLLOWS:

"SECTION 70. TENURE OF OFFICE—TRANSFER FROM ONE MUNICIPALITY TO ANOTHER. — MUNICIPAL JUDGES HAVING THE REQUISITE LEGAL QUALIFICATIONS SHALL HOLD OFFICE DURING GOOD BEHAVIOR, UNTIL THEY REACH THE AGE OF SEVENTY YEARS OR BECOME INCAPACITATED TO DISCHARGE THE DUTIES OF THEIR OFFICE, UNLESS SOONER REMOVED

IN ACCORDANCE WITH LAW OR UNLESS HIS OFFICE BE LAWFULLY ABOLISHED OR MERGED IN THE JURISDICTION OF ANOTHER JUDGE: PROVIDED, THAT IN CASE THE PUBLIC INTEREST REQUIRES IT A MUNICIPAL JUDGE OF ONE MUNICIPALITY MAY BE TRANSFERRED TO ANOTHER: PROVIDED, FURTHER, THAT WHENEVER A MUNICIPAL JUDGE OF A MUNICIPALITY SHALL CERTIFY TO THE DISTRICT JUDGE OR THE DISTRICT JUDGE UPON INSPECTION, SHALL DETERMINE THAT THE CONDITION OF THE DOCKET IN A MUNICIPAL COURT IS SUCH AS TO REQUIRE THE ASSISTANCE OF ANOTHER JUDGE, THE DISTRICT JUDGE MAY ASSIGN FOR A PERIOD OF NOT MORE THAN THREE MONTHS EACH TIME, ANY MUNICIPAL JUDGE OR ANY MUNICIPALITY WITHIN THE PROVINCE WHOSE DOCKET PERMITS HIS TEMPORARY ABSENCE FROM SAID COURT TO HOLD SESSIONS IN THE MUNICIPAL COURT NEEDING SUCH ASSISTANCE. NO JUDGE SO DETAILED SHALL TAKE COGNIZANCE OF ANY CASE WHEN ANY OF THE PARTIES THERETO OBJECTS AND THE OBJECTION IS SUSTAINED BY THE DISTRICT JUDGE.

"WHENEVER THE CONDITION OF THE DOCKET IN ANY MUNICIPAL COURT WITHIN THE PROVINCE IS SUCH THAT IT DOES NOT REQUIRE THE DAILY ATTENDANCE OF THE MUNICIPAL JUDGE THEREIN, THE DISTRICT JUDGE MAY WITH THE CONSENT OF THE MUNICIPAL JUDGE CONCERNED AND FOR A PERIOD OF NOT MORE THAN THREE MONTHS FOR EACH TIME, ASSIGN THE SAID MUNICIPAL JUDGE TO HIS COURT OR TO ANY OTHER BRANCH OF THE COURT OF FIRST INSTANCE OF THE PROVINCE TO ASSIST THE JUDGE OF THE COURT OF FIRST INSTANCE IN THE MAKING OF RESEARCH, DRAFTING OF INTERLOCUTORY ORDERS OR ACTING AS HEARING COMMISSIONER AS PROVIDED FOR IN THE RULES OF COURT."

Mr. President, this amendment was suggested by my distinguished colleague from Batangas, Senator Diokno, and I move that the same be approved.

Senator PADILLA. Mr. President.

The PRESIDENT PRO TEMPORE. The Minority Floor Leader.

Senator PADILLA. I would request that this

new amendment which is very important because it involves tenure of office be circulated to the members so that we can carefully consider its merits. While personally I would have no objection, should conditions in a certain province or in some municipality so warrant, to authorize the CFI executive judge in the interest of better service in the administration of justice to temporarily detail or assign one municipal judge to another municipality whose docket may be very light to assist in another municipality or as in the proposed amendment even to assist the judge in research and preparation of interlocutory order, Your Honor, we have to consider this rather carefully because there is the possibility of transferring one judge of one municipality to another and there might also be the danger wherein some litigants, through the Department of Justice or even the good faith of the executive judge, may be able to choose the judge to decide a particular case. I do not know whether the first part of the section so read is the existing law now.

Senator LAUREL. Yes, that is the existing law now—the proviso.

Senator PADILLA. Because there has been also provisions there...

Senator DIOKNO. Mr. President, if the two gentlemen will permit, the first part of this last amendment is a copy of the existing law on the Court of First Instance adopted for municipal courts.

Senator LAUREL. Yes.

Senator DIOKNO. Now, the second part is new.

Senator LAUREL. The proviso.

Senator DIOKNO. The second part of the proviso is new. The first part of the amendment is simply deleting Section 51 of Republic Act No. 296, adopting, however, other needs of the municipal courts; but the second proviso is new.

Senator LIWAG. Mr. President.

The PRESIDENT PRO TEMPORE. Gentleman

from Nueva Ecija.

Senator LIWAG. With the permission of my distinguished colleagues on the floor, may I offer a suggestion before we continue the consideration of this bill.

I am in favor of this bill, but the amendments that are being sought to be introduced are lengthy and extensive and I believe that they should be reduced into mimeographed forms and consider them this afternoon.

I have, myself, agreed on certain aspects, especially regarding the salary; but the other aspects are lengthy and they practically revise the bill.

SUSPENSION OF THE SESSION

Senator LAUREL. Mr. President, may I ask for a minute suspension of the session?

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the session is suspended for one minute.

It was 1:41 a.m.

RESUMPTION OF THE SESSION

At 11:43 a.m., the session was resumed with the President Pro Tempore, Hon. Jose Roy presiding.

The PRESIDENT PRO TEMPORE. The session is resumed.

Senator LAUREL. Mr. President, subject to the request of the distinguished Minority Floor Leader and the distinguished gentleman from Nueva Ecija that we mimeograph and distribute copies of these new amendments being proposed by the Committee, may I be permitted to propose the other Committee amendments so that they can be typed, mimeographed and distributed altogether.

Senator LIWAG. Mr. President, I would suggest that they be included and then we take them

up altogether because we cannot properly consider and vote on these new amendments because they are rather lengthy.

Senator LAUREL. What we would like to do, Your Honor, is to make a clean copy of this with all the proposed amendments of the Committee amendments and then we will mimeograph new copies of the bill containing these new amendments already.

Senator LIWAG. But we might not be able to discuss them.

Senator LAUREL. We will proceed with the Committee amendments and then ask for suspension of the consideration of the bill after the presentation of the other Committee amendments.

Mr. President, on pages 3 and 4 of the bill, from line 25, page 3, up to line 11, page 4, delete all of these lines and in lieu thereof insert the following:

"(A) IN MUNICIPALITIES WHICH ARE CAPITALS OF THEIR RESPECTIVE PROVINCES, TWELVE THOUSAND PESOS EACH;

"(B) OF CIRCUIT COURTS AND IN THE MUNICIPALITIES OF FIRST CLASS AND SECOND CLASS, TEN THOUSAND AND EIGHT HUNDRED PESOS EACH;

"(C) IN MUNICIPALITIES OF THE SIXTH CLASS, FOURTH CLASS, FIFTH CLASS, TEN THOUSAND PESOS EACH;

"(D) IN MUNICIPALITIES OF THE SIXTH CLASS, SEVENTH CLASS AND IN MUNICIPAL DISTRICTS IN OTHER PLACES NOT SPECIALLY PROVIDED FOR BY LAWS, NINE THOUSAND SIX HUNDRED PESOS EACH.

Then on page 4, line 12, change the number of the Section from "5" to "6"; and, lastly, Mr. President, make the corresponding changes in the title to conform to the amendments being proposed so that on line 7 of the title, between the figures "45" and "75" insert...

The PRESIDENT PRO TEMPORE. We will first

take action on the first amendment. Any objection to the amendment?

Senator ALMENDRAS. Mr. President.

The PRESIDENT PRO TEMPORE. Gentleman from Davao.

Senator ALMENDRAS. Before the approval of the amendments introduced by the gentleman, I would like to ask a few questions regarding the range of increase of salary of municipal judges.

As I have said before, it has been my position that I am against increases of salaries of high ranking government officials. My position, Mr. President, is that if we increase the salaries of government officials, we should start from the bottom.

Last Saturday, Mr. President, we considered a bill increasing the salaries of some GAO officials from P5,000 to P11,000; others from P7,000 to 12,000. I objected because there was an increase of almost 100%. There was another bill, Mr. President, increasing the salary of an Assistant Head in the Department of Justice. I rose again to air my objection to that. Now, May I know from the distinguished sponsor what is the percentage of the increase in the amendment he is now proposing?

Senator LAUREL. It is less than 50%. In other words, the minimum is P800.00 and the maximum is P1,000.00.

Senator ALMENDRAS. Mr. President, when this was discussed last week, the gentleman from Tarlac, Senator Aquino, and the gentleman from Iloilo, Senator Ganzon, and your humble servant made the observation that it is very demoralizing on the part of the town mayor for a municipal judge to be receiving more than the municipal mayor.

Senator LAUREL. If Your Honor, please. I should like, as a matter of fact, to make of record that these new figures are compromise figures, reached by consensus. I have talked to

the distinguished legal minds in this Chamber, most especially the distinguished Majority Floor Leader, the gentleman from Nueva Ecija, the gentleman from Albay, the gentle lady from Albay, the gentleman from Batangas, *kababayan*, Senator Diokno, the gentleman from Tarlac, Senator Aquino, and other members in this Chamber and they have agreed on these figures of P800 to P1,000.

Senator ALMENDRAS. That might be true, Mr. President—I grant it is true—but the position taken by the gentleman from Iloilo and the gentleman from Tarlac and your humble self is different. Mr. President, the three of us had been elected officials of the province. The gentleman from Tarlac had been a governor, a town mayor; the gentleman from Iloilo had been a city mayor and in my case I had been a governor, and we know, Mr. President, the feelings of the town mayor.

Senator LAUREL. Does Your Honor have an amendment?

Senator ALMENDRAS. Mr. President, imagine the minimum salary of a municipal judge which is P800! There are third class towns whose mayors receive only P560 a month. The mayor is the chief executive of the town, Mr. President. The salary of the municipal judge will be 17 *per cent* more than the salary of the town mayor.

Senator LAUREL. Your Honor, the Committee is flexible on this point, although we feel that the municipal judge is not under the municipal mayor. We will consider any proposal, Your Honor.

Senator ALMENDRAS. Will the distinguished sponsor be agreeable to an amendment along this line: "Provided that in no case shall the salary of the municipal judge be more than the salary of the municipal mayor."? I do not know what paragraph or section this amendment will come in.

Senator LAUREL. We will consider that, Your Honor.

Senator ALMENDRAS. Because if my amendment is not approved I will filibuster on this bill, Mr. President.

Senator LAUREL. The Committee will accept the amendment, Mr. President. The amendment to the amendment is, therefore, accepted and I move that amendment be approved.

Senator ALMENDRAS. My amendment, Mr. President, is this: "PROVIDED THAT IN NO CASE SHALL THE SALARY OF A MUNICIPAL JUDGE BE MORE THAN THE SALARY OF A MUNICIPAL MAYOR."

SUSPENSION OF THE SESSION

The PRESIDENT PRO TEMPORE. With the session of the Chamber, the session is suspended for a few minutes.

It was 11:52 a.m.

RESUMPTION OF THE SESSION

At 11:57 a.m., the session was resumed with the Senate President Pro Tempore, Hon. Jose J. Roy, presiding.

The PRESIDENT PRO TEMPORE. The session is resumed.

Senator ALMENDRAS. Mr. President.

The PRESIDENT PRO TEMPORE. Gentleman from Davao.

Senator ALMENDRAS. Mr. President, I made computations here, based on the minimum or the lowest salary of a Justice of the Peace which is P500. Now, with the amendment, the lowest salary will be P800 because the increase is between P800 and P1,000. So, the increase is 60 per cent, Mr. President.

Now, the increase of the WAPCO for a low-salaried employee is only 5 per cent, Mr. President. I remember also that when we increased the salary of the teachers the increase was only 10 per

cent. When I introduced the bill increasing the salary of the enlisted men of the Armed Forces the increase was only 30 per cent. When I filed a bill amending the Minimum Wage Law, the increase was only 16 per cent. Now, here comes a bill increasing by 60 per cent the salary of the Justices of the Peace just because they are high government officials!

Senator LAUREL. Mr. President, I could understand the sentiment of the distinguished gentleman from Davao. Now, the committee would request that the committee amendments be approved subject to further amendments by individual members of this Chamber.

Senator ALMENDRAS. Yes, Mr. President, but when I asked the distinguished sponsor what the percentage of increase was, he said that the increase was 60 per cent.

Senator LAUREL. I said "minimum", Mr. President.

Senator ALMENDRAS. The increase in the salaries of the employees of the Department of Justice is 150 per cent; the increase in the salaries of the employees of the GAO is 150 per cent but the increase in the salaries of the low-salaried employees is only 5 per cent and 10 per cent.

I am not against increases, Mr. President. I know that there are many municipal judges in this hall. There are many of them. As a matter of fact, some of them approached me. They came to my office. But, Mr. President, I want to maintain my stand that I am against this bill.

Senator LAUREL. Well, Your Honor is free to do that. Nobody is stopping Your Honor from taking your own individual stand based on your own conviction. What the committee is asking, Mr. President, is that the committee amendments proposed now be approved, subject to individual amendments. Now, meanwhile, as requested by the distinguished Minority Floor Leader and the distinguished gentleman from Nueva Ecija, we would like to request that copies of this bill

containing already the committee amendments be made and distributed among the members of this chamber so that it could again be the subject of further individual amendments when this bill is called. This will not prejudice the amendment that Your Honor has in mind. Your Honor will be free to introduce individual amendments.

Senator ALMENDRAS. Mr. President, during the period of individual amendments, I shall introduce my own amendments. And that premise, Mr. President, I request that I be made a member also of the conference committee because I am afraid that the conference committee will restore in the report the P800 and the P1,000 increases.

Senator LAUREL. So, Mr. President, may I move that the latest amendment be approved.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendments is approved.

Senator LAUREL. On page 4, line 12, change the numbering of Section 5 to Section 6.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator LAUREL. On the title of the bill, Mr. President, between the figures "45" and "75" insert the figure "70".

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator LAUREL. Mr. President, if there are no other questions, I move for the suspension of the consideration of this bill to enable the Committee to include in a new copy these amendments to be distributed and that it be again the subject of individual amendments if any.

Senator PADILLA. Mr. President,

The PRESIDENT PRO TEMPORE. The Minori-

ty Floor Leader.

Senator PADILLA. Before the suspension, to enable the Committee and the distinguished Chairman to give us a clean draft, may I propose some considerations which, perhaps may further help improve the bill.

Mr. President, we are making the municipal courts as courts of record. If we have the facilities, I am 100% for this change. I am also in favor of avoiding as much as possible *de novo* trials in the Courts of First Instance. However, this bill makes the decision of the municipal court of record appealable to the Court of First Instance judge whose decision, under this bill, becomes final. There is, therefore, no further appeal to the Court of Appeals on questions of fact and there will only be a possible appeal on question of law to the Supreme Court by a petition for a *writ of certiorari*.

Mr. President, if the municipal courts are made courts of records so that the testimonies of the witnesses are recorded, naturally, the documentary evidence are part of the records, why don't we make the appeal direct to the Court of Appeals. The idea is to eliminate the *de novo* trial before the Court of First Instance.

Presently, we have trial in the municipal court, then appeal to the Court of First Instance, trial in the Court of First Instance, then appeal to the Court of Appeals and, perhaps, appeal on a question of law to the Supreme Court. We want to eliminate one step which has oftentimes been used for dilatory purposes and the administration of justice has thereby been *pro tanto* delayed. Now, does not Your Honor believe that if the proceedings are already recorded, instead of an appeal to the Court of First Instance, which is a decision by one judge, we should make the appeal to the Court of Appeals in the same manner as decisions of the Court of First Instance are appealed to the Court of Appeals.

With regard to the Court of Appeals it is a collegiate court which decide by divisions, and the

usual procedure is to file a record on appeal and appeal briefs. I mean, briefs for appellant and appellee. Now, under this proposed bill the Court of First Instance will only decide on the memoranda, if any is filed by the parties. Your Honor, it is quite dangerous. Of course, I have my highest respect for many Court of First Instance judges who probably, have been able to decide, perhaps in some cases, better than the Court of Appeals.

Senador LAUREL. May I interrupt Your Honor on that point. I think it is not only based on memoranda as amended. The Committee has introduced an amendment on this portion of the bill so that the appeal will be based not only on the memoranda but also on the evidence and the records.

Senator PADILLA. Yes, naturally. The record means the transcript of the stenographic notes; then there is the memoranda. But what I am stressing, Your Honor, is very important and of far-reaching consequence.

Now, as I was saying, while we have the highest respect for many Court of First Instance judges, it is also true that there are a few members of the Judiciary, in the Court of First Instance, who are very partisan. I have some personal experience on this matter. They decide cases because of the political affiliation of the party-litigant.

Mr. President, if you make the decision final on the findings of fact, well, the administration of justice may deteriorate further from its very low position now, that does not attract confidence of the people in the judicial processes. And it is also a matter of common knowledge, Your Honor, that the Department of Justice has been interfering in the disposition of certain cases, calling judges, giving instructions to fiscals, filing criminal cases purely for prosecution and only for political reasons.

Now, I noticed this because I have to appear,

when my time permits, on various Courts of First Instance to defend Liberal mayors who are facing criminal prosecutions because as the Liberal mayors do not submit to the pressures of the powers that be. And they have been resorting to criminal prosecutions for political purposes.

Mr. President, we make the decision of a Court of First Instance judge final. And with the atmosphere within a province, a politically dominated province with a Nacionalista governor, Nacionalista congressman, Nacionalista officials, sometimes even a judge of the highest caliber has to yield to partisan political pressure. Perhaps, he also expects a promotion some day.

Mr. President, even the Members of this Chamber are being pressured by political considerations. Now, what guarantee does a litigant have if he is a Liberal against a Nacionalista, or a Liberal lawyer appearing against a Nacionalista lawyer, if we make the findings of fact of one Court of First Instance judge final.

Mr. President, I do not say that the Court of Appeals justices are necessarily qualified to dispense justice and review the evidence, both documentary and testimonial, because oftentimes even a collegiate court of three usually depend on only one. And sometimes there are miscarriages of justice, but the danger is much less. First of all, the collegiate courts are in Manila or, probably, if we allow them to hold divisions in other principal cities, they are less subject to any influence, whether wittingly or unwittingly, because they are more detached from the provincial or municipal atmosphere that is pregnant with political influence. I would like, Mr. President, for the distinguished Chairman to consider this point very carefully because this goes into the very substance of this bill. As I said, Mr. President, I am in favor of making the municipal courts courts of record to raise their prestige. Now, I do not really share the view that municipal judges just decide cases because anyway, on appeal, there will be trial *de novo*. No. I would like to believe these municipal judges — who are qualified, who are

experienced and who will dispense justice to the people where direct and immediate justice to the people is their main concern — will do it in accordance with the dictates of the law, the evidence and their judgment. But a decision subject to appeal, why must it be appealed only to the court of first instance and not to the Court of Appeals?

Senator LAUREL. The Committee, Mr. President, is aware of the possibility just adverted to by the distinguished Minority Floor Leader— that courts of first instance are not always occupied by men of integrity, men of character. There are good judges and there are bad judges. As a matter of fact, if Your Honor will recall, I mentioned that in my maiden speech before this Chamber.

Senator PADILLA. Yes, entitled "Crisis of Confidence."

Senator LAUREL. Yes. I said some judges can be bought and some fiscals can be fixed. That is a matter of record, and I have said that before this Chamber. But the problem that we will encounter, Mr. President, is that if we allow appeals from the municipal courts directly to the Court of Appeals, the Court of Appeals may not be able to cope with the work. There are only about 24 justices of the Court of Appeals, and they already have a backlog of about 4,100 cases. On the other hand, there are more than 2,500 municipal judges. Even at the rate of one case per municipal judge, that will be an additional 2,500 cases placed on the docket of the Court of Appeals. So, they will have the problem of a backlog. Until we can find a remedy to avert that possibility, the next best solution would be the court of first instance — and perhaps the remedy would be to bring in better men in the courts of first instance, because if the problem is that these judges in the courts of first instance are so susceptible, so vulnerable to political pressure, then perhaps we should tighten up or require more stringent qualifications—a screening process. Perhaps the remedy would be in the Constitution, the constitutional convention. The appointing power is now vested almost absolutely in the executive power and is

balanced only by the Commission on Appointment. Some proposals have been mentioned, for instance by the Chief Justice of the Supreme Court — one of them to the effect that appointments to the Judiciary should be recommended by a certain body composed of representatives of the Bar Association and the Supreme Court. Perhaps some ways could be devised to ensure better quality among the members of the courts of first instance. That, to my mind, would be the remedy rather than risk a tremendous and sudden increase in the number of cases to be appealed to the Court of Appeals, Mr. President.

Senator PADILLA. Maybe, Your Honor, we can delineate the jurisdiction of municipal courts and courts of first instance—avoid the existence of concurrent jurisdiction. There are many provisions permitting concurrent jurisdiction.

Senator LAUREL. Particularly in the city courts.

Senator PADILLA. Suppose it is a case of concurrent jurisdiction and it is filed in the municipal court. Then it is appealed to the court of first instance. According to this bill, the judgment becomes final. Whereas if that particular case because of its importance, by reason of the penalty that may be imposed, the amount in controversy or other standard, is made to fall under the court of first instance, the decision thereon will be appealable to the Court of Appeals. But under the situation now, there are some cases falling within the concurrent jurisdiction of both courts—and if a case has been started in the municipal court, then it becomes final in the court of first instance. I think there are many conflicts and provisions of law here that should be carefully studied. The Judiciary Act has already shattered by piecemeal legislation. There must be a more thorough study of the entire judicial system.

Senator LAUREL. Mr. President, appeals on matters within the concurrent jurisdiction of both courts of first instance and municipal courts are made direct to the Court of Appeals or Supreme

Court under the present situation as contemplated by this bill.

Senator PADILLA. Even if they started in the municipal courts?

Senator LAUREL. Yes, Your Honor. If they are within the concurrent jurisdiction of the court, the appeal is direct to the Court of Appeals and the Supreme Court.

Senator PADILLA. What is that law? Have we approved that recently, or is that an old law?

Senator LAUREL. It is here, Mr. President. This was approved during the previous period of amendments.

Senator PADILLA. Are those amendments approved in this bill or in another bill?

Senator LAUREL. In this bill, Your Honor.

Senator PADILLA. Do I understand, Your Honor, that my proposal now has been partially considered and approved?

Senator LAUREL. Yes, by the Committee — and it was presented.

Senator PADILLA. But it does not appear in this amendment by substitution.

Senator LAUREL. For instance, on the first page, from line 15, Mr. President, it reads: "IN CASES FALLING UNDER THE EXECUTIVE ORIGINAL JURISDICTION OF MUNICIPAL AND CITY COURTS WHICH ARE APPEALED TO THE COURTS OF FIRST INSTANCE, THE DECISION OF THE LATER SHALL BE FINAL." By automatic operation of cases not within exclusive original jurisdiction, that will mean concurrent. These are not covered by the rule requiring finality of the decision of courts of first instance—under the principle of "*Expressio unius est exclusio alterius*."

Senator PADILLA. We have to make that clear, Your Honor. If that has been favorably consi-

dered, that should be clearly stated in the law.

Senator LAUREL. The Committee will consider that, Mr. President. Anyway, this is not the final discussion on this bill. The new draft will be distributed and individual amendments will be considered again.

Senator PADILLA. Now, another minor point on page 2, line 13. Under the present law, the municipal judge appoints one clerk-stenographer. Under this amendment, he will appoint "SUCH CLERKS OF COURT, STENOGRAPHERS AND OTHER PERSONNEL AS MAY BE NECESSARY." And then their salaries are to be paid out of national funds.

Senator LAUREL. Yes, Your Honor.

Senator PADILLA. It may be correct to allow the municipal judge to have a man of his confidence as his clerk of court or as his stenographer because his work involve few confidential matters. Regarding, for example, the dictation of a decision, he cannot dictate that to anyone. He has to dictate it to a stenographer of his confidence so that it may not leak out ahead of promulgation. Because if it leaks out, there are temptations to approach the judge or influence the clerk, etc., factors that can never be written in the law but which unfortunately plague some of our judicial courts. But Your Honor believes that there should be such an ample discretion on the part of any particular judge to appoint such personnel as he may deem necessary.

Senator LAUREL. Well, that was the original purpose, Your Honor, to vest the municipal judges with the authority to appoint men of the confidence who will really work with them.

Senator PADILLA. Yes, but we have some limitations and safeguards because one municipal judge will have three clerks of court, five stenographers and so many other personnel.

Senator LAUREL. The Committee will accept amendments.

Senator PADILLA. Some ideas are intended to improve the bill.

Senator LAUREL. The Committee would welcome that, Your Honor.

Senator PADILLA. And I hope that the Committee will consider the suggestions in the preparation of the latest draft.

Senator LAUREL. We will do that, Mr. President.

Senator PADILLA. Thank you, Mr. President.

SUSPENSION OF CONSIDERATION OF S. NO 659

Senator LAUREL. Mr. President, if there are no other questions, I move that we suspend consideration of this bill to enable the distribution of copies of the new draft among the members of this Chamber.

The PRESIDENT PRO TEMPORE. Any objection? (*Silence.*) There being none, consideration of Senate Bill No. 659 is suspended and will be called again after the distribution of the redrafted bill containing all amendments.

CONSIDERATION OF H. NO. 16190

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 16190.

The PRESIDENT PRO TEMPORE. Consideration of House Bill No. 16190 is now in order.

The Secretary will please read the bill.

The SECRETARY:

THE ELECTRONICS AND COMMUNICATIONS ENGINEERING ACT OF THE PHILIPPINES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Title of Act.*—This Act shall be known and cited as the "Electronics and Communications Engineering Law of the Philippines."

SEC. 2. *Practice of Electronics and Communications Engineering.*—(a) No person shall practice or offer to practice electronics and/or communications engineering or any aspect thereof in the Philippines as defined in this Act, or use the title "Electronics and/or Communications Engineer" or any word, letter, figure, or sign whatsoever, tending to convey the impression that he is an electronics and/or communications engineer, or advertise or indicate in any manner that he is qualified to perform the work of an electronics and communications engineer without holding a valid certificate of registration as electronics and communications engineer issued by the Board in accordance with this Act, except as provided under Section thirteen hereof.

(b) It shall be unlawful for any person to perform, or render electronic and communications engineering service as defined in this Act free of charge.

(c) It shall be unlawful for any firm, company, or corporation, to engage in design, planning, construction, installation, operation, maintenance, manufacture or marketing of any electronics or communications component, device, system or facility, without the certification, supervision, and/or guidance of a duly registered electronics and communications engineer.

SEC. 3. *Registration and Special Certificate of Registration.*—(A) *Certificates of Registration.*—A certificate of registration for electronics and communications engineer shall be issued to any applicant who passes the examination after the approval of his ratings by the President of the Philippines and upon payment of the required fees: *Provided*, That, the first Board may issue within a period not exceeding two years from the composition of the said Board, a certificate of registration as electronics and communications engineer, without the necessity of undergoing the examination herein prescribed to its members and to any applicant who, with his application for registration as electronics and communications engineer, shall present evidence or other proof satisfactory to the board showing (a) that he has a specific record of at least ten years of active practice in electronics and/or communications engineering, (b) that he is of a responsible character indicating that he may be entrusted to perform or render professional electronics and/or communications engineering service

as defined in this Act and (c) who is a bona fide member in good standing of the Institute of Electronics and Communications Engineering of the Philippines.

Every certificate of registration shall show the full name of the registrant with a serial number, and shall be signed by the members of the Board, attested to by the Secretary of the Board of Examiners and duly authenticated by the official seal of the Board.

The Certificate of Registration issued by the Board to the registrant shall be evidence that the person named therein is entitled to the rights and privileges of a registered electronics and communications engineer while said certificate remains in force or unrevoked.

(B) *Special Permits.*—Registration shall not be required of the following persons:

(1) Electronics and communications engineers, and erection or guaranteed engineers who are not citizens of the Philippines, called for consultation or for a specific design, installation, or project, provided that their practice shall be limited only to the particular work for which they are called and such engineers are legally and/or technically qualified to practice electronics and communications engineering in their own state or country, as certified by a duly organized engineering society or association.

(2) Persons who are not citizens of the Philippines employed as technical officers, professors, or consultants in such specialized branches of electronics and communications engineering as may, in the judgment of the Board, be necessary and indispensable for the country: *Provided*, That such exemption shall not exceed one year and renewable for a period of another year.

(3) Engineering students, apprentices, and other persons employed or acting as subordinates of, or undergoing training under a person holding a valid certificate of registration under this Act: *Provided*, That such exemption shall, in no case, exceed five years.

(4) Any person in charge of, or supervising the operation, tending and maintenance of a duly licensed amateur communication station.

The Board, upon recommendation of the Institute of Electronics and Communications Engineers of the Philippines, may issue a special permit for the practice in a specified line, branch, or activity of electronics and communications engineering for specific design, investigation, or construction project or in a specified station or organization, to any person exempted from registration under subsection (A) of this Section, who, with his application, shall present evidence or other proof satisfactory to the Board indicating that he is competent to perform the service or activity for which said permit is sought and that issuance of such permit is necessary and will not jeopardize the interests of any person duly registered for the practice of electronics and communications engineering under this Act.

All special permits shall be subject to all the provisions and requirements of this Act and the rules and regulations which may be adopted by the Board pertaining to certificates of registration, and may be suspended, revoked, or reissued by the Board in the manner prescribed for certificates of registration. For purposes of compliance with the provisions of this Act, any person who has been granted a special permit shall be considered as registered with the Board while said permit is valid.

A fee shall be paid for every special permit issued by the Board.

(C) *Corporation not eligible to Register.*— The practice of electronics and communications engineering is a professional service, admission to which shall be determined upon the basis of individual and personal qualifications. No firm, company, partnership, association, or corporation may be registered or licensed as such for the practice of electronics and communications engineering: *Provided*, That this section shall not be construed as preventing any combination of electronics and communications engineers from using the term "Electronics and Communications Engineers."

Provided, further, That majority of the members of the partnership, firm, or association are properly registered and licensed electronics and communications engineers.

Members of the partnership or association are responsible for their individual acts.

SEC. 4. *Board Examination.*—Except as otherwise specifically provided herein, all applicants for registration for the practice of electronics and communications engineering shall undergo the required technical examination in accordance with this Act.

SEC. 5. *Pre-Qualifications for Examination.*—In order to be admitted to the electronics and communications engineering examination, an applicant must, at the time of the filing of his application thereof, establish to the satisfaction of the Board that:

(a) He is at least twenty-one years of age;

(b) He is a citizen of the Philippines or of a foreign country qualified to take the examination under Section twenty-four of this Act;

(c) He is of good moral character;

(d) He is a holder of the degree of Bachelor of Science in Electronics and Communications Engineering, or such equivalent engineering course from any school, institute, college, or university recognized by the Government or the State where it is established, after completing a resident collegiate course of not less than four years: *Provided*, That within three years after the approval of this Act, holders of a certificate of Associate in Electronics and Communications Engineering or any allied engineering course with at least five years active practice in electronics, communications, or allied fields shall be qualified to take the electronics and communications engineering examination.

SEC. 6. *Schedule of Examination.*—Examinations for candidates desiring to practice electronics and communications engineering in the Philippines shall be given by the Board twice a year in the City of Manila or in such other places as may be deemed necessary and expedient by the Board.

SEC. 7. *Scope of Examination.*—The examination for the practice of electronics and communications engineering in the Philippines shall consist of written test which shall cover mathematics, theory and practical problems in electronics and communications including fundamentals of electronics, power supplies, amplification and reproduction, radio receivers and transmitters, instruments and test equipment, semi-conductors, industrial electronics, antenna systems, television, station installation and

maintenance, communications, electronics switching and control, broadcasting systems and acoustics, aids to navigation, radio laws and regulations, and other subjects which the Board may prescribe for the standard curriculum as approved by the Department of Education.

SEC. 8. *Ratings in the Examination.*—To pass the examination, a candidate must obtain an average of seventy per cent, with no rating below fifty per cent in any subject: *Provided*, That an Applicant who fails to obtain a passing average but has obtained at least seventy per cent in each of at least one-half of the total subjects given in the examination, may be permitted to take within two years from the date of his examination, another examination on the subjects in which he obtained a grade below seventy per cent. Should the examinee fall in the set of subjects repeated in the second examination, he shall be required to take all the subjects in the next examination.

SEC. 9. *Report of Results of Examination.*—Within ninety days after the examination, the Board shall report the result thereof to the Commissioner of Civil Service, who shall submit within thirty days from receipt thereof such results with his recommendation to the President of the Philippines for approval.

SEC. 10. *Fees for Examination and Registration.*—Every applicant for examination for electronics and communications engineering shall pay an examination fee of forty-five pesos and a registration fee of ten pesos.

Every applicant for registration without examination shall pay a fee of fifty-five pesos.

The fee for a duplicate certificate shall be ten pesos. Every practising electronics and communications engineer shall pay an annual registration fee of ten pesos which shall be paid on or before April thirty of every ensuing year.

All fees shall be paid to the disbursing officer designated by the Board and such officer shall pay from the receipt thereof all the authorized expenses of the Board, including the compensation of each member.

SEC. 11. *Posting Certificates.*—The owner, manager, or other person in charge of any electronics

and communications station, or of a firm, co-partnership, corporation, or joint stock association shall post or cause to be posted in a conspicuous place within such station or establishment, the certificate of registration of the engineer or engineers employed in such a station or establishment.

SEC. 12. Roster for Electronics and Communications Engineers.—A roster showing the names, the addresses and places of business of all registered electronics and communications engineer shall be prepared by the Secretary of the Board during the month of July every year, commencing one year after the date the first Board has been constituted. Copies of this roster shall be mailed to each person so registered and the Secretary of Labor with copies furnished to all department heads, to the mayors of all chartered cities, to the Radio Control Office, to the Public Service Commissioner, to the Collector of Customs, to the Commissioner of Immigration and to such other bureaus or government agencies and provincial, city, and municipal authorities as may be deemed necessary, and to the public upon request.

SEC. 13. Creation and Composition of the Board.—There is hereby created a Board of Examiners for Electronics and Communications Engineers, hereinafter referred to as the Board. It shall be composed of a Chairman and two members, all to be appointed by the President of the Philippines, with the consent of the Commission on Appointments, from among the registered practising electronics and communications engineers of recognized standing in the Philippines as certified to by any officially registered association of electronics and communications engineers in the Philippines who possess the qualifications prescribed in this Act. The members of the first Board shall be appointed within two years from the approval of this Act from among those certified as duly qualified by the Institute of Electronics and Communications Engineers of the Philippines, a technical professional association duly organized under the laws of the Philippines.

SEC. 14. Powers and Duties of the Board.—The Board is vested with the authority, conformably with the provisions of this Act, to:

- I. (a) Administer the provisions of this Act.
- (b) Administer oaths in connection with the ad-

ministration of this Act.

(c) Issue, suspend, or revoke certificate of registration for the practice of electronics and communications engineering for justifiable cause.

(d) Study the conditions affecting the electronics and communications engineering profession in the Philippines, and exercise the powers conferred upon it by this and other Acts with a view to the promotion and maintenance of ethical, moral, and professional standards in the practice of electronics and communications engineering.

(e) Study, examine and prescribe, in cooperation with the Department of Education, the essential requirements as to curricula and facilities of schools, colleges, or universities seeking permission to open courses or already offering courses in electronics and communications engineering and to see to it that these requirements, including employment of qualified faculty members, are properly complied with.

(f) Recommend to the Department of Education or other entity concerned with the granting of school permits or authorization, the opening of colleges or schools universities in electronics and communications engineering.

(g) Investigate violations of this Act, for this purpose issue *subpoena* and *subpoena duces tecum* to secure attendance of witnesses and the production of documents in connection with the changes presented to and/or any investigation pending before the Board; and if any person shall refuse to obey any *subpoena* so issued or shall refuse to testify or produce any book, document, or other pertinent evidence required thereunder, the Board may petition the proper court of first instance setting forth the facts and thereupon such court, in a proper case, shall issue a subpoena to said person, requiring him to appear before the Board, and thereto testify and/or produce such books, papers, documents or other pertinent evidence as may be required by such *subpoena* or order of the said court shall be held liable in the same manner as for refusal to obey any other *subpoena* or order of the court.

(h) Establish and administer a code of ethics and fair practice for electronics and communications engineers of the Philippines.

(i) Recommend or adopt from time to time and

whenever necessary, such measures as may be deemed proper for the advancement of the profession in keeping with the progress of the industry.

(j) Promulgate such rules and regulations as may be necessary to carry out the provisions of this Act.

II. *Refusal to Issue a Certificate in Certain Cases.*

— The Board shall refuse to issue a certificate of registration to any person convicted by a court of competent jurisdiction of any crime involving moral turpitude, to any person of immoral or dishonorable conduct, and to any person of unsound mind, furnishing the party concerned a written statement containing the reason or reasons for such action, which statement shall be incorporated in the records of the Board.

III. *Revocation and Suspension of Certificates.*

— The Board shall revoke or suspend the validity of a certificate of registration as electronics and communications engineer issued to any registrant for any of the causes mentioned in the preceding section, or for unprofessional or unethical conduct, malpractice, incompetence, or where fraud, deceit, or false statement was employed in obtaining said certificate of registration.

IV. *Appeal from Judgment.*—The decision of the Board shall become final after thirty days from the date of its promulgation unless within said period any interested party has perfected an appeal to the Office of the President which decision shall be final.

V. *Reinstatement and Replacement of Certificates.*

—The Board, upon application and for reasons of equity and justice may reinstate the validity of a suspended certificate, or issue another certificate in lieu of one previously revoked, upon payment of the required fees, at least two years after such suspension or revocation.

A new certificate of registration to replace any certificate lost, destroyed, or mutilated, may be issued, subject to the rules of the Board and upon payment of the required fee.

SEC. 15. *Qualifications of Board Members.*—Each member of the Board at the time of his appointment must be:

(a) A citizen and resident of the Philippines;

(b) At least thirty-one years of age, and of good moral character;

(c) A registered electronics and communications engineer under this Act;

(d) Actually in active practice of the electronics and communications engineering occupation for at least ten years, in the Government service or in private;

(e) Not a member of the faculty of any school, institute, college, or university where a regular course in electronics, communications or radio is taught, or if he has been such a faculty member, he has stopped teaching therein for at least three consecutive years immediately preceding his appointment; and

(f) Not financially interested directly or indirectly, in any school, institute, college, or university where a regular course in electronics and/or communications engineering is taught.

SEC. 16. *Term of Office.*—The members of the Board shall hold office for a term of three years: *Provided*, That the first appointees to the Board shall hold office for the following terms: One member for one year, the other member for two years, and the third member for three years. Any vacancy occurring within the term of a member shall be filled for the unexpired portion of the term only. Each member of the Board shall take the proper oath prior to the assumption of office.

SEC. 17. *The Executive Officer and Secretary of the Board.*—The Commissioner of Civil Service shall be the Executive Officer of the Board, and shall conduct the examination given by the Board according to the rules and regulations promulgated by him. The Secretary of the Board of Examiners shall also be the Secretary of the Board. All records of the Board, including examination papers, minutes of deliberations, and records of administrative proceedings and investigations shall be kept by the Commissioner of Civil Service.

SEC. 18. *Compensation of the Board.*—The members of the Board shall each receive, as compensation, a fee of ten pesos for each applicant examined and ten pesos for each certificate of registration

granted without prior examination.

SEC. 19. *Removal of Board Members.*—The President of the Philippines upon recommendation of the Commissioner of Civil Service may suspend or remove any member of the Board for continued neglect of duty, incompetence, commission or tolerance of irregularities in the examination, malpractice, or unprofessional or unethical conduct, after having given the member concerned an opportunity to be heard and/or to defend himself in a proper administrative investigation.

SEC. 20. *Publication in Official Gazette.*—All rules, regulations, and code of ethics promulgated by the Board under the provisions of this Act shall be published in the *Official Gazette*, and shall be effective fifteen days after publication therein.

SEC. 21. *Annual Report.*—The Board shall submit an annual report to the President of the Philippines at the close of each year embodying such recommendation as it may deem proper.

SEC. 22. *Definition.*—The following definitions, unless the context otherwise requires, shall govern in the application and construction of this Act:

(a) *Board.*—The Board of Examiners for Electronics and Communications Engineers.

(b) *Communications.*—The process of sending and/or receiving between two or more points, intelligence by radio, electronics, or other means by electrical devices.

(c) *Electronics.*—The science dealing with the development and application of devices and systems involving the flow of electron in a vacuum, in gaseous media and in semi-conductors.

(d) *Electronics and Communications Engineer.*—A person who is technically and legally qualified to practice electronics and communications engineering under this Act and to affix his name the letters "E.C.E."

(e) *Practice of or Practicing Electronics and Communications Engineering.*—The planning, design, creation, and economical operations and maintenance, through scientific and engineering development and application of electronics and communications.

SEC. 23. *Enforcement of the Act by Officers of the Law.*—It shall be the duty of all duly constituted officers of the law of the National Government, or of any provincial, city or municipal government, to enforce the provisions of this Act to prosecute any person violating the same. The Secretary of Justice shall act as legal adviser of the Board and shall render such legal assistance as may be necessary in carrying out the provisions of this Act.

SEC. 24. *Foreign Reciprocity.*—No foreigner shall be admitted to an examination or registration as electronics and communications engineer under this Act unless he proves in the manner as provided by the Board that, by specific provisions of law, the country, state or province of which he is a citizen, subject, or national admits Filipino citizens to the practice of electronics and communications engineering after an examination on terms of strict and absolute equality with the citizens, subjects, or national of said country, inquiring the unconditional recognition of prerequisite degrees issued by institutions of learning duly recognized by the Government of the Philippines.

SEC. 25. *Penal Provisions.*—The following shall be punished by a fine of not less than two thousand pesos nor more than five thousand pesos, or by imprisonment for not less than six months nor more than six years, or both, in the discretion of the court:

(a) Any person not exempt from registration who shall practice electronics and communications engineering in the Philippines within the meaning of this Act, without holding a valid certificate of registration issued in accordance with this Act;

(b) Any person who shall give any false or fraudulent statement to the Board to obtain a certificate of registration as electronics and communications engineer;

(c) Any person who shall present or use as his own a certificate of registration issued to another under this Act;

(d) Any person who shall present or use a revoked or suspended certificate of registration as electronics and communications engineer;

(e) Any person who shall assume, use, or advertise as electronics and communications engineer.

or append to his name, letters, or words tending to convey the impression that he is a registered electronics and communications engineer when in fact he is not duly registered with the Board as such;

(f) Any electronics and communications engineer, or any person on his behalf, who shall stamp or seal any document with his seal as such after his certificate of registration has expired or has been suspended or revoked;

(g) Any electronics and communications engineer who shall sign his name, affix his seal, or use any other method of signature on plans, technical descriptions, or other documents prepared by or under another electronics and communications engineer's supervision, unless the same is prepared in such manner as to clearly indicate the part or parts of such work actually performed by the former;

(h) Any person, except the electronics and communications engineer in charge, who shall sign for any branch of the electronics and communications engineering work, or any function or engineering practice not actually performed by him; and

(i) Any person who shall violate any provision of this Act or any rules and regulations promulgated under this Act.

SEC. 26. Appropriation for Funds.—The sum of ten thousand pesos is hereby appropriated, out of any funds in the National Treasury not otherwise appropriated, to be disbursed by the Board in accordance with the provisions of this Act. All sums collected in accordance with this Act shall be paid into the National Treasury as part of the general funds thereof: *Provided*, That during the first twelve months of the operation of this Act, any portion of the sums collected may be used for the purpose of this Act to cover disbursement in excess of the amount appropriated herein.

SEC. 27. Repealing Clause.—All laws, executive orders, rules, regulations, or parts thereof in conflict with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 28. Separability of Provisions.—If any provision of this Act or any portion thereof is declared unconstitutional by any competent court, the other provisions thereof shall not be affected thereby.

SEC. 29. Effectivity.—This Act shall take effect upon its approval.

The PRESIDENT PRO TEMPORE. The sponsor of the bill has the floor.

SPONSORSHIP SPEECH OF SENATOR ALMENDRAS

Senator ALMENDRAS. Mr. President, House Bill No. 16190 does not involve increases in salary.

With the ever-increasing role being played by electronics and communications science and technology in practically all fields of human endeavor, Mr. President, our country simply cannot afford to lag behind in these sciences. As the years go by, more and more complex type of electronics and communications equipment are being ushered into use to suit particular demands. Only recently, our country has been linked with the rest of the world thru satellite communication, thus permitting our country to keep abreast along these fields of sciences and technology with the more developed nations.

But while our country is already involved in the advancement of electronics and communications, Mr. President, as yet, no set of standards has been laid down for the determination of the fitness, qualification and skills of men and women presently engaged in the practice of electronics and communications engineering.

It may be admitted however, that several colleges and universities are offering various curricula leading to different bachelor degrees for courses such as radio engineering, electronics engineering and communications engineering, but the graduates of these courses find themselves without a board examination in the absence of an appropriate office or board to regulate their practice.

This bill precisely supplies the solution to the present situation by expressly defining the person who may practice the profession of electronics and communications engineering in the Phil-

ippines. Specifically, the bill provides for the creation of a Board of Examiners for Electronics and Communications Engineering who will determine the qualifications, skill, moral fitness and integrity of men and women engaged in the profession. There is no question in my mind, Mr. President, that if the bill is enacted into a law, the ethical, moral, and professional standards in the practice of this profession will be raised, thus enabling our present crop of practitioners to keep pace with the strides in electronics and communications elsewhere in the world.

I would like to inform this body that many of the provisions of this bill have been patterned after those of existing laws which regulate the practice of other profession, hence, I earnestly recommend the approval of this bill, Mr. President.

Senator AQUINO. Mr. President.

The PRESIDENT PRO TEMPORE. The gentleman from Tarlac is recognized.

Senator AQUINO. Will the distinguished sponsor yield to a few questions?

The PRESIDENT PRO TEMPORE. The gentleman may yield if he so desires.

Senator ALMENDRAS. Gladly, Mr. President.

Senator AQUINO. Mr. President, is there any provision in this bill that will penalize any electronic engineer who will use his intelligence, his knowledge, and his experience for illicit electronics eavesdropping?

Senator ALMENDRAS. I am sorry, Mr. President, to inform the gentleman from Tarlac that there is no such particular provision regarding penalty.

Senator AQUINO. Mr. President, I am constrained to bring to the attention of this House that President Marcos has just set up or is in

the process of setting up a nationwide electronic spying device known as the Commel group of the Armed Forces of the Philippines. This is a gigantic communications outfit designed and constructed by former Defense Undersecretary Manuel Syquio. And this group now links the President of the Philippines with the remotest provincial command and instantly gives him any information he desires.

This, Mr. President, brings in pregnant implications, considering that the 1969 elections are here. We would like to know, therefore, whether the bill of the gentleman from Davao will penalize any engineer who will allow himself to be used for such an illicit operation as wiretapping or communications eavesdropping, because this would be a tremendous invasion of privacy. And we submit, Mr. President, that the sinister Frankenstein developed in the Armed Forces of the Philippines, which we are now funding with almost P19 million in the AFP budget, is the greatest threat to Philippine democracy.

And we would like to know from the gentleman from Davao, therefore, whether provisions have been made to bring these engineers within the scope of law, because while we talk about engineers and their professions and we agree with you that they should be recognized, Mr. President, you will also agree with me that if these engineers use their experience and their knowledge for illicit purposes, you and I may be jeopardized and our privacy may be lost. Definitely, Mr. President, you will agree with me that we must provide for such a situation.

Senator ALMENDRAS. Mr. President, the Committee is very thankful to the gentleman from Tarlac for calling the attention of the Committee to this matter. However, Mr. President, there is a provision in Section 19 regarding the removal or suspension of any member of the board for neglect of duty, incompetence, or for some illegal act. That is as far as the board members

are concerned.

Senator AQUINO. Yes, Mr. President.

Senator ALMENDRAS. But as I said the Committee will be very thankful to the gentleman from Tarlac for calling the attention of the Committee to that particular point.

Senator AQUINO. Mr. President, we appreciate the explanatory note of the gentleman from Davao that with the advances in electronic technology — the establishment, for example, of Comsat, the Early Bird, the Pacific Satellite which now brings in almost instant communication — television shows that are actually being taken in other parts of the Atlantic are now being sent to the other side of the Atlantic. In fact, Your Honor will recall that during the last Olympics in Mexico, the Philippines had the experience of seeing almost instantly, together with the rest of the world, proceedings in Mexico as a result of the Pacific Early Bird Satellite. We appreciate, therefore, the sponsorship of this bill that would bring the profession to its rightful place.

But, Mr. President, I am constrained to bring to your attention some digressions that are being committed. It is undeniable that today many of our telephones are being tapped, even though we have already passed a law against wiretapping. There are certain advancements now in communications wherein conversations as far as 200 feet can be monitored with telescopic microphones. There are certain devices now that are actually shot into a wall and, with a pin trick, a microphone may be attached to a wall and this will pick up and monitor all conversations inside the building. Some of these equipment are already in the Philippines and will be used by the electronics engineers.

Now, while we are upgrading this profession, Mr. President, while you are giving them due

recognition together with the other engineers of the country, may I know what kind of penalty the sponsor may suggest against those who may allow themselves to be used in the violation of our privacy?

Senator ALMENDRAS. Mr. President, we can take that up during the period of individual amendments and it can be made as a committee amendment, that is, that there must be a penalty in case of violation. But in itself, the essence of the bill is to recognize and to regulate the practice of the profession.

Senator AQUINO. Mr. President, on page 18, there are certain provisions which say:

"*Communications.* — The process of sending and/or receiving between two or more points, intelligence by radio, electronics, or other means of electrical devices."

Here is the work that will become rather allergic—"intelligence by radio, electronics, or other means of electrical devices."

"*Electronics.*—The science dealing with the development and application of devices and systems involving the flow of electron in a vacuum, in gaseous media and in semi-conductors."

"*Electronics and Communications Engineer.* — A person who is technically and legally qualified to practice electronics and communications engineering under this Act and to affix his name the letters "E.C.E."

"*Practice of or practicing Electronics and Communications Engineering.* The planning, design, creation, and economical operations and maintenance, through scientific and engineering development and application of electronics and communications."

But you see, Mr. President, there are very few electronics experts in our country. One of them is former Defense Undersecretary Manuel Syquio, reputed to be one of the country's leading communications experts. He has been representing the Philippines in the POTCO, Phicomsat. He has represented the Philippines in international

conferences on communications. He has represented the Philippines in the Comsat deliberations and it is reported that Secretary Syquio was the one who designed and developed the so-called COMEL group.

He planned, he designed, he created, he set up the organizational pattern of the so-called COMEL group of the Armed Forces. COMEL stands in actual name for Communications and Electronics Group. Upon inquiry, Mr. President, we were told that the electronics equipment of the Armed Forces of the Philippines usually were provided for by the United States Government under the Mutual Assistance Development Pact or shortly the MADP. Most of our hardware, most of our equipment, most of our heavy equipment for road building, our communications setup, were provided for by the United States Government. But this is a departure, and Mr. Syquio designed, planned and created this COMEL Group that is now linked with the so-called IOC or the Inter-Group Operations Center.

This, Mr. President, will give to whoever is in control of the COMEL Group instant communication with the remotest parts of this country, plus the added capability of electronics surveillance, so that any member here in the Senate or any individual in this country may actually be subjected to electronics surveillance which, Mr. President, I submit, is a violation of our privacy which is sanctified and provided for by the Constitution.

Now, what happens to those engineers who will allow themselves to be used in this clandestine operation, Mr. President? I ask, Mr. President, because we are only penalizing wiretapping; we are only penalizing the overt acts. But this is purely for surveillance. They are wiretapping in effect because, although they do not tap any telephone lines, they are using electronic devices to find out what you are doing 24 hours a day. What happens to those engineers, Mr.

President? What kind of penalty do we provide?

Senator ALMENDRAS. I said, Mr. President, that the Committee admits that there is no penal clause or penalty that is provided here, except as regards the members of the board, and the Committee is very thankful to the distinguished gentleman from Tarlac for calling the attention of the Committee to the deficiency.

Senator AQUINO. Now, therefore, Mr. President, without prejudice to other interpellations, I suggest that we suspend consideration of this bill while reiterating that we are in full accord with this recognition of our engineers. We feel that this bill should have been passed long ago, because it is indeed a fact that electronics communications has come of age and if there is today a shrinking of the world, so to speak, and there is a better communication among mankind, it is because of the communication breakthrough.

The members of the opposition, Mr. President, would merely want to provide adequate safeguards so that our privacy as sanctified in the Constitution will not be violated. We want to be assured that if any such violation occurs, there will be adequate penalties against the people who might engage themselves in this clandestine effort.

Senator ALMENDRAS. Mr. President, I would like to appeal to the distinguished gentleman from Tarlac not to present a motion to postpone the consideration of this bill because, as he says, he is in full accord with this bill, so that we can go on with the floor discussion and later on in the period of amendment we can take up the penal clause or safeguards.

Senator AQUINO. Yes, Mr. President, I agree. As I said, without prejudice to further interpellations, because I will limit my interpellations now with what I stated and I will try to prepare, after I have read this bill, the perfecting amendments, hoping that the distinguished sponsor will

incorporate them later on. Thank you, Mr. President.

Senator LAUREL. Mr. President.

The PRESIDENT PRO TEMPORE. The gentleman from Batangas.

Senator LAUREL. Will the distinguished gentleman yield to one or two questions for clarification only?

Senator ALMENDRAS. Gladly, Your Honor.

Senator LAUREL. There is a provision here on page 19.

Senator ALMENDRAS. Page 19 of the bill.

Senator LAUREL. Section 25. This is the penal provision. It specifies a "fine of not less than two thousand pesos nor more than five thousand pesos, or by imprisonment for not less than six months nor more than six years." These are heavy penalties. May I know how this will be enforced?

Senator ALMENDRAS. Under Section 25, regarding the provision on penalty, that will be at the discretion of the court.

Senator LAUREL. Who will file the case in court.

Senator ALMENDRAS. Well, anybody who is interested.

Senator LAUREL. Is it the board?

Senator ALMENDRAS. If a party brings the case to court, it is the court that decides on the penalty.

Senator LAUREL. Can not anybody go to court and file a case for the violation of this act?

Senator ALMENDRAS. Yes.

Senator LAUREL. So that there need not be

any investigation by the board.

Senator ALMENDRAS. Well, if it is directed to the court, it is the court that decides. Now, if it is directed to the board, it is the board that decides.

Senator LAUREL. No, supposing I am a private citizen. I know that there has been a violation of this law, supposing that it becomes a law, does the private citizens have to go to the board first so that the board may investigate, or can he go straight to the fiscal?

Senator ALMENDRAS. He can go to the fiscal directly if he wishes to.

The PRESIDENT PRO TEMPORE. On page 18, Section 23, there are provisions there for the enforcement of the provisions of the law.

Senator LAUREL. I am inquiring into the procedure, Mr. President. That is why I am asking the distinguished sponsor whether a preliminary inquiry by the board would be required before the matter is referred to the enforcement agencies of the government mentioned here in Section 23 or whether they can go direct to the fiscal.

Senator ALMENDRAS. They can go direct to the fiscal, Your Honor. Just like in any board or in any government-owned corporation or in any board examiners, the same provision applies here. Take the case of the different boards of examiners for engineering, electrical engineering, etc., this provision here, Your Honor, will be applied in the same manner. z

Senator LAUREL. So that the action of the board is not necessarily to trigger the prosecution under this?

Senator ALMENDRAS. Not necessarily, Your Honor.

Senator LAUREL. Although it is permissible.

Senator ALMENDRAS. Of course.

Senator PEREZ. Mr. President.

The PRESIDENT PRO TEMPORE. The gentleman from Nueva Vizcaya.

Senator PEREZ. Will the distinguished sponsor yield to a few questions?

The PRESIDENT PRO TEMPORE. The gentleman may yield if he so desires.

Senator ALMENDRAS. Willingly, Mr. President.

Senator PEREZ. It is my understanding, distinguished sponsor, that we are establishing a system of registration for Electronics and Communications Engineers, for their licensing, and that should this bill be enacted into law, it would be illegal for any one who is not registered or licensed as an electrical and communication engineer to practice that profession?

Senator ALMENDRAS. Correct, Your Honor. Like any other practitioner, he must be a licensed.

Senator PEREZ. So that, are we to understand that before the enactment of this law there has been no requirement for registration?

Senator ALMENDRAS. None at all, Your Honor. But you cannot also say that their practice is illegal because some of them ask for a permit or a license from the mayor.

Senator PEREZ. Then my question, which necessarily arises, Mr. President, is, how will the President appoint the members of the board when it is provided here that those who will be appointed to the board are those who must be registered to practice electronics engineering?

Senator ALMENDRAS. No. In any new board, Your Honor, to be created, you cannot appoint a member who is already a licensed practitioner, because it is new. Now, in this particular case, Your Honor, because there is not so far any licensed electronics engineer, any person who has

been granted a special permit as provided for in this bill may be appointed by the President as member of the board.

Senator PEREZ. But the bill, as worded now, on page 11, provides:

"There is hereby created a Board of Examiners for Electronics and Communications Engineers, hereinafter referred to as the Board. It shall be composed of a Chairman and two members, all to be appointed by the President of the Philippines, with the consent of the Commission on Appointments, from among the registered practicing electronics and communications engineers of recognized standing in the Philippines x x x".

Now, since Your Honor admits that before the enactment of this bill there would be no registered engineer of this kind

Senator ALMENDRAS. Your Honor, what we mean here by "registered practicing electronics and communications engineer" one who is a member of an association or institute of engineering, or institute of electronics engineering. There are such organizations in the country and one of these organizations is what they call the Institute of Communication Engineering. So, the President must get from among those members there.

Senator PEREZ. In that organization. Now, on page 2, it is provided in paragraph (b):

"It shall be unlawful for any person to perform, or render electronics and communications engineering service as defined in this Act free of charge." I would like to know, Your Honor, what is the extent of the phrase "electronics and communications engineering service". I ask this question, Mr. Sponsor, because I know of many small shops all over Manila and also in other parts of the Philippines which are owned and operated by their proprietors and these are men who know how to fix radios, who know how to render services on electronics, and also in other aspects of communications. They can fix walkie-talkies, but they are not qualified under the law to register as licensed electronics engineers. These men might

have been only connected with the signal battalion of our Armed Forces and so, out of experience they know how to render electronics engineering services and they have their own shops now. Will these people be affected by the scope of this bill?

Senator ALMENDRAS. Yes, Your Honor. But the question propounded by the distinguished gentleman from Nueva Vizcaya can be found on page 3, starting from line 4:

"x x x shall present evidence or other proof satisfactory to the board showing (a) that he has a specific record of at least ten years of active practice in electronics and/or communications engineering, (b) that he is x x x".

That is on page 3, Your Honor.

Senator PEREZ. So that there is a provision in this bill, Your Honor, which would take care of persons who, out of experience and not due to formal schooling, have knowledge of electronics and who may apply for registration?

Senator ALMENDRAS. Yes, Your Honor, as provided on page 3.

Senator PEREZ. Now, paragraph (c) of the same page 2, Your Honor, provides:

"It shall be unlawful for any firm, company, or corporation, to engage in design, planning, construction, installation, operation, maintenance, manufacture or marketing of any electronics or communication, supervision, and/or guidance of a duly registered electronics and communications engineer."

Does this, Your Honor, apply to electrical plants?

Senator ALMENDRAS. Yes, Your Honor. For example, a contractor, as we have many contractors in our country, should be a licensed engineer. So he will have to register as a licensed electronics engineer to legalize his being a contractor.

Senator PEREZ. No, I am referring, for in-

stance, to an electrical plant which has been duly granted a franchise and has been operating for so many years. Let us assume that the proprietor himself is the one maintaining and overseeing the plant because he has, out of experience in the past, the know-how to operate the machines. Now, under the provisions of the law, he cannot continue to be in that business unless he employs an electronics engineer who must be a registered electronics and communications engineer under this law. Don't you think, Your Honor, that for the small electric plant operator this will be in the form of another overhead expense which he may not be able to absorb?

Senator ALMENDRAS. It is provided in this bill, Your Honor, that should electronics be involved, he should get the services of a licensed engineer. This is like the case of other professions. For example, the practice of pharmacy. There are many drug store owners who are not pharmacists. These drug stores, in order to legalize their business, get the services of licensed pharmacists.

Senator PEREZ. This is one point where I would like to express a view. When it comes to professions that have something to do with health, like pharmacy, dentistry or medicine, I fully agree that these firms should not engage in the business that will affect the health of our citizens unless they have, as part of their outfit, a duly licensed practitioner in the profession. But this is a field of electronics and communications where in case of any deficiency in technical or specialized advice the detriment will not prejudice the people but the owner himself. For instance, if one is the owner of an electric plant, it is to the interest of his firm that he should have an expert who will see to it that his plant will be running 24 hours a day so that his firm can supply the necessary electric power for the community because in case of failure the detriment will not prejudice the community; it is the owner who will be the one most adversely af-

fect. As I said, Your Honor, there is this entry of so many transistorized equipment into the country. As we all know, most of these if not all, come from Japan and Japan nowadays dominates the world market in electronics. There are many citizens of our country who know, who are virtual experts in electronics although they have not undergone any formal training. And because they have experience along this line they have established their own little shops which are their only source of income.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 16190

Senator TOLENTINO. Mr. President, with the permission of the distinguished sponsor and the distinguished gentleman from Nueva Vizcaya. Since we are going to have a meeting of the Commission on Appointments at two o'clock this afternoon and we need a little recess before the Commission meets, I move that we suspend consideration of this bill in the meantime.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is approved.

SUSPENSION OF THE SESSION

Senator TOLENTINO. Mr. President, I move that we suspend the session until five o'clock this afternoon.

The PRESIDENT PRO TEMPORE. The session is suspended until five o'clock this afternoon if there is no objection. (*There was none.*)

It was 12:52 p. m.

RESUMPTION OF THE SESSION

At 5:48 p.m., the session was resumed with the President of the Senate, Hon. Gil J. Puyat, presiding.

The PRESIDENT. The session is resumed.

Senator TOLENTINO. Mr. President, I ask that

the Secretary read the supplementary agenda, omitting the titles of the bills.

The PRESIDENT. The Secretary is so ordered.

SUPPLEMENTARY AGENDA

The SECRETARY:

MESSAGES OF THE PRESIDENT OF THE PHILIPPINES

MANILA, May 16, 1969

Gentlemen of the Congress:

Pursuant to the provisions of Article VI, Section 21 (2) of the Constitution, I hereby certify to the necessity of the immediate enactment of H. B. No. 18745, entitled:

"AN ACT CONVERTING THE FOUR DISTRICTS OUTSIDE THE POBLACION PROPER OF THE MUNICIPALITY OF SOLANO, PROVINCE OF NUEVA VIZCAYA, INTO BARRIOS, DEFINING FOR THE PURPOSE THEIR RESPECTIVE BOUNDARIES AND THOSE OF THE POBLACION PROPER".

Respectfully,

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

The Senate
Congress of the Philippines
Manila

The PRESIDENT. To the Committee on Rules.

The SECRETARY:

MANILA, May 13, 1969

Gentlemen of the Congress:

Pursuant to the provisions of Article VI, Section 21 (2), of the Constitution, I hereby certify to the necessity of the immediate enactment of H. B. No. 3289, entitled:

"AN ACT CONDONING THE LIQUIDATED DAMAGES OF ONE THOUSAND EIGHT HUNDRED FORTY-EIGHT PESOS AND SIXTEEN CENTAVOS, AND TWENTY-ONE THOUSAND FOUR HUNDRED THIRTY-FIVE PESOS AND ONE CENTAVO IM-

POSED ON THE CONTRACTOR AND BEING COLLECTED FROM THE PLARIDEL SURETY AND INSURANCE COMPANY AS BONDSMEN IN THE RESCINDED CONTRACTS FOR THE CONSTRUCTION OF THE LAMUT BRIDGE PR-77 (4) AND THE BAGABAG BRIDGE PR-17 (3), RESPECTIVELY."

Respectfully,

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

The Senate
Congress of the Philippines
Manila

The PRESIDENT. To the Committee on Rules.

The SECRETARY:

MANILA, May 19, 1969

Gentlemen of the Congress:

Pursuant to the provisions of Article VI, Section 21 (2), of the Constitution, I hereby certify to the necessity of the immediate enactment of H.B. No. 13854, entitled:

"AN ACT CREATING THE MUNICIPALITY OF BALABAGAN IN THE PROVINCE OF LANA DEL SUR."

Respectfully,

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

The Senate
Congress of the Philippines
Manila

The PRESIDENT. To the Committee on Rules.

The SECRETARY:

MESSAGES OF THE HOUSE OF REPRESENTATIVES

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives having passed House Bill No. 1323, entitled:

AN ACT DIRECTING THE SECRETARY OF EDUCATION TO ESTABLISH A STANDARD REGULATING MISCELLANEOUS FEES AND CONTRI-

BUTIONS COLLECTED BY PUBLIC AND PRIVATE EDUCATIONAL INSTITUTIONS,

and the Senate having passed Senate Bill No. 815, entitled:

AN ACT TO FURTHER AMEND REPUBLIC ACT NUMBERED FOUR THOUSAND TWO HUNDRED SIX, ENTITLED "AN ACT PROHIBITING THE COLLECTION OF CONTRIBUTIONS FROM SCHOOL CHILDREN OF PUBLIC PRIMARY, INTERMEDIATE AND HIGH SCHOOLS",

dealing on the same subject matter, this Body asks for a conference with the Senate, having appointed as representatives at the same on its part Congressmen Agbayani, Clemente, Jr. and Singson.

Very respectfully,

(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Rules.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 12828, entitled:

AN ACT CREATING A BRANCH OFFICE OF THE LAND TRANSPORTATION COMMISSION IN THE MUNICIPALITY OF MAUBAN, PROVINCE OF QUEZON, AND AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR,

in which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Trans-

portation and Public Services.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 14323, entitled:

AN ACT STANDARDING THE SALARIES OF THE PERSONNEL CONSTITUTING THE BUDGETING GROUP IN THE NATIONAL GOVERNMENT AND CHANGING THE DESIGNATIONS OF CERTAIN PERSONNEL IN THE BUDGET OPERATIONS SERVICE,

in which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Finance.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 16925, entitled:

AN ACT CREATING AN AGENCY OF THE LAND TRANSPORTATION COMMISSION IN THE CITY OF LAOAG, AND AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR,

in which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Transportation and Public Services.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 17075, entitled:

AN ACT TO INCLUDE THE MUNICIPALITIES OF LUCBAN AND TAYABAS, PROVINCE OF QUEZON, WITHIN THE AREA OF OPERATION OF THE THIRD QUEZON ENGINEERING DISTRICT, AMENDING FOR THE PURPOSE SECTION ONE OF REPUBLIC ACT NUMBERED FORTY-NINE HUNDRED AND SEVENTY-TWO,

in which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Public Works and Communications.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 18177, entitled:

AN ACT AMENDING REPUBLIC ACT NUMBERED FIFTY HUNDRED AND FIVE, ENTITLED "AN ACT GRANTING ESPERANZA LAZARO A FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE AN ICE PLANT IN BARRIO DAMPALIT, MUNICIPALITY OF MALABON, PROVINCE OF RIZAL,"

In which it requests the concurrence of the Senate.
Very respectfully,

(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Corporations and Franchises.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 18260, entitled:

AN ACT PROVIDING FOR THE INCREASE IN THE RATES OF RENTAL ALLOWANCE OF OFFICERS AND ENLISTED MEMBERS OF THE ARMED FORCES OF THE PHILIPPINES,

In which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on National Defense and Security.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 18645—6th C.R.P., entitled:

AN ACT CONSTITUTING THE FIRST REPRESENTATIVE DISTRICT OF THE PROVINCE OF PANGASINAN INTO A SEPARATE HIGHWAY ENGINEERING DISTRICT,

In which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Public Works and Communications.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 18661, entitled:

AN ACT FIXING IRRIGATION FEES, AMENDING FOR THIS PURPOSES THE THIRD PARAGRAPH OF SECTION TWO OF REPUBLIC ACT NUMBERED THIRTY-SIX HUNDRED AND ONE (re National Irrigations Administration),

In which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on National Interprises and Governments Corporations.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 18815, entitled:

AN ACT PROHIBITING ANY PERSON WHOM THE GOVERNMENT SENT ABROAD TO STUDY FROM WORKING ABROAD UNLESS HE FIRST THEREAFTER SERVES THE GOVERNMENT

FOR THE SAME NUMBER OF YEARS HE STUDIED ABROAD AT GOVERNMENT EXPENSE,

In which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) I. B. PAREJA

Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Foreign Relations.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 18821, entitled:

AN ACT TO AMEND CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED TWO THOUSAND TWO HUNDRED AND THIRTY-SEVEN, OTHERWISE KNOWN AS THE CHARTER OF THE PHILIPPINE COLLEGE OF ARTS AND TRADES,

In which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) I. B. PAREJA

Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Education.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 18834, entitled:

AN ACT AMENDING SECTIONS EIGHTEEN, FIFTY-THREE, FIFTY-NINE, SIXTY-FOUR, AND SIXTY-FIVE OF REPUBLIC ACT NUMBERED FOUR HUNDRED NINE, AS AMENDED, OTHERWISE KNOWN AS THE REVISED CHARTER OF THE CITY OF MANILA, AND FOR OTHER PURPOSES,

In which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) I. B. PAREJA

Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Provincial and Municipal Governments and Cities.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 18850 — 6th C.R.P., entitled:

AN ACT CONSTITUTING THE FIRST AND SECOND REPRESENTATIVE DISTRICTS OF THE PROVINCE OF PANGASINAN INTO A SEPARATE SCHOOL DIVISION AND AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR,

In which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) I. B. PAREJA

Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Education.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 18898, entitled:

AN ACT MAKING INTOXICATION AN AGGRAVATING CIRCUMSTANCE BY AMENDING THE REVISED PENAL CODE,

in which it requests the concurrence of the Senate.

Very respectfully,
(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Codes and Constitutional Amendments.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 17857, entitled:

AN ACT GRANTING JOSE CONRADO BENITEZ A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN PRIVATE FIXED POINT-TO-POINT AND LAND BASED AND LAND-MOBILE RADIO STATIONS FOR THE RECEPTION AND TRANSMISSION OF RADIO COMMUNICATIONS WITHIN THE PHILIPPINES,

in which it requests the concurrence of the Senate.

Very respectfully,
(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Corporations and Franchises.

The SECRETARY: MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 18926, entitled:

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED THREE THOUSAND FIVE HUNDRED NINETY-ONE, ENTITLED "AN ACT ESTABLISHING THE PHILIPPINES DEPOSIT INSURANCE CORPORATION, DEFINING ITS POWERS AND DUTIES AND FOR OTHER PURPOSES,

in which it requests the concurrence of the Senate.

Very respectfully,
(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Banks and Currencies.

The SECRETARY:

MANILA, May 16, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 18940 — 6th C.R.P., entitled:

AN ACT AMENDING REPUBLIC ACT NUMBERED SEVEN HUNDRED SEVENTY-EIGHT FOR THE PURPOSE OF AUTHORIZING THE PHILIPPINE COLLEGE OF COMMERCE TO EXPAND ITS CURRICULAR OFFERINGS, TO CHANGE THE COMPOSITION OF ITS BOARD OF TRUSTEES, AND FOR OTHER PURPOSES,

in which it requests the concurrence of the Senate.

Very respectfully,
(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Education.

The SECRETARY:

Mr. President:
MALINA, May 16, 1969

The Honorable
The President of the Senate
Manila

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 18941 — 6th C.R.P., entitled:

AN ACT GRANTING THE GOVERNING BOARDS OF ALL STATE COLLEGES AND UNIVERSITIES AUTHORITY TO FIX THE SALARIES AND COMPENSATION OF THEIR FACULTY AND EMPLOYEES,

in which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Committee on Education.

The SECRETARY:

Mr. President:
MALINA, May 16, 1969

I have been directed to inform your honorable Body that the House of Representatives on May 16, 1969, passed the following House Bill No. 18960, entitled:

AN ACT GRANTING PROGRESSIVE DEVELOPMENT CORPORATION A TEMPORARY PERMIT TO CONSTRUCT, ESTABLISH, OPERATE

AND MAINTAIN PRIVATE FIXED POINT-TO-POINT, PRIVATE AERONAUTICAL, PRIVATE COASTAL AND PRIVATE LAND-BASED AND LAND-MOBILE RADIO STATIONS FOR THE RECEPTION AND TRANSMISSION WITHIN THE PHILIPPINES,

in which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) I. B. PAREJA
Secretary

The PRESIDENT. To the Committee on Corporations and Franchises.

The SECRETARY:

(Committee Report No. 2574)

Mr. President:

The Committee on Justice, to which was referred H. No. 17637 — 6th C.R.P., entitled:

AN ACT FURTHER AMENDING SECTIONS FORTY-NINE, FIFTY, AND FIFTY-TWO OF THE JUDICIARY ACT OF 1948, FOR THE PURPOSE OF CREATING ADDITIONAL COURTS OF FIRST INSTANCE,

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITH THE FOLLOWING AMENDMENTS:

- A. On page 4 of the bill —
 1. Line 13: change "ELEVEN" to "THIRTEEN";
 2. Line 14: change "FOUR" to "FIVE";
 3. Line 16: put a comma (,) after the word "third";
 4. Line 17: delete the word "and", then between the words "fourth" and "branches" insert the following: "AND FIFTH";
- B. On page 5 of the bill —
 1. Line 1: delete "AND THE SUBPROVINCE OF QUIRINO";
 2. Line 2: put a comma (,) after the word "first", delete the word "and"; then between the words "second" and "branches" insert the following: "AND THIRD"; after the semi-colon (;) put

- the words "ONE JUDGE FOR THE SUBPROV-
3. Line 6: delete the semi-colon (;) after the word "City" and insert between the words "CITY" and "SIX" the phrase "AND SHALL BE KNOWN AS JUDGES OF THE FIRST, SECOND, THIRD, FOURTH, FIFTH AND SIXTH BRANCHES THEREOF";
 4. Line 7: change the semi-colon (;) after the word "Sur" into a comma (,) and between the words "Sur" and "Two" insert the phrase "AND SHALL BE KNOWN AS JUDGES OF THE FIRST SECOND, THIRD, FOURTH, FIFTH AND SIXTH BRANCHES THEREOF."
 5. Line 9: change the semi-colon (;) after the word "Abra" into a comma (,) and between "Abra" and "four" insert the phrase "AND SHALL BE KNOWN AS JUDGES OF THE FIRST AND SECOND BRANCHES THEREOF."
 6. Line 9: change into capital letter the word "four" and between "four" and the word "judges" insert the word "three" and enclosed the word "three" with a bracket.
- C. On page 6 of the bill —
1. Line 10: change "Ten" to "ELEVEN"
 2. Line 15: change "three" to "FOUR"
 3. Line 17: put a comma (,) after the word "second"; delete the word "and"; then between the words "third" and "branches" insert the following: "AND FOURTH";
 4. Line 19: change the word "TWELVE" to "SEVENTEEN";
 4. Line 20: change the word "FIVE" to "SEVEN";
 6. Line 23: put a comma (,) after the word fourth, delete the word "AND"; then between the words "FIFTH" and "branches" put a comma (,) and insert the following: "SIXTH AND SEVENTH";
- D. On page 7 of the bill —
1. Line 1: Change "five" to "EIGHT";
 2. Line 4: put a comma (,) after the word "Fourth", delete the word "and"; then between the words "fifth" and "branches" put a comma and insert the following: SIXTH, SEVENTH AND EIGHT
 3. Line 5: change "THIRTY" to "FORTY";
 4. Line 13: put a comma (,) after the word "TWENTY-NINTH"; delete the word "AND";
 5. Line 14: between the words "THIRTIETH" and "branches" put a comma (,) and insert the following: "THIRTY-FIRST, THIRTY-SECOND THIRTY-THIRD, THIRTY-FOURTH, THIRTY-FIFTH, THIRTY-SIXTH, THIRTY-SEVENTH, THIRTY-EIGHT, THIRTY-NINTH AND FORTIETH";
 6. Line 15: change "THIRTY-TWO" to "FORTY-FIVE";
 7. Line 16: change "TWENTY-THREE" to "THIRTY-SIX";
 8. Line 22; capitalize the word "nineteenth";
 9. Line 23: put a comma (,) after the word "TWENTY-SECOND"; then delete the word "AND";
 10. Line 24: between the words "THIRD" and "branches" put a comma (,) and insert the following: "TWENTY-FOURTH, TWENTY-FIFTH, TWENTY-SIXTH, TWENTY-SEVENTH, TWENTY-EIGHT, TWENTY-NINTH, THIRTIETH, THIRTY-FIRST, THIRTY-SECOND, THIRTY-THIRD, THIRTY-FOURTH, THIRTY-FIFTH AND THIRTY-SIXTH";
- E. On page 8 of the bill —
1. Line 7: change "FOURTEEN" to "SEVENTEEN";
 2. Line 8: change "FIVE" to "SIX";
 3. Line 11: put a comma (,) after the word "fourth"; delete the word "AND"; then between the words "FIFTH" and "branches" insert the following: "AND SIXTH";
 4. Line 12: change "FIVE" to "SEVEN"
 5. Line 15: put a comma (,) after the word "FOURTH"; delete the word "AND", then between the words "FIFTH" and "branches" put a comma (,) and insert the following: "SIXTH AND SEVENTH";
- F. On page 9 of the bill —

1. Line 3: change "ELEVEN" to "FOURTEEN";
 2. Line 4: change "SEVEN" to "TEN";
 3. Line 7: put a comma (,) after the words "SEVENTH" and "branches" put a comma (,) and insert the following: "EIGHT, NINTH AND TENTH";
 4. Line 13: change "NINETEENTH" to "TWENTY-ONE";
 5. Line 18: change "FIVE" to "SIX";
 6. Line 21: put a comma (,) after the word "FOURTH"; delete the word "AND"; then between the words "FIFTH" and "branches" insert the following: "AND SIXTH";
 7. Line 23: change "two" to "THREE" change the semi-colon (;) after the word "Catanduanes" into a comma (,) and insert the phrase "AND SHALL BE KNOWN AS THE JUDGE OF THE FIRST, AND SECOND BRANCHES THEREOF".
- G. On page 10 of the bill —
1. Line 1: delete the semi-colon (;) and insert the following: "AND SHALL BE KNOWN AS JUDGES OF THE FIRST, SECOND AND THIRD BRANCHES THEREOF, RESPECTIVELY";
 2. Line 2: delete the period (.) after "Masbate" and add the following: "AND SHALL BE KNOWN AS THE JUDGES OF THE FIRST AND SECOND BRANCHES THEREOF, RESPECTIVELY."
 3. Line 17: delete the period (.) after "Antique" and add the following: "AND SHALL BE KNOWN AS THE JUDGES OF THE FIRST AND SECOND BRANCHES THEREOF, RESPECTIVELY."
 4. Line 18: change "TWELVE" to "FIFTEEN";
 5. Line 19: change "Seven" to "TEN";
 6. Line 23: put a comma (,) after the word "Sixth"; delete the word "and"; then between the words "Seventh" and "branches" put a comma (,) and insert the following: "EIGHT, NINTH AND TENTH";
- H. On page 11 of the bill —
1. Line 3: delete the period (.) after "Siquijor" and add the following: "AND SHALL BE KNOWN AS JUDGES OF THE FIRST, SECOND, THIRD, FOURTH AND FIFTH BRANCHES THEREOF, RESPECTIVELY."
 2. Line 4: change "TWENTY-ONE" to "TWENTY-TWO";
 3. Line 5: change "NINE" to "TEN"
 4. Line 9: put a comma (,) after the word "eight"; delete the word "and"; Between the words "ninth" and "branches" put a comma (,) and insert the following: "AND TENTH";
 5. Line 16: change "TWENTY" to "TWENTY-ONE";
 6. Line 17: change "SIXTEENTH" to "SEVENTEEN";
 7. Line 23: put a comma (,) after the word "FIFTEENTH"; delete the word "AND", then between the words "SIXTEENTH" and "branches" insert the following: "AND SEVENTEENTH";
- I. On page 12 of the bill —
1. Line 3: change "NINETEEN" to "TWENTY-TWO";
 2. Line 6: between the words "Norte" and "Two" delete the semi-colon (;) and insert the following: "AND SHALL BE KNOWN AS JUDGES OF THE FIRST, SECOND AND THIRD BRANCHES THEREOF";
 3. Line 7: between the words "Sur" and "Two" delete the semi-colon (;) and insert the following: "AND SHALL BE KNOWN AS THE FIRST AND SECOND BRANCHES THEREOF";
 4. Line 12: change the word "SEVEN" to "NINE";
 5. Line 16: put a comma (,) after the word "SIXTH"; delete the word "AND"; then between the words "SEVENTH" and "branches" put a comma (,) and insert the following: "EIGHT AND NINTH";

6. Line 22: change "THIRTY-ONE" to "THIRTY-TWO";

7. Line 23: change "EIGHT" to "TEN";

J. On page 13 of the bill —

1. Line 3: Delete "AND EIGHT" and in lieu thereof put a comma (,) and insert the following: "SEVENTH, EIGHT, NINTH AND TENTH";

2. Line 23: change "Two" to "THREE";

K. On page 14 of the bill —

1. Line 1: put a comma (,) after "first" and delete the word "and" and between "second" and "branches", put the phrase "AND THIRD"

2. Line 7: after the word "first" at the end of the line, insert the following: "AND FIFTH";

3. Line 8: change "branch" to "BRANCHES";

4. Line 22: change "two" to "THREE";

L. On page 17 of the bill —

1. Line 1: change "three" to "FOUR";

2. Line 3: change "two" to "FOUR";

3. Line 10: change "two" to "FOUR";

4. Line 12: change "judge" to "JUDGES"; then delete the word "branch" and in lieu thereof, insert the following: "AND EIGHT BRANCHES";

5. Line 16: change "TEN" to "FIFTEEN";

6. Line 18: change "THREE" to "SIX";

7. Line 19: change "SIX" to "SEVEN"; then change "THREE" to "SIX";

8. Line 20: change "one judge" to "TWO JUDGES";

M. On page 18 of the bill —

1. Line 6: change "two" to "THREE";

2. Line 8: put a comma (,) after the word "first"

3. Line 9: delete the word "AND"; then between

"SECOND" and "branches" insert the following: "AND THIRD";

4. Line 12: delete the words "third branch" and in lieu thereof insert the following: "FOURTH AND FIFTH BRANCHES";

5. Line 13: change "FOURTH" to "SIXTH"

6. Line 14: change "FIFTH" to "SEVENTH";

7. Line 22: change "THREE" to "SIX";

N. On page 19 of the bill —

1. Line 12: between the words "Ligao" and "Province" delete the comma (,) and in lieu thereof insert the following: "AND A SIXTH BRANCH TO BE STATIONED IN THE MUNICIPALITY OF TABACO";

2. Line 13: change "one" to "two";

3. Line 14: delete the words "judge each" and in lieu thereof insert the word "JUDGES"; then change municipalities" to "MUNICIPALITY"; then between the words "and" and "Gubat" insert the following: "ONE JUDGE FOR THE MUNICIPALITY OF";

O. On page 20 of the bill —

1. Line 5: change "four" to "FIVE";

2. Line 7: delete the word "and";

3. Line 9: between the first semi-colon (;) and the word "and" insert the following: "AND ONE JUDGE IN EACH OF THE MUNICIPALITIES OF VICTORIAS AND TABOSO, SAME PROVINCE;

4. Line 16: change "one judge" to "TWO JUDGES";

P. On page 21 of the bill —

1. Line 10: change "EIGHT" to "NINE";

Q. On page 22 of the bill —

1. Line 1: change "TWO" to "FOUR";

2. Line 17: change "three" to "FOUR";

3. Line 18: change "one judge" to "TWO JUDGES";

4. Line 19: change "one" to "TWO";

- 5. Line 20: change "Judge" to "JUDGES";
- 6. Line 21: change "ONE JUDGE" to "TWO JUDGES";

R. On page 23 of the bill —

- 1. Line 1: change "one judge" to "TWO JUDGES";
- 2. Line 17: between the semi-colon (;) and the word "and" insert the following: "ONE JUDGE IN THE MUNICIPALITY OF BALIMBING, SAME PROVINCE";

Respectfully submitted:

(Sgd.) SALVADOR H. LAUREL

Chairman

Committee on Justice

The Honorable
The President of the Senate
Manila

The PRESIDENT. To the Calendar of Ordinary Business.

The SECRETARY:

(Committee Report No. 2575)

Mr. President:

The Committee on Finance, to which was referred: House Bill No. 18185 — 6th C.R.P., introduced by Congressmen Ubay and Soriano, entitled:

"AN ACT TO AMEND CERTAIN SECTIONS OF REPUBLIC NUMBERED TWO THOUSAND THREE HUNDRED TWENTY-SEVEN AS AMENDED BY REPUBLIC ACT NUMBERED THREE THOUSAND EIGHT HUNDRED THIRTY-EIGHT; ENTITLED "AN ACT TO DECLARE THE POSITION OF GOVERNMENT CORPORATE COUNSEL DISTINCT AND SEPARATE FROM THAT OF THE SOLICITOR GENERAL, PROVIDE FOR HIS APPOINTMENT AND SALARY, AND APPROPRIATE THE NECESSARY FUNDS THEREFOR, AND FOR OTHER PURPOSES."

has considered the same and has the honor to report it back to the Senate with the following recommendation:

THAT IT BE APPROVED WITH THE ATTACHED AMENDMENTS:

Respectfully submitted:

(Sgd.) DOMINADOR R. AYTONA

Chairman

Committee on Finance

The Honorable
The President of the Senate
Manila

(COMMITTEE AMENDMENTS TO H. NO. 18185 ATTACHED TO COMMITTEE REPORT NO. 2575)

- 1. On page 2, lines 55 to 6, delete the sentence "He shall have the rank, compensation and privileges of the Solicitor General" and in lieu thereof insert the following:

"HE SHALL HAVE THE RANK AND PRIVILEGE OF AN UNDER-SECRETARY OF DEPARTMENT AND SHALL RECEIVE COMPENSATION OF TWENTY-TWO THOUSAND PESOS PER ANNUM."

- 2. On page 3, line 3, delete the words "THE SAME" between the words "receive" and "with" and in lieu thereof insert the words "AN ANNUAL" and insert the words "OF FIFTEEN THOUSAND PESOS" between the words "salary" and "as";

- 3. On lines 3 and 4, same page, delete the words "AS THAT OF A JUDGE OF THE COURT OF FIRST INSTANCE";

- 4. On page 3, line 6, delete the word "who" between the words "respectively" and "qualifications" and in lieu thereof insert "WHOSE" and delete the words "AND PRIVILEGES" after the word "qualifications";

- 5. On same page, line 7, delete the words "AND GIVEN TO" after the word "for";

- 6. On same page, lines 23 and 24, and on page 4, line 1, delete the words "SIX HUNDRED PESOS LESS THAN THE ANNUAL SALARY OF THE ASSISTANT GOVERNMENT CORPORATE COUNSEL" and in lieu thereof, insert the words "THIRTEEN THOUSAND TWO HUNDRED PESOS";

- 7. On page 4, lines 4, 5 and 6, delete the words "SIX HUNDRED PESOS LESS THAN THAT PROVIDED FOR IN THE NEXT PRECEDING SUB-PARAGRAPH (a)" and in lieu thereof insert the words "TWELVE THOUSAND FOUR HUNDRED EIGHTY PESOS";

8. On page 4, on lines 9, 10 and 11, delete the words "SIX HUNDRED PESOS LESS THAN THAT PROVIDED FOR IN THE NEXT PRECEDING SUBPARAGRAPH (b)" and in lieu thereof insert the words "ELEVEN THOUSAND SEVEN HUNDRED SIXTY PESOS";
9. On the same page, lines 14, 15 and 16, delete the words "SIX HUNDRED PESOS LESS THAN THAT PROVIDED FOR IN THE NEXT PRECEDING SUBPARAGRAPH (c)" and in lieu thereof insert the words "TEN THOUSAND EIGHT HUNDRED EIGHTY PESOS";
10. On the same page, on lines 19, 20 and 21, delete the words "SIX HUNDRED PESOS LESS THAN THAT PROVIDED FOR IN THE NEXT PRECEDING SUBPARAGRAPH (d)", and in lieu thereof insert the words "TEN THOUSAND TWO HUNDRED SIXTY PESOS";
11. On page 4, line 24, and on page 5, lines 1 and 2, delete the words "SIX HUNDRED PESOS LESS THAN THAT PROVIDED FOR IN THE NEXT PRECEDING SUBPARAGRAPH (e)" and in lieu thereof insert the words "NINE THOUSAND FIVE HUNDRED FORTY PESOS";
12. On page 5, lines 5, 6, and 7, delete the words "SIX HUNDRED PESOS LESS THAN THAT PROVIDED FOR IN THE NEXT PRECEDING SUBPARAGRAPH (f)" and in lieu thereof insert the words, "EIGHT THOUSAND EIGHT HUNDRED TWENTY PESOS";
13. On page 6, line 2, delete the words "NINE THOUSAND" and in lieu thereof insert the words "SEVEN THOUSAND THREE HUNDRED TWENTY";
14. On the same page, lines 4 and 5, delete the words "EIGHT THOUSAND FOUR HUNDRED" and in lieu thereof insert the words "SIX THOUSAND SIX HUNDRED";
15. On the same page, lines 7 and 8, delete the words "SEVEN THOUSAND EIGHT HUNDRED" and in lieu thereof insert the words "FIVE THOUSAND EIGHT HUNDRED EIGHTY";
16. On page 6, lines 13 to 24, delete everything and in lieu thereof insert the following:

Positions	From		TO	
	Range (Mini- mum	Maxi- mum	Range (Mini- mum	Maxi- mum
Administrative				
Officer	43 (4,860—5,928)	45 (5,376—6,552)		
Cashier & disbursing				
Officer	38 (3,792—4,632)	40 (4,188—5,112)		
Budget officer	42 (4,632—5,640)	44 (5,112—6,240)		
Administrative				
Assistant	39 (3,984—4,860)	41 (4,404—5,376)		
Supervising				
stenographer ..	34 (3,108—3,792)	36 (3,432—4,188)		
Stenographic				
reporter	34 (3,108—3,792)	36 (3,432—4,188)		
Steno-				
graphers	30 (2,544—3,108)	32 (2,808—3,432)		
Private				
secretary	34 (3,108—3,792)	36 (3,432—4,188)		
Chief records				
office	36 (3,432—4,188)	38 (3,792—4,632)		
Supply				
officer I	34 (3,108—3,792)	36 (3,432—4,188)		
Records				
officer I	33 (2,952—3,612)	35 (3,264—3,984)		
Docket clerk	31 (2,676—3,264)	33 (2,952—3,612)		
Librarian	36 (3,432—4,188)	38 (3,792—4,632)		
Security guard....	29 (2,424—2,952)	31 (2,676—3,264)		
Clerical aide	27 (2,196—2,676)	29 (2,424—2,952)		
Janitor-				
messenger	27 (2,196—2,676)	29 (2,424—2,952)		
17. On page 7, lines 1 to 20, delete everything;				
16. On page 8, line 12, delete the word "For" and insert between the words "the" and "maintenance" the words "EXPENSES FOR THE";				
15. On same page, lines 13 and 14, delete the words "there is hereby created a Special Fund", and in lieu thereof insert the words "SHALL BE PAID";				

20. On same page, line 23, after the word "appropriated" change the comma to period (.);
21. On same page, lines 23 and 24, delete the words "subject to reimbursement from said Special Fund."

The PRESIDENT. To the Calendar of Ordinary Business.

The SECRETARY:

CONSIDERATION OF HOUSE BILL NO. 18676
(Continuation)

Senator TOLENTINO. Mr. President, I ask that we resume consideration of House Bill No. 18676, the Annual Appropriations Bill, being sponsored by the distinguished gentleman from Albay.

The PRESIDENT. Resumption of the consideration of House Bill No. 18676 is now in order.

The sponsor may now proceed.

Senator ROXAS. Mr. President.

The PRESIDENT. Gentleman from Capiz.

Senator ROXAS. Mr. President, last Saturday night your humble servant was in the process of interpellation when the consideration of the appropriation measure was suspended until today. I am quite prepared to continue my interpellation, Mr. President, but the distinguished gentleman from Batangas has requested for an opportunity to ask a few questions and so I am temporarily yielding the floor to him.

The PRESIDENT. Gentleman from Batangas.

Senator LAUREL. Will the distinguished sponsor yield to just one question?

The PRESIDENT. The gentleman may yield if he so desires.

Senator AYTONA. Willingly, Mr. President.

Senator LAUREL. Mr. President, I am curious about this reported P8 million cut from the bud-

get of the University of the Philippines. (Applause) May I know from the distinguished sponsor how this came about and the reason or reasons for this cut?

Senator AYTONA. Mr. President, in the President's budget there are included for fiscal year 1970 various items of appropriations for the University of the Philippines which are considered unprogrammed. The total, Mr. President, is P12.3 million.

When an item of appropriation, Mr. President, is included as unprogrammed it means that these appropriations are not covered by available funds and, therefore, their release is very remote. Now, Mr. President, when we heard the President of the University of the Philippines and the other authorities of that University in the budget hearing more than a month ago, it was precisely the Committee on Finance that called the attention of the University authorities about this situation of the budget of the University of the Philippines.

Senator LAUREL. When Your Honor mentioned the "U.P. authorities", you are referring to whom in particular?

Senator AYTONA. I am referring to President Lopez, Mr. Laya, and other financial officials and technical assistants of the University of the Philippines.

Senator LAUREL. Who appeared to testify.

Senator AYTONA. Yes, We called the attention of these authorities, Mr. President, because the Committee cannot understand how for fiscal year 1970 a smaller amount will be programmed for the University of the Philippines. In fact, the budget shows, Mr. President, that only P40 million will be programmed for expenditure for the University of the Philippines as against the actual amount of over P52 million for fiscal year 1968.

Because of this, Mr. President, the Committee requested President Lopez to submit to the Pre-

sident through the Budget Commission a request for the modification of the budget of the University of the Philippines so that more funds can be programmed for the operation of that University for fiscal year 1970.

Senator LAUREL. Was that request complied with?

Senator AYTONA. Mr. President, it is regrettable to state that up to now President Lopez of the University of the Philippines has not yet complied with the request of the Committee. It is only for this reason that the Committee, much to its regret, could not incorporate this unprogrammed items in the committee report. However, Mr. President, the Committee has assured President Lopez that as soon as he has complied with the request of the Committee, we will recommend the restoration of this item for the University of the Philippines.

Senator LAUREL. The full amount of P8 million.

Senator AYTONA. Yes, Mr. President.

Senator LAUREL. May I know how long ago was that request made?

Senator AYTONA. Well, President Lopez had a conference with your humble colleague about twelve o'clock noon today and he promised that later this evening he will be able to comply with the request.

Senator LAUREL. So that if President Lopez is able to submit the required data to the Committee, the Committee will be in a position to restore the amount.

Senator AYTONA. Yes, Mr. President. And the advantage of this is, the moment the budget is modified — in other words, programming this appropriation of the University of the Philippines — we will be able to avoid another situation where the students of the University of the Philippines will again have to make representa-

tion with the Executive Department to program this appropriation.

Senator LAUREL. So, it is not too late to restore the P8 million.

Senator AYTONA. No, it is not too late, Mr. President.

Senator LAUREL. Thank you.

Senator ROXAS. Mr. President.

The PRESIDENT. Gentleman from Capiz.

Senator ROXAS. Mr. President, your humble servant is now ready to continue the interpellation which was suspended last Saturday evening.

Mr. President, I wish, first, to refer the distinguished sponsor to Page 935; and I do so because of an observation made by the distinguished Senator from Tarlac, Senator Aquino, who, in the course of his study of the Appropriations Act, brought out the fact that under Sec. 2, entitled, "Support of Inter-Service Activities" there is the sum of P19,499,300 ostensibly for the Philippines Supply Center and the Communications and Electronics Group.

Will Your Honor please enlighten us as to when this Communications and Electronics Group was first established and how much of this fund is to be set aside for said group?

Senator AYTONA. Mr. President, this Communications and Electronics Group, according to the budget document that we are now discussing, was existing in 1968 with an appropriation of P2,830,200. In the current fiscal year, 1969, this same group is provided with an appropriation of P3,254,700. The President's request is P3,778,000, but the House of Representatives reduced this to P3,535,000 only. The Committee on Finance is recommending that this item be reduced further to only P3,231,000, which would then be less than the current year's appropriation.

Senator ROXAS. It would be less than the current year's.

Senator AYTONA. Yes, Your Honor.

Senator ROXAS. Well, at any rate, Your Honor, I understand that the distinguished gentleman from Tarlac is going to discuss this matter more extensively when he takes his turn in interpellating the distinguished sponsor. Thus, for the moment, Your Honor, I would wish to move on to another point — and that would be on page 960, Your Honor, under Section 3 of the Special Provisions, where the following words appear: *"including the purchase of armaments, organization and individual equipment for the reserve force of the Philippine Air Force."* I remember, Your Honor, that last Saturday evening we discussed a similar provision in connection with the Philippine Navy, and Your humble servant had an opportunity to discuss the matter with the distinguished sponsor in connection with the Philippine Navy. And I now find that the same wording appears also under the Philippine Air Force.

Senator AYTONA. That same wording appears in all the major commands — the Army, Constabulary, Air Force and Navy.

Senator ROXAS. Your Honor, if there is vital necessity for the purchase of armaments and individual equipment for the Armed Forces, why has not this matter been placed under one particular provision to embrace all the Armed Forces?

Senator AYTONA. As I explained, Mr. President, this is the idea of the House of Representatives. It is not included in the budget submitted by the Armed Forces of the Philippines. That is the reason why it is not a separate item.

Senator ROXAS. What is the pleasure of the Committee on Finance, Your Honor, in connection with this particular wording?

Senator AYTONA. As I have said, Mr. Pres-

ident, we are still verifying exactly what is meant by "armaments" so that we can make a concrete recommendation.

Senator ROXAS. In that case, Your Honor, I will move on to the next point. On page 976, I notice a very lengthy new proviso for the establishment of about more than 20 new lighthouses, with a total sum of P1,067,365.

Senator AYTONA. Mr. President, in the Committee Report, this is being deleted.

Senator ROXAS. This will be deleted.

Senator AYTONA. Yes, Your Honor. And we are itemizing the lump sum appropriation in accordance with the itemization submitted by the Philippine Navy.

Senator ROXAS. Well, I am very happy to learn that, Your Honor. And on the same point, on page 977, there is also an identical enumeration, Your Honor. May we presume that the Committee has taken the same action?

Senator AYTONA. We will also do the same thing, Mr. President.

Senator ROXAS. Thank you, Your Honor.

I am almost finished. I would now like to refer Your Honor to page 1229. I find the following wording under "Special Provisions": *"and to pay prior years' overtime differentials of the Bureau of Printing employees for the period from July 1, 1965 to June 30, 1968, pursuant to the provisions of Section 1656 of the Revised Administrative Code, as amended. If the Director of Printing finds it economical and promotive of better security and guarding services for the Bureau, he may turn over on contractual basis such services, to any reputable private firm either by direct negotiation or by public bidding whichever will be more advantageous to the Government."*

Senator AYTONA. That is proposed to be de-

leted, Your Honor.

Senator ROXAS. Is that already contained in the committee report?

Senator AYTONA. Already contained in the committee report.

Senator ROXAS. Thank you, Your Honor.

Now, on the same page, Your Honor, how about Item 3 and Item 4?

Senator AYTONA. Also deleted, Your Honor.

Senator ROXAS. Already in the committee report.

Senator AYTONA. Yes, Your Honor — already in the committee report.

Senator ROXAS. Your Honor, on page 1252, I find a new proviso which runs counter to the general principle adopted by the Senate Committee on Finance. May we be informed, Your Honor, of the pleasure of the Committee on this particular proviso?

Senator AYTONA. What page, Your Honor?

Senator ROXAS. Page 1252.

Senator AYTONA. The same action, Mr. President — deletion.

Senator ROXAS. Thank you, Your Honor.

On page 1343, I find that there are three new special provisions — Items 1, 2 and 3. Under Item 1, it says: "*x x x to effect the transfer of election registrars with their consent, to other places other than their original place of assignments in the interest of a free, orderly and honest elections.*" I find, Your Honor, that this new proviso runs counter to the very objective sought to be achieved — which is a free, orderly and honest election.

Senator AYTONA. Mr. President, these are

special provisions inserted by the House of Representatives. These are not contained in the President's budget. The Committee has failed to recommend their deletion and will now consider recommending the deletion of these provisions.

Senator ROXAS. May we understand, therefore, Your Honor, that the Committee on Finance on its own would bring about the deletion of these new items — 1, 2 and 3?

Senator AYTONA. Yes, Mr. President.

Senator ROXAS. Thank you, Your Honor.

Senator AYTONA. Two items?

Senator ROXAS. Items 1, 2 and 3, I think. These are all new.

Senator AYTONA. Yes, Your Honor — Items 1, 2 and 3.

Senator ROXAS. Now, Your Honor, on page 1356. This item has already been extensively discussed by the distinguished gentleman from Iloilo when he interpellated the distinguished Chairman. I would not wish to repeat or cover the same ground as the distinguished gentleman from Iloilo has done, but I would like to say, Your Honor, that when the hearings on the appropriation bill began, I specifically requested the Commissioner of the Budget, Commissioner Faustino Sy-Changco, to submit the breakdown of this particular item, as well as those of the others, which I had enumerated, and I would be very happy to be informed, Your Honor, whether the distinguished Commissioner has already submitted the breakdown of this particular item.

Senator AYTONA. Yes, Mr. President. The breakdown has already been submitted.

Senator ROXAS. May we be honored with a copy thereof?

Senator AYTONA. Yes, Mr. President.

(At this juncture, Senator Aytona handed over a copy to Senator Roxas.)

Senator ROXAS. Well, at any rate, Your Honor, since I have just been furnished this copy, I would request that I be given a little time later on to have an opportunity to read the same, and in the meantime go to the next page, which is page 1358.

I find, Your Honor, that this has already been covered by the distinguished gentleman from Iloilo, although I do not quite recall whether Senator Ganzon took the opportunity to discuss the new proviso of P1 million. I understand that the distinguished gentleman from Iloilo did not take up the matter.

Senator AYTONA. This is proposed to be deleted at the suggestion of Senator Ziga.

Senator ROXAS. So this is going to be deleted?

Senator AYTONA. Yes, Your Honor.

Senator ROXAS. May we also be favored with a breakdown of this fund, Your Honor.

Senator AYTONA. Yes. We have here the breakdown, Mr. President.

Senator ROXAS. May I also make the same reservation in connection with the calamity fund.

Now, Your Honor, I would like to go to page 1363. I find, Your Honor, new provisions and a change in the phraseology of the original proviso as it was included in the Appropriations Act for the current fiscal year.

Senator AYTONA. Mr. President, in the committee report we are restoring the old provision with only one modification, that is, instead of "barrios existing as of July 1, 1968," we say "barrios existing as of July 1, 1969."

Senator ROXAS. Do I understand then, Your

Honor, that the wording as it appears on this page, and I quote: "that only barrios with an annual income of P2,000 or less shall be entitled to the aid herein authorized," is going to be deleted?

Senator AYTONA. Yes, Your Honor.

Senator ROXAS. Because this would be discriminatory, Your Honor, if it were allowed to remain.

Senator AYTONA. Yes, Mr. President.

Senator ROXAS. Thank you. And how about the last proviso...

Senator AYTONA. Also deleted.

Senator ROXAS. "that the barrio council may utilize such amount appropriated herein" — this is also going to be deleted?

Senator AYTONA. Yes, Your Honor.

Senator ROXAS. In other words, we are going to use the same wording and phraseology with the exception of the year — "1969."

Senator AYTONA. Yes.

Senator ROXAS. May I be informed what was the action of the House insofar as the amount is concerned?

Senator AYTONA. Well, the House of Representatives reduced this to P50 million. The Committee is recommending that we restore the amount of P10 million and make it P60 million to enable all barrios to be covered because this P50 million will not be enough.

Senator ROXAS. So the action of the Committee on Finance is to retain the amount as recommended?

Senator AYTONA. Yes, Your Honor.

Senator ROXAS. I would like also to be in-

formed. Your Honor, since I have received information that an amendment was going to be proposed to make the sum available effective January 1, whether this was taken up by the House or not.

Senator AYTONA. No, Mr. President, not to the knowledge of the Committee.

Senator ROXAS. So no other amendment was introduced by the House except as it appears on this page?

Senator AYTONA. No, no other amendment was introduced.

Senator ROXAS. Well, Your Honor, we have already discussed this matter so extensively last year that I feel we would be repetitious if we were to reopen the question at this point. However, there are certain other matters that I would like to bring up in connection with this and I shall take the opportunity to do so at a later time.

Your Honor, I would now refer to page 1367. There is a new proviso there, Your Honor, under Section 3:

"Provided, Further, That in the exercise of the authority to transfer herein granted priority shall be given to programs affecting health and education."

Senator AYTONA. That is proposed for deletion.

Senator ROXAS. Proposed for deletion.

Well, Your Honor, I would now like to go to the section providing for authority to use savings. This is on the same section. I understand, Your Honor, that several years ago, no less than our distinguished Senate President, who was then the Chairman of the Committee on Finance, introduced an amendment to the Appropriations Act which provided that transfers of fund would only be limited within the offices belonging to the same department. The amendment introduced

by the distinguished Senate President, who was the Chairman of the Committee on Finance at that time, was received most wholeheartedly by the members of this Chamber, and it became incorporated in the Appropriations Act for that particular year. I find however, Your Honor, that that proviso no longer exists today.

Senator AYTONA. It is still there, Mr. President — Section 3, under the same department.

Senator ROXAS. Where is that, Your Honor?

Senator AYTONA. About the first half — almost the middle but not quite. It says here: "and for 'equipment' of the bureaus and offices under the same Department."

Senator ROXAS. Is Your Honor referring to the proviso?

I raised that question because in 1958 the wording was: "Provided, that whenever authorized positions are transferred from one program to another within the same Department." The phrase "within the same Department" is the same phrase used in the section as it reads today.

Senator AYTONA. It is still there: "within the same Department." The provision referred to by the distinguished colleague is still there: "transferred from one program to another within the same Department."

Senator ROXAS. Well, let me put the question differently. Your Honor. May I be honored with an answer to this question: To what extent can the President transfer funds from one department to another?

Senator AYTONA. Well, Mr. President, for example, under Section 5, "The President of the Philippines is authorized to use savings in the appropriations provided in this act for the Executive Department."

Senator ROXAS. Your Honor is referring to . . .

Senator AYTONA. Section 5.

Senator ROXAS. Yes.

Senator AYTONA. . . . For certain specific purposes.

Senator ROXAS. Well, in other words, Your Honor, may I favored with an answer to that question which I posed: To what extent may the President transfer funds from one department to another?

Senator AYTONA. To the extent, Mr. President, that he is authorized by Section 5.

Senator ROXAS. Which is?

Senator AYTONA. Which is, that the President may "use savings in the appropriations provided in this Act for the Executive Department for the settlement of the following obligations:", and the items are mentioned, like claims under Section 699 of the Revised Administrative Code.

Senator ROXAS. Which read all the way up to page 1369.

Senator AYTONA. That is right.

Senator ROXAS. Sixty-five items.

Senator AYTONA. Yes, Mr. President.

Senator ROXAS. Now, it is very difficult to determine to what extent these 65 items may amount to in terms of pesos and centavos unless the distinguished chairman is in possession of these data.

Senator AYTONA. The gentleman is correct, Mr. President. It is difficult to quantify.

Senator ROXAS. All right then, Your Honor. May I ask the following question: Is Your Honor in possession of the data which should picture to us the extent to which this authority has been exercised by the President?

Senator AYTONA. For the moment, Mr. President, no. But this is among the pending projects of the Committee on Finance. We are precisely going to go into this during the recess of Congress.

Senator ROXAS. Well, if not for this fiscal year, for the last fiscal year, Your Honor.

Senator AYTONA. As I have said, Mr. President, I have not made any study on Section 5 of the Annual General Appropriations Act and we propose to do that precisely as a special project of the staff during the recess of Congress.

Senator ROXAS. Your Honor, we are aware that this Section 3 has been amended many times. For example, in 1967, there was a proviso as follows: "Provided, further, That no fund in the amount appropriated for special purposes shall be transferred to any other item". In 1968 that was deleted and now for 1970 that proviso has disappeared. (Pause.) Your Honor, I think to save time may I rephrase my observation again. The distinguished Senate President in 1964 inserted a proviso which reads as follows: "Provided further that notwithstanding the provisions of Republic Act No. 992 to the contrary, no transfer of funds shall be made from one department to another department". Now, the question, Your Honor, is this: Why has this proviso been deleted?

Senator AYTONA. Well, Mr. President, as the distinguished colleague will readily see, the last part of Section 3 authorizes the transfers as follows: "That whenever authorized positions are transferred from one program to another within the same department the corresponding amounts appropriated for personnel service are also deemed transferred without increasing the total outlay for personal services of the department concerned." So, it is clear from the language of Section 3, Mr. President, that there can be no transfer from one department to another. The transfers are always within the same department.

Senator ROXAS. Your Honor, if that is the case then, why did the distinguished Senate President insert this particular proviso?

Senator AYTONA. Well, this phraseology was different at that time. But over the years, Mr. President, we have refined the language of Section 3 to carry out the same intention. There is nothing in the present Section 3, Mr. President, that will authorize transfers from one department to another department.

Senator ROXAS. Well, if that is the case, Your Honor, will the distinguished chairman consider an amendment incorporating the proviso introduced by the distinguished Senate President in 1964?

Senator AYTONA. It will be a surplusage, Mr. President, but if the distinguished colleague would insist I will have no objection to amending Section 3 thus.

Senator ROXAS. Well, you see, Your Honor, I bring this matter up because of the lack of data available to us at this moment. For example, we do not know to what extent the Executive Branch has transferred funds from one department to another.

Senator AYTONA. Will this be an amendment to Section 3, Mr. President?

Senator ROXAS. To Section 3 and to Section 5.

Senator AYTONA. Well, such an amendment, Mr. President, will defeat the purpose of Section 5 because Section 5 in general refers to certain mandatory obligations for which savings in any department can be used.

Senator ROXAS. That is precisely the reason, Your Honor, why I have brought this point up because while we are here going over this Appropriation Act page by page, we find out that because of this general provision, the President will

be able to negate the expressed sentiment of the members of Congress as contained in the first 1,200 pages simply because in the last 4 or 5 pages, because there is a general provision empowering the President to use savings, he will be able to transfer funds not only to the agencies or bureaus or offices within the same department but also from one department to another.

Senator AYTONA. Well, Mr. President, as a matter of principle, I would really have no objection to the proposal of the distinguished colleague, except that we do not have the benefit of a study which we propose to do. The gentleman will bear us out that the Committee on Finance has been making a number of studies from year to year and this is scheduled in our program of work during this recess of Congress.

Now, I am only afraid, Mr. President, that if we jump the gun, so to speak, before finishing this study we might be jeopardizing such offices, like, at the moment, I would recall the unpaid pensions and educational benefits for veterans, including the veterans of the Philippine revolutionary war from which savings in one department are being used to cover the deficiencies in the Philippine Veterans Administration. Now, as I said, as a matter of principle, I am in agreement with the gentleman, but whether it will be practical to do it now or wait for a study where we will have a factual basis for our recommendation is another matter.

Senator ROXAS. Well, you see, Your Honor, one of the reasons why I brought out this point is the fact that during our hearing the controllers and finance officers of the Department of National Defense have come out with the ordinary finding that very often most of the appropriations under the Department of National Defense are transferred to other offices so much so that they are not able to effect the purchase of, for example, vital equipment, oil, lubricant and gasoline. And while we are appropriating

460 or 300 odd million pesos for the Department of National Defense, we find out that very often the Executive Department transfers a substantial amount from this Department to the other departments.

Senator AYTONA. Mr. President, I really regret that at this time, before a study is made, we cannot give a definitive answer to the questions of our distinguished colleague.

Senator ROXAS. At any rate, Your Honor has stated that the Committee would have no objection to the reintroduction of that proviso under Section 3.

Senator AYTONA. Under Section 3. Although we believe it would be a superfluousness, we will accept such an amendment.

Senator ROXAS. You see, Section 3 speaks of transfers within the same department.

Senator AYTONA. That is right.

Senator ROXAS. But the proviso introduced by the distinguished President of the Senate was, transfer from one department to another. So, actually they are really two different points.

Senator AYTONA. Well, if it is introduced as an amendment to Section 3, then we will be repeating the same language used in Section 3 because under Section 3 it is not possible to transfer funds from one department to another as now worded. However, as I said, the superfluousness will do no harm.

Senator ROXAS. Yes, Your Honor. Now, would Your Honor consider an amendment reducing the percentage involved subject to transfer at 25%.

Senator AYTONA. I would not recommend that, Mr. President.

Senator ROXAS. Your Honor, I bring this point out because to the contingent fund of the President, which amounts to P5 million, we know for a fact that as of this date 25% has already

been added to it, so that P6,250,000.00 has already been set aside for this contingent fund.

Senator AYTONA. That is right. It is precisely for that reason that the Committee cannot recommend reducing this percentage.

Senator ROXAS. Well, I would prefer to just state, as a matter of fact, that we set aside P6 million for the contingent fund. At least, we know exactly what it is, because while we are being led to believe that only P5 million is being set aside, in truth and in fact and in practice, this is augmented by 25% so that the amount reaches P6,250,000.00.

Senator AYTONA. Except, Mr. President, that the suggested action would not be constitutionally feasible.

Senator ROXAS. Would not be what?

Senator AYTONA. Constitutionally feasible because we cannot directly increase this.

Senator ROXAS. Yes, not today. What I mean is that this is a decision for the President to make; but, definitely, the reduction of 25% is within our competence.

Senator AYTONA. Yes.

Senator ROXAS. I was going to propose during the period of amendment that the figure 25% be reduced to 20%. While the rate of 25% has been adopted as a matter of practice during all these many years in the past, I feel that to continue with this practice of granting the President the power to transfer 25% of a particular appropriation, is to negate, to the same extent of 25%, own authority and competence to legislate.

Senator AYTONA. The gentleman is correct that to the extent of 25% there is such an effect.

Senator ROXAS. At any rate, I intend to take this up during the period of amendments. In the meantime, Your Honor, I would like to go to Sec-

tion 5, this provision appearing in Section 5 beginning with Item 58. May we know what is the pleasure of the Committee with respect to Items 58 to 65?

Senator AYTONA. Item 58, Mr. President, to Item 65 are proposed to be deleted by the Committee, including Items 19, 54, 55, 56-a, and 58 to 65.

Senator ROXAS. This is already contained in the Committee report, Your Honor?

Senator AYTONA. Yes, Mr. President.

Senator ROXAS. Now, Your Honor, how about the new proviso in Section 6?

Senator AYTONA. We propose to delete the same, Mr. President.

Senator ROXAS. How about Section 13? May we know what is the pleasure of the Committee on the new proviso in Section 13?

Senator AYTONA. Mr. President, the Committee recommendation here is to restore the provision in Republic Act No. 5170.

Senator ROXAS. How about the new provision under Section 3, Your Honor?

Senator AYTONA. That would stay, Mr. President.

Senator ROXAS. The new provision will stay. In other words, we would be granting transportation allowance to the officers and officials listed therein.

Senator AYTONA. Yes, Mr. President.

Senator ROXAS. The new ones?

Senator AYTONA. These are not really new because the gentleman will remember that last year we deleted all of these although they were authorized the year previous.

Senator ROXAS. For example, Your Honor, the wording "the department Undersecretaries of Foreign Affairs, and officials of the same rank."

Senator AYTONA. This was a provision under Republic Act No. 5170, Mr. President.

Senator ROXAS. Well, I have no objection to the next line following that. How about the Assistant Executive Secretary?

Senator AYTONA. He is included in Republic Act No. 5170.

Senator ROXAS. And the last proviso — "heads of bureaus and services?"

Senator AYTONA. That is right, the same, Mr. President.

Senator ROXAS. Included?

Senator AYTONA. Yes, under Republic Act No. 5170.

Senator ROXAS. On page 1381, Section 15, what is the pleasure of the Committee on this new insertion?

Senator AYTONA. This, Mr. President, precisely, is also a restoration of the provision found in Republic Act No. 5170, and the Committee is not recommending its deletion. In other words, we sustain the amendment to this section.

Senator ROXAS. Your Honor, I have my grave doubts as to the wisdom of this new provision. As I pointed out in another instance last Saturday evening, we found the case of a government employee earning P12,000.00; and aside from the P12,000 he was earning he was still going to receive a per diem of P50 for every meeting of a particular board. Now, Your Honor saw the wisdom of the observation of your humble servant in that particular case and stated that he would look into the matter. But in this proviso under Section 15, we are going to grant too many public

officials not only a transportation allowance but even a representation allowance.

Senator AYTONA. Mr. President, the distinguished gentleman may present his amendment at the proper time and we will consider his proposal.

Senator ROXAS. For example, how many officials are involved by reason of this new insertion?

Senator AYTONA. Well, these are undersecretaries. But there are a few officials with the rank of Undersecretary. I just cannot recall any of them at the moment, Mr. President. But we will give Your Honor the information.

Senator ROXAS. Yes, Your Honor, because I am concerned with the fact that aside from their salary they will be receiving the sum of P100 for transportation per month and P200 for representation per month.

Now, in this connection, Your Honor, may I be informed as to whether the P200 representing representation allowance shall be computed on the basis of the income of the officials involved or not?

Senator AYTONA. I doubt it, Mr. President, because this is supposed to be a reimbursement in the discharge of their duties.

Senator ROXAS. I can understand that in some instances this may be necessary, considering the prices existing today, but to make blanket grant of this sum which is really very large to so many government officials, I think, would be violative of the principles embodied under the WAPCO plan.

At any rate, may I suggest to the distinguished chairman that the staff re-examine this particular proviso, gathering the data needed so that we may know exactly not only the number of officials involved but the amount of fund neces-

sary to cover the appropriation.

Now, on Section 24, would the distinguished sponsor consider further amendment regarding the Intelligence Fund?

Senator AYTONA. Well, we will consider every proposal, Mr. President.

Senator ROXAS. We shall present that proposal during the period of amendments.

Senator AYTONA. Thank you, Your Honor.

Senator ROXAS. How about Section 32 (a), Your Honor?

Senator AYTONA. Section 32 (a) is recommended for deletion, Mr. President.

Senator ROXAS. For deletion?

Senator AYTONA. Yes, Your Honor.

Senator ROXAS. May we know why, Your Honor?

Senator AYTONA. This is a new provision inserted by the House of Representatives and we are recommending its deletion.

Senator ROXAS. I think it is a wise provision.

Senator AYTONA. Well, then, we can retain it, Mr. President.

Senator ROXAS. Off hand, I feel that the provision inserted by the House of Representatives is wise in the sense that it insures the remittances for life and retirement insurances.

Senator AYTONA. We will retain it, Mr. President.

Senator ROXAS. Now, Your Honor, on the next page, page 1385, I find a new section which reads as follows:

"Except as otherwise provided in the appropria-

tions for their respective bureaus and offices, heads of offices may use the appropriations for "other services" for official entertainment purposes not exceeding the amount of P500 per annum."

This is again in addition to the representation allowance and the transportation allowance.

Senator AYTONA. What section, Your Honor?

Senator ROXAS. Section 42.

Senator AYTONA. We will also delete this, Mr. President. We are deleting this provision. The committee will delete this on its own initiative.

Senator ROXAS. How about Section 43, Your Honor? It reads:

"Employees in accounting and auditing offices may be paid additional compensation at such rates as may be approved by the President upon recommendation of the Auditor General and the Commissioner of the Budget, payable from fees paid by private companies for services rendered to them."

Senator AYTONA. We will also recommend deletion of this provision, Mr. President.

Senator ROXAS. This new section will be deleted, Your Honor?

Senator AYTONA. Section 43 (a) and Section (b) are already recommended for deletion, Your Honor.

Senator ROXAS. Section 43 (a) and Section 43 (b) are already recommended for deletion, Your Honor?

Senator AYTONA. Yes, Your Honor.

Senator ROXAS. Your Honor, I am very grateful for the indulgence of the distinguished sponsor, although may I merely state for the record that I would like to be given a little time to go over the data concerning the Calamity Fund and the Contingent Fund which have just been handed over to your humble servant. With this manifestation, Your Honor, I am ready to

yield to the next gentleman or lady who may wish to interpellate the distinguished sponsor.

The PRESIDENT. Are there no more interpellations?

Senator AYTONA. Mr. President, I move that we go to the period of amendments.

Senator PADILLA. Mr. President.

The PRESIDENT. The Minority Floor Leader.

Senator PADILLA. Mr. President, will the distinguished chairman of the Committee on Finance yield to some questions?

The PRESIDENT. The gentleman may yield if he so desires.

Senator AYTONA. Willingly, Mr. President, to the distinguished Minority Floor Leader.

Senator PADILLA. Your Honor, after your sponsorship speech, I had the privilege to start with my interpellations. That was just the beginning when I yielded the floor on subsequent sessions to other members of this Chamber.

Now, Mr. Sponsor, I was mentioning the borrowings that will have to be made to cover the excess of expenditures over the revenues. Last year the borrowings according to Your Honor's sponsorship speech was P237 million. This year the borrowings will be increased to P485 million. How does this administration propose to raise this fund of P485 million by way of borrowings?

Senator AYTONA. Well, there are various sources, Mr. President: (1) funds under Republic Act No. 1000; (2) the overdraft lines of the Central Bank under Section 95 of Republic Act No. 265, and (3) the treasury bills and other forms of indebtedness under Republic Act No. 245.

Senator PADILLA. The borrowings from the Central Bank, which are in the nature of advances, are resorted to only when there is a lack of cash funds in the Treasury to meet the ur-

gent requirements of the service, like the payment of salaries. I understand that these advances have to be repaid the following quarter.

Senator AYTONA. After the close of the fiscal year.

Senator PADILLA. It is not really intended as a permanent source of borrowings.

Senator AYTONA. That is correct, Mr. President.

Senator PADILLA. So, actually, the main source will be the domestic borrowings, under Republic Act 1000, as amended.

In raising these funds through borrowings, the intention is to have the bonds sold to and purchased by the people out of their savings. Is that not the principal basis and objective of bond issues?

Senator AYTONA. That is correct, Mr. President.

Senator PADILLA. But, actually, Mr. Sponsor, it seems that this primary objective has never been achieved. First, because the people do not have surplus savings with which to buy these government bonds. That is the main reason and there are other reasons, such as, that probably, whatever savings they may have they will need it for their own investments, in expanding their little business. Another reason is that perhaps they cannot wait too long for the Government to redeem their investments in these bonds even if a certain amount of interest which is free from taxes is guaranteed. Still another reason is that perhaps they do not have enough faith in the stability of the finances of the Government.

If these observations are true, Your Honor, is it not equally true that the bond issues are actually financed by government financing institutions, by commercial banking institutions which invest in these bonds because they form part of

their reserves and which may be discounted by the Central Bank?

Senator AYTONA. Yes, Mr. President, these are constrained in the bond market for government securities.

Senator PADILLA. In the final analysis, these bond issues are absorbed by the Central Bank which requires the issuance of additional paper issues to add to the circulation.

Senator AYTONA. Yes, Mr. President, to some extent, yes.

Senator PADILLA. And to that extent these bond issues have contributed to the inflationary trend that we have been witnessing.

Senator AYTONA. That is correct, Mr. President.

Senator PADILLA. In fact, many bills that have been filed and are being approved in this Chamber, including the increases of salaries, constitute a tacit admission of the disparity between the earning capacity of the employees and the rising cost of commodities, of essential goods necessary for the subsistence of the people.

Senator AYTONA. The trend, Mr. President, is: Every new issue of currency will naturally have an inflationary bias. However, if we look at the statistics of consumer prices, we will find out that the consumer prices have been stabilized. The latest report is to the effect that prices of many items have dropped, although prices specially in such items as rents have gone up. So that all of these are considered. There is still a slight increase in the cost of living.

Senator PADILLA. These are additional issues of money in circulation and, to be frank, the printing of new currency may be partially tempered if there are increases in goods and services.

Senator AYTONA. That is correct, Mr. President.

Senator PADILLA. But notwithstanding these statistics or the so-called Index of Consumers' Prices, the sad fact is that the spiralling of prices have been felt by every sector, including and specially the people of fixed income, the low-income group, and worst still, those who are unemployed and have no income whatsoever.

Senator AYTONA. What Your Honor said is true, except, as I pointed out from the latest statistics which we got hold of, that the figures show that the trend has been arrested somewhat.

Senator PADILLA. That arrest may only appear on paper. But actually the prices in the market have been felt very adversely by the average family heads. Incidentally, this has been one of the major issues against most administrations. These inflationary prices that have further increased during the Marcos administration will certainly be one of the electoral issues which the people, I think, will pass judgment on.

Now, my point is this: If these borrowings actually and in effect mean inflation through the printing of new currency, why do we increase the extent of these domestic borrowings instead of trying to decrease it? Last year it was enough with P237 million; now it will be worse — P485 million in domestic borrowings.

Senator AYTONA. Mr. President, I have here specifically the latest analysis or statistics on consumer prices, which was published in the *Manila Times* of April 25, 1969, entitled: "Rentals Raised, Food Prices Dip."

Now, as far as food is concerned, I read from this item:

"The considerable drop in the prices of food items is attributed to a decrease by 4.34 per cent of the prices of cereals including rice."

However, increase in house rentals was 3.04 per cent.

Senator PADILLA. That increase in rentals is

perhaps due, in great measure, to the increase in real estate taxes.

Senator AYTONA. So, with respect to these borrowings, Mr. President, at least, we can say that they have not induced a runaway inflation, but, on the contrary, the low-income families in Manila — those earning not more than P200 a month — were paying a centavo more during the past three months for the same amount of consumer items. So, there is a decrease.

Senator PADILLA. We do not know whether we can be guided by that single report.

Senator AYTONA. This is the analysis, Mr. President.

Senator PADILLA. Actually, one of the sad situations in this country is we never have any reliable statistics. Many statistics from different government offices are conflicting. We do not know the actual situation by way of percentages. But the fact — a fact which cannot be ignored — is that the people are suffering from high prices and rising prices, some say, spiraling prices. So, even if there be one report — I do not know who made that report which appears in one issue of the newspapers — there have also been other issues admitting — and which must be admitted — the fact of rising prices.

Senator AYTONA. Mr. President, I would like to say that I believe this report on stabilized prices, and I am not surprised because the same *Manila Times* on May 6, 1969 reported: "RP economy grows 6.4%" So, because of the wonderful performance of the economy this naturally follows.

Senator PADILLA. Wonderful performance on paper.

Senator AYTONA. Well, it is in the *Manila Times* paper, Mr. President. That is correct.

Senator PADILLA. But how can we believe the so-called remarkable performance of the economy when we cannot even raise revenues suf-

ficient to cover necessary expenditures, when we have to resort to borrowings and bond issues? That, in itself, I believe, is the incontrovertible argument that there is no such remarkable progress in our economy, because there are no revenues. The expenditures are increasing. The revenues, notwithstanding some tax measures, have always been way below the requirements for expenditures. Your Honor, these are fundamental principles that need our attention rather than go to one little item here and there. I believe that this real situation — that we must raise P485 million by way of domestic borrowings — is the only excuse or device to give an appearance of a balanced budget when, actually, the disbursements are far in excess of the estimated income which is certainly much less than the expected or actually collected income. Does not Your Honor believe that we should conduct some careful study and take appropriate steps to prevent the further need of resorting to borrowings in order to balance our budget?

Senator AYTONA. That is why, Mr. President, the Committee is recommending approval of Senate Bill No. 1093 which will minimize....

Senator PADILLA. That means increasing taxes again.

Senator AYTONA. No, no, no.

Senator PADILLA. Which one?

Senator AYTONA. This is Senate Bill No. 1093, recommended by the Committee on Finance — it is mentioned, Your Honor, in the last part of our sponsorship speech — it is mentioned, Your Honor, in the last part of our sponsorship speech — which will reduce the appropriations to a level commensurate with or equal to the estimated income in every fiscal year.

Senator PADILLA. Is this Senate Bill No. 1093, reference to which appears on page 19 of Your Honor's sponsorship speech?

Senator AYTONA. Yes, Mr. President.

Senator PADILLA. It provides that all balances of appropriations which would not be released as of June 30, 1969 due to lack of funds shall be deemed rescinded or repealed. Now, this bill will only reduce or eliminate these continuing unprogrammed appropriations.

Senator AYTONA. The excess appropriations — because, Your Honor, that is the elbow room which enables the government to borrow funds. If there are no excess appropriations over estimated income, then they will not be able to incur such a large indebtedness.

Senator PADILLA. But, Your Honor, in respect to many of these appropriations or authorities to appropriate, we have been passing very many of them when we know that there is no money in the public treasury. Not only no money now, but no money in the future. These different appropriations, especially bills that would transfer the tax burden from the city or province to the national funds and there are many of them, are not really the bases for domestic borrowings, because if they are not programmed or if they have not been included in the budget — and many of them have not been, I believe....

Senator AYTONA. Yes, but they can always be programmed, Mr. President. That is why this bill, Senate No. 1093, will limit the appropriations to the estimated income.

Senator PADILLA. I am in full accord with that bill, Your Honor.

Senator AYTONA. So that if it turns up that the estimated income is not fully realized, let us say, P50 million or P60 million, then that will be the only amount of borrowing possible. That is why, Your Honor, the Committee is very strong in recommending the approval of this bill.

Senator PADILLA. We are in full accord with that objective. Your Honor, one more evil un-

der the present system is that we appropriate and appropriate, knowing that the funds are inadequate — and so we leave to the Budget Commissioner and the President the discretion....

Senator AYTONA. Correct, Your Honor.

Senator PADILLA. as to which item is to be implemented and what part of the available funds is to be released. And that has placed Congress, which is the appropriating department of the government, under the mercy of the Executive.

Senator AYTONA. That is the reason for Senate Bill No. 1093.

Senator PADILLA. I fully agree with that, Your Honor, because we should only appropriate within the limits of our financial capacity. Many times we are fooling our people by appropriating funds when we are certain that there are no funds to support those appropriations and when there are various kinds of appropriations, then the President chooses to implement the items that are of his own choice with a great deal of partisan color. And, Your Honor, even as to this P100 million, we have no funds for it, and we fought its approval unless safeguards were provided for its proper application and release. Many other items authorized by law, if no funds were actually appropriated by Congress, have not been implemented nor the funds therefor released. So, why did not Your Honor press this administration or rather this Congress to consider and make effective as a law this bill that will actually balance our budget and reduce to the minimum the need for domestic borrowings?

Senator AYTONA. Mr. President, I have pressed Your Honor and I am still pressing and I will not stop until this bill is approved.

Senator PADILLA. Has Your Honor's bill been certified by the President?

Senator AYTONA. I have not asked for the

certification, Mr. President, but I have the assurance of the Majority Floor Leader that at any time he is willing to call this bill.

Senator PADILLA. But I believe the President will not like that bill because it will reduce his powers or rather his discretion.

Senator AYTONA. Well, I am not as pessimistic as Your Honor. I think that the President will like this bill because that will relieve him of....

Senator PADILLA. Why don't we apply the principles underlying Your Honor's bill in the consideration of this budget?

Senator AYTONA. Well, to the extent possible and practicable, Your Honor, we have done so, but there are always limitations and we face these limitations.

Senator PADILLA. But I am alarmed, Your Honor, by this increase in our domestic borrowing.

Senator AYTONA. Well, this increase in borrowing should not worry our distinguished Minority Floor Leader because, as I have pointed out, the reports belie any fears of run-away inflation and the spiralling of prices. So, at least, I am glad that in spite of the fact that we have this big borrowing this year, it did not induce a run-away inflation nor a spiralling of prices.

Senator PADILLA. Maybe not exactly run-away inflation but definitely a clear indication of inflation on the march.

Senator AYTONA. One centavo according to the report.

Senator PADILLA. There is a saying: "*Contra factum non valet argumentum.*"

Senator AYTONA. *Hindi ko rin naiintindihan iyon.*

Senator PADILLA. We can be saying that there is no inflation, there is no rising of prices but

only one per cent, and we can try to make reference to a report appearing in one issue of the paper and, perhaps, one set of statistics in one government office. But all these are idle excuses or futile arguments that cannot deny the fact—the fact of rising prices, the fact that the income of most people, particularly the low-salaried, is getting less and less adequate to meet their normal ordinary requirements because of high prices and low income. In other words, the earnings of the people have not and cannot keep pace with the rise of prices, and the basic reason for this rising prices is these domestic borrowings which are inflationary.

Senator AYTONA. Well, Mr. President, I must admit that I have also read statements in the press and even in magazines, weeklies, about rising prices, about economic stagnation and generally, Mr. President, they come from the critics of the administration, from opposition quarters. But my statements, Mr. President, are based on articles made by persons who are impartial, and I consider this as an objective analysis.

Senator PADILLA. We cannot deny our increasing public debts which Your Honor mentioned correctly, although, without figures in your sponsorship speech.

Senator AYTONA. That is right, Mr. President.

Senator PADILLA. Now, Your Honor on page 12 of your sponsorship speech there is the staggering amount of P8,436 million which means P8.4 billion as continuing appropriation.

Senator AYTONA. Yes, Mr. President.

Senator PADILLA. I suppose these are the many bills that we are forced to consider where, although, there is no actual appropriation, there is authority to appropriate.

Senator AYTONA. These are actual appropriations only. These are apart from the authority to appropriate.

Senator PADILLA. Now, if we compute these bills that provide for authority to appropriate, I suppose there will be even double these amounts.

Senator AYTONA. We did not make that computation, Your Honor, because probably this will enable us to reach the moon.

Senator PADILLA. Even the astronauts reach the moon. These items authorized by bills with authority to appropriate will be staggering. Now, why do we continue fooling the people including ourselves and also the members of Congress....

Senator AYTONA. That is why, Your Honor..

Senator PADILLA. that the National Government would fund, with authority to appropriate, certain schools, hospitals, pilot services, in many of the different municipalities when even perhaps for the next decade or so, we may not have the funds to cover these projects?

Senator AYTONA. That is the reason, Mr. President, why we propose to stop that practice and Senate Bill 1093 will do it.

Senator PADILLA. And this amount of P8.4 billion are continuing appropriations, not only authorized appropriation, but actually appropriated.

Senator AYTONA. Correct.

Senator PADILLA. Many of these I suppose are under past public works bills or appropriations during the last many years which have been continued but have never been implemented because of lack of funds.

Senator AYTONA. Very correct, Mr. President.

Senator PADILLA. Now, on this same page, Your Honor, in broken down funds, the last fund is the bond fund which appears as P3,304 million or P3.3 billion. What will this bond fund be, Your Honor? Will they cover all the borrowings?

Senator AYTONA. Yes, this is Republic Act

1000 — remember we approved here \$50 million. We also approved the foreign borrowing project. All of them.

Senator PADILLA. But if I recall correctly, I maybe mistaken, as regards the original law authorizing bond issues by way of domestic borrowings, the limit was P1 billion, and then under the new Republic Act which we approved over the objection of the Opposition, I think the limit was increased to P2 billion. So, the limit of P1 billion was doubled in that amendatory law. Now, Your Honor, if that is the limit, P2 billion, well, it would seem that these bond funds here have gone beyond the limits provided for by law. Is that correct?

Senator AYTONA. That is correct, Your Honor.

Senator PADILLA. So, we have been violating that Republic Act 1000 or 1100.

Senator AYTONA. One thousand.

Senator PADILLA. One thousand. And the amendatory law, Act No. 4860.

Senator AYTONA. But let us put it this way Your Honor. The domestic bond issue limit is P2 million, but the appropriations authorized, already approved, exceeded that bond issue limit. Therefore, it is not possible for the President to implement all of these because of that borrowing limit. The President has to be restricted. He cannot go beyond the P2 billion borrowing limit.

Senator PADILLA. So, Your Honor, this bond fund of P3.3 billion is not actually bond issues already issued.

Senator AYTONA. No, Mr. President.

Senator PADILLA. These are the...

Senator AYTONA. Appropriations from the proceeds of bonds.

Senator PADILLA. Appropriations. Actually,

even if we increase the bond ceiling from P1 to P2 billion, the bond market, even if so absorbed by the government financial institutions and the commercial banks, or, we might say, the Central Bank, would not really be able to absorb this increase in the bond issue.

Senator AYTONA. Yes, that is true, Mr. President. And I am glad to state here that the President has been very prudent, and as a matter of fact, up to now the additional borrowing limit of P1 billion has not been utilized at all. We are still in the first P1 billion.

Senator PADILLA. Well, I do not know if that is prudent or that is just because the people who should otherwise buy bonds are not in a position to do so.

Senator AYTONA. Well, prudent, Mr. President, in the sense that President Marcos does not force or compel to buy this bond.

Senator PADILLA. But there are no savings or funds available to the people with which to purchase this bond.

Senator AYTONA. Because, Mr. President, an imprudent President can easily pressure these financial institutions to absorb these bonds initially and then transfer them to the portfolio of the Central Bank. That would be imprudent.

Senator PADILLA. That would be run-away inflation!

Senator AYTONA. Yes, and President Marcos did not do that. That is what I meant by being prudent.

Senator PADILLA. We will become a banana republic if we dump into the currency all these new printed currencies. That would not be only inflationary, it will destroy our currency.

Senator AYTONA. Correct.

Senator PADILLA. It will wreck our economy

and we will go back to the time of the Japanese Occupation where you need a *bayong* of money to buy a ganta of rice. Now, Your Honor, I have noticed in the budget some new insertions which indicate that they will be programmed. I think there are a number because I jotted them down for purposes of discussion.

Senator AYTONA. With respect to that, Your Honor, the distinguished gentleman from Capiz and your Committee are agreed to delete all of those new provisions. We are deleting all of them.

Senator PADILLA. But, perhaps, some essential expenditures will really be classed as programmed, otherwise we will leave them again to the discretion of the President whether they shall be programmed, and therefore available for release, or unprogrammed and therefore subject to future appropriation but without any hope of implementation.

Senator AYTONA. Well, that would constitute an amendment to the proposed amendment, Mr. President. We will also consider that.

Senator PADILLA. Now, sometime ago, Your Honor, there was the Budget A or Budget B. The way I recall it, Budget A contains the most essential expenditures in the form of services and improvements. So that those programmed under Budget A would be implemented and the funds therefor released since it is expected that the appropriation in that Budget A would be covered by available revenues or income. And Budget B was supposed to be the appropriations for good services and good improvements, but which are expected not to be covered by the ordinary collections.

Senator AYTONA. But from revenue measures appended to the budget.

Senator PADILLA. Would you say, Your Honor, that Budget A covers the items that are programmed and those under Budget B, although

included in the budget, are unprogrammed?

Senator AYTONA. Not necessarily, Your Honor. The former Budget A and Budget B are in accordance with the provisions of the Budget Act. The Budget Act provides that the appropriations to be proposed by the President should be supported by the existing sources of revenues; that if the President appropriates beyond the sources of revenues, then the President is required to append to the budget revenue measures from which funds would be derived to finance the additional appropriations in that Budget B.

Senator PADILLA. But that practice has been discontinued because it has never been realized.

Senator AYTONA. The Budget B practice was discontinued because apparently Congress felt slighted that the estimated revenues from proposed sources or revenue bills are already included in the budget. While this is sort of taking Congress for granted, actually that is the provision of the Budget Act.

Senator PADILLA. We have been passing several measures providing for special funds or containing specific provisions that earmark a certain percentage of a tax for a particular purpose. In Your Honor's opinion, is this sound budgeting?

Senator AYTONA. As a general principle, no. Except for highways, the highway special fund, port works fund, which can be justified, as a general principle, no, it is not.

Senator PADILLA. Such practice would really take away from Congress, unless the law is subsequently repealed, the sole prerogative of appropriating funds to be embodied in the Annual Appropriation Act.

Senator AYTONA. That is right, Your Honor.

Senator PADILLA. Such a practice makes automatic the segregation of a portion of the funds that should accrue to the general fund for some

preferred special purposes. If that is not exactly good budgeting practice, at least, as a general principle, why have we been adopting practically in every new or additional tax measures this concept of special fund?

Senator AYTONA. Well, Mr. President, I only remember the Special Education Fund and the Special Science Fund. Those are the only two additional special funds we approved last year, I believe.

Senator PADILLA. Like this PTTA and others where a particular share of the Internal Revenue taxes due from certain industries, say, the tobacco industry, is immediately earmarked for a particular purpose.

Senator AYTONA. That is not sound, Mr. President.

Senator PADILLA. But that has been continued in this budget.

Senator AYTONA. No, not in this budget.

Senator PADILLA. Here we also have general fund, special fund, reparation fund, trust fund, and then you have the bond fund.

Senator AYTONA. Well, Mr. President, since they are already in the law we have no more choice in this budget but to recognize them as such.

Senator PADILLA. Would Your Honor's proposed bill also remedy such a situation?

Senator AYTONA. This is just the general fund, Mr. President.

Senator PADILLA. General fund.

Senator AYTONA. Yes, Mr. President.

Senator PADILLA. Now, Your Honor's sponsorship speech mentions that your committee took care of the cut in the unprogrammed portion of

the recommended appropriation. This appears on page 15. Now, the items covered by this unprogrammed portion are really not available for implementation.

Senator AYTONA. Yes, Mr. President.

Senator PADILLA. So, the cutting of this unprogrammed appropriation would be only a cut on paper. What is important is to cut, whenever possible, without sacrificing the common welfare, essential services and necessary improvements, the programmed appropriation. Am I correct, Your Honor, or not?

Senator AYTONA. Well, Mr. President, given those premises, the distinguished Minority Floor Leader is correct. But, Mr. President, we have not been able to do that. As a matter of fact, we have even allowed some unprogrammed appropriations to remain in the committee recommendation simply because their elimination would really affect public interest, or their elimination would be in violation of existing laws, such as, Mr. President, the appropriation for the conversion of schools to national schools, the establishment of hospitals in many, many places. Mr. President, if we recommend the delegation of those items because they are unprogrammed we would be violating the law. So, we allowed them to remain.

Senator PADILLA. Those are the Republic Acts that provided for actual appropriations.

Senator AYTONA. Yes.

Senator PADILLA. But not those that are mere authority to appropriate.

Senator AYTONA. Some of them are authority to appropriate but they are mandatory. The law provides that the sum needed for the operation of this hospital shall be included in the General Appropriation Act. We have to follow that.

Senator PADILLA. We have to include them.

Senator AYTONA. Yes. And even the amounts

are already determined.

Senator PADILLA. Are these programmed?

Senator AYTONA. No, unprogrammed.

Senator PADILLA. There is no chance whatever out of the resources of the government for any such unprogrammed appropriation to be implemented.

Senator AYTONA. Well, the hope, Mr. President, is when the administration will be able to exceed the estimated income and when that materializes, then some of these unprogrammed appropriations can be covered.

Senator PADILLA. Out of the several appropriations of the same nature, say, for example, hospitals ...

Senator AYTONA. Breeding stations....

Senator PADILLA. Breeding stations, nationalization of our schools, and the President, through the Budget Commissioner, may actually release one item and refuse the release of other items although of the same nature. That is the situation where the legislative department has become subordinate to the executive department.

Senator AYTONA. By our own thinking, Mr. President.

Senator PADILLA. Instead of being a co-equal department, a member of Congress seeking enforcement of the law or implementation of an Act has to beg from Malacañang and make representations with the Budget Commissioner who gives preference to one item and discriminates against the others.

Senator AYTONA. Yes, because we have created the situation.

Senator PADILLA. And, in effect, it is the opposition members of Congress, the municipalities where the mayors are Liberal and other contemporaries in current circumstances which become

the distinguishing, if not the guiding standard, for either the release or non-release of these appropriations.

Senator AYTONA. Well, many times, Mr. President, that is our complaint against the President. He prefers more the Liberals than the Nacionalistas.

Senator PADILLA. I have not heard yet of any such instance.

Senator AYTONA. Yes, Mr. President.

Senator PADILLA. The consistent complaint of the loyal oppositionists is that the people's welfare is being sacrificed because it is not the mayor who happens to be a Liberal that is adversely affected by the denial or refusal to release but the municipality and, therefore, the residents thereof.

Senator AYTONA. Mr. President, I will give a specific example. The Nacionalista mayor of Iriga City is complaining that the President gave prefabs to Naga City where the mayor is a Liberal but nothing to Iriga City. But the President said, "Public welfare demands that we should give to Naga City. You wait." So we just have to accept the decision of the President favoring the Liberals against the Nacionalistas because the President claims it is for public welfare. Surrender *na kami*.

Senator PADILLA. I think the reason is politics.

Senator AYTONA. But the mayor there is a Liberal.

Senator PADILLA. Yes. According to the President of the Liberal Party, maybe he is trying to court or win the Liberal mayor to become a Nacionalista. But I do not believe he will succeed in that.

Senator AYTONA. I do not believe so also.

Senator PADILLA. In fact, a few Liberal mayors who have stood fast in their political affiliation have always been refused any release. Oftentimes, they are reminded that if they raise their right hands and change their political affiliation and become Nacionalistas, the municipality will be rewarded with releases of funds. The trouble with that kind of political expediency is that not only is the right hand raised but the other hand too so that there will be a complete surrender which is not only against the fundamental principle of budgeting but also against the two-party system and the greater interest of a working democracy in this country.

Senator AYTONA. Now, Mr. President, in Camarines Sur we have there eight Liberal Party mayors. They were given by the President releases of funds amounting to P10,000 each. Our Nacionalista Party chairmen are complaining. But the President told them, "You should not complain because this is good for the people of the municipalities. I am giving this not because the mayors are Liberals but for the immediate need of the people of these municipalities." So you see? President Marcos is not politicking in this budget. If the people need something he gives. Up to now the Nacionalista Party chairmen are complaining. But what can they do when the President says, "That is needed by the people?" And not one of them has been asked to affiliate with the Nacionalista Party. That is our complaint, the complaint of the Nacionalista Party chairmen in these municipalities. They told the President, "Mr. President, you can give them provided you make them affiliate first with the Nacionalista Party." But the President said, "No. Never mind their affiliation. This is for the people."

Senator PADILLA. I have never heard the President say that.

Senator AYTONA. I heard the President say that.

Senator PADILLA. That has never been pu-

blished in the papers. I have never read it.

Senator AYTONA. Yes, but I heard him say that. I was present when that happened.

Senator PADILLA. I think the distinguished chairman of the Finance Committee who is the Nacionalista boss in Bicol has a very fertile imagination.

Senator AYTONA. No, no, Mr. President. That is true. You can even ask the Liberal Party mayors, eight of them, in Camarines Sur. I was present when this happened.

Senator PADILLA. Your Honor, the Bicol region, like many other regions, will vote against the President. That is probably the reason why he is trying to court some of the Liberal Party elements. Anyway that is a digression.

Your Honor mentioned that there being appropriations by Congress, not only authorities to appropriate but actual appropriations, which under these various bills that we have to prove provide for their inclusion in the next appropriation Act, therefore, the President or the Finance Committee has to include them in the budget, otherwise there may be some technical violation of the law.

Senator AYTONA. Yes.

Senator PADILLA. These are, therefore, the appropriations which are supported by what we might call enabling Acts.

Senator AYTONA. Yes. That is correct, Mr. President.

Senator PADILLA. But there are many more appropriations in this budget and in bigger amounts at that which the President insists in including without any enabling Act of Congress.

Senator AYTONA. Because, Mr. President, the enabling Act is not necessary.

Senator PADILLA. But you have to give preference to appropriations with enabling Act. One

such item is the so-called press or information office, the National Production Center. Your Honor, I recall that there was a bill many years ago, during the time yet of President Garcia, providing for a P3-million appropriation for these purposes. Even the Nacionalista members of the Senate at that time did not give it any support whatsoever. On the contrary, there was opposition. So that bill was never approved by Congress; it never became a Republic act. It never had any support of an enabling act of Congress. But the President, against what Your Honor called normal commitments to comply with the law, has disregarded the sentiment and without the benefit of any law he has taken advantage of the budget by including these items, which have even increased the amount that was originally intended. These were the items that we have discussed in previous sessions when we had consistently and vigorously objected. These are tremendous public funds that are being misused, that are being used for the image building of Malacañang and image building of the President and the First Lady.

Now, does not Your Honor believe that the real intention of the President is not to pay deference to the appropriations made by Congress, that he is following the same standard of including huge appropriations under the Office of the President even without any enabling act of Congress. The budget has become an instrument of the President, without any prior authority of Congress. Of course, when we are compelled to approve the budget, then that is considered as the authority for such appropriations.

Mr. President, the appropriation for the National Broadcasting Company has never exceeded P500,000, but the Public Information Office, page 40 of the budget, has an appropriation of P4,966,250. On page 42, the National Media Production Center has an appropriation of P3,714,408.

Now, if the excuse, Mr. President, is that it is necessary to give information to our people as

to the doings of their Government and of the incumbent administration, we can hardly understand why the Government radio station, the Philippine Broadcasting Company, has a consistently reduced appropriation of P500,000, page 49 of the budget, whereas, this new instrument of Malacañang carries an appropriation of P8.6 billion; that is 17 times the appropriation of the Philippine Broadcasting Company.

Does not Your Honor believe that amidst our poverty, amidst the accepted incapacity of the Government finances to support these huge disbursements there should be fiscal restraint, particularly on these two items under the Office of the President?

Senator AYTONA. Mr. President, the Committee has precisely applied fiscal restraint here.

Senator PADILLA. But it is a slight reduction only.

Senator AYTONA. We have recommended that the Public Information Office should have an appropriation the same as the 1969 level of P1,151,842. We pegged it to that amount, P1,151,842.

Senator PADILLA. What is the recommendation for the National Media Production Center?

Senator AYTONA. For the National Media Production Center, Mr. President, *(The Staff looked for the papers.)*

Senator PADILLA. Mr. President, I understand that we have dinner at eight o'clock. I would not want to impose any further on the distinguished Chairman nor on the Members of this Chamber.

The PRESIDENT. What is the proposal of the Minority Floor Leader?

Senator PADILLA. I cannot premise my motion....

Senator TOLENTINO. Mr. President.

Senator AYTONA. May I just answer that last question of the distinguished Minority Floor Leader, Mr. President. The Committee also limited the National Media Production Center to the present appropriation of P3,714,400.

Senator PADILLA. That is very big.

SUSPENSION OF THE SESSION

Senator TOLENTINO. Mr. President, with the permission of the distinguished sponsor and the distinguished Minority Floor Leader, I move that we suspend the session for a few minutes.

The PRESIDENT. The session is suspended for a few minutes if there is no objection. *(There was none.)*

It was 7:58 p.m.

RESUMPTION OF THE SESSION

At 10:20 p.m., the session was resumed with the President of the Senate, Honorable Gil J. Puyat, presiding.

The PRESIDENT. The session is resumed.

APPOINTMENT OF CONFERENCE COMMITTEES

Senator TOLENTINO. Mr. President, the Senate has approved Senate Bill No. 987 and the House has approved House Bill No. 18601. Both of these bills refer to the same subject-matter, and that is, to create a maritime lien in favor of mortgages on vessels when the mortgage is secured to purchase or construct the vessel. In order to reconcile the disagreeing provisions on the two bills, I move that we ask for a conference with the House and appoint as members of our conference committee Senators Antonino, Benitez and Ziga.

The PRESIDENT. Is there any objection?

(Silence.) The chair hears none. The motion is carried.

Senator TOLENTINO. Mr. President, we have received a message from the House informing us that it has passed House Bill No. 123 regulating the collection of fees and contributions by public and private educational institutions, and the Senate having passed Senate Bill 815 on a similar subject, they request a conference. I move that we agree to the request for a conference and appoint us members of our conference committee Senators Kalaw, Ganzon and Ziga.

The PRESIDENT. Any objection? *(Silence.)* There being none, the motion is carried.

APPROVAL OF CONFERENCE COMMITTEE REPORTS

Senator TOLENTINO. Mr. President, the Conference Committee on the disagreeing provisions of House Bill No. 18623 and Senate Bill No. 511 with respect to the practice of physical therapy in the Philippines has already come to an agreement and recommends that the House version be adopted with a couple of amendments. I move that the conference report be approved, Mr. President.

The PRESIDENT. Any objection? *(Silence.)* There being none, the conference report is approved.

(Full text of the Conference Committee Report on House Bill No. 18623 and Senate Bill No. 511 as approved.)

CONFERENCE REPORT

The Conference Committee on the disagreeing provisions of the two measures, viz:

House Bill No. 18623, entitled:

AN ACT CREATING THE BOARD OF EXAMINERS FOR PHYSICAL THERAPISTS AND OCCUPATIONAL THERAPISTS.

and Senate Bill No. 511, entitled:

AN ACT REGULATING THE PRACTICE OF PHYSICAL THERAPY IN THE PHILIPPINES AND FOR OTHER PURPOSES,

after having met and fully discussed the subject matter in the conference, has come to an agreement, and the conferees hereby recommend to their respective Houses the following:

That H. No. 18623 be adopted with the following amendments:

1. On Section 13, page 11, insert the following provision to read as follows:
 - (c) All Physical Therapist who are already in the government service who became eligible by virtue of the testimonial examination given by the Civil Service Commission on December 29, 1967 in the City of Manila.
2. On page 20, delete Sections 26 and 27 and renumber the sections accordingly.

Conferees on the part of the Senate:

- (SGD.) Rodolfo T. Ganzon
 RODOLFO T. GANZON
- (SGD.) Magnolia W. Antonino
 MAGNOLIA W. ANTONINO
- (SGD.) Tecla San Andres Ziga
 TECLA SAN ANDRES ZIGA

Conferees on the part of the House

- (SGD.) Jose D. Moreno
 JOSE D. MORENO
- (SGD.) Ricardo Y. Ladrigo
 RICARDO Y. LADRIGO
- (SGD.) Olegario B. Cantos
 OLEGARIO B. CANTOS

Senator TOLENTINO. Mr. President, the Conference Committee on the disagreeing provisions of Senate Bill No. 881 and House Bill No. 18944 establishing the Bicol University has already come to an agreement and submitted a report that Senate Bill No. 881 and House Bill No. 18944

be consolidated, with Senators Aytona and Ziga and Congressmen Alberto, Pajarillo and Fuentebella and the Committee on Education of the House of Representatives as authors and that the consolidated bill attached to the report be approved. The report is signed by all conferees on the part of the House as well as on the part of the Senate. I move that the conference report be approved.

The PRESIDENT. Any objection? *(Silence.)* There being none, the conference report is approved.

(Full text of the Conference Committee Report on Senate Bill No. 881 and House Bill No. 18944 as approved)

The Conference Committee on the disagreeing provisions of the two measures, viz:

Senate Bill No. 881, entitled:

AN ACT ESTABLISHING THE BICOL UNIVERSITY, DEFINING ITS POWERS, FUNCTIONS AND DUTIES, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES.

and House bill No. 18944, entitled:

AN ACT ESTABLISHING THE BICOL UNIVERSITY, DEFINING ITS POWERS, FUNCTIONS AND DUTIES, APPROPRIATING FUNDS THEREFOR. AND OTHER PURPOSES.

after having met and fully discussed the subject matter in the conference, has come to agreement, and the conferees hereby recommend to their respective Houses the following:

THAT S. NO. 881 and H. No. 18944 BE CONSOLIDATED, WITH SENATORS AYTONA AND ZIGA AND CONGRESSMEN IMPERIAL, ALBERTO, PAJARILLO, AND FUENTEBELLA, AND THE COMMITTEE ON EDUCATION OF THE HOUSE OF REPRESENTATIVES, AS AUTHORS, AND THAT THE ATTACHED CONSOLIDATED BILL BE APPROVED.

Conferees on the Part of the Senate

- (SGD.) D. AYTONA
- (SGD.) SALVADOR H. LAUREL

(SGD.) TECLA SAN ANDRES ZIGA

Conferees on the part of the House

(SGD.) JOSE ALBERTO

(SGD.) CARLOS IMPERIAL

(SGD.) RAMON FELIPE, JR.

(Full text of the consolidated bill on S.B. No. 188 and H.B. No. 18944 attached to the conference report.)

AN ACT ESTABLISHING THE BICOL UNIVERSITY, DEFINING ITS POWERS, FUNCTIONS AND DUTIES, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Establishment. — There is hereby established in the Province of Albay with a central site and administration office at Regan Barracks, Legazpi City and Municipality of Daraga, a university which shall be known as "the Bicol University", the same being organized as a body corporate under that name.

SEC. 2. Conversion. — The Bicol Teachers College, the Daraga Central Elementary School, the Albay Provincial High School, the Bicol Regional School of Arts and Trades, the Roxas Memorial Agricultural School, and the School of Fisheries at Tabaco, Albay, are hereby converted into appropriate or other units of the University. The Board of Regents may reorganize them as provided for in Section 6 (o) hereof.

SEC. 3. Purpose. — The Bicol University shall primarily give professional and technical training, and provide advanced and specialized instruction in literature, philosophy, the science and arts, besides providing for the promotion of scientific and technological researches.

SEC. 4. Powers of the University. — The following are the powers of the University:

a) It shall have the general powers as set forth in Section 13 of Act No. 1459, as amended. The exercise of its corporate powers are hereby vested exclusively in the Board of Regents and in the Pres-

ident of the University in so far as authorized by the Board;

b) It shall have the power to acquire public lands for its expansion and/or beneficial use; and

c) It shall be authorized, through its college of engineering, to undertake the construction of its buildings and other permanent improvements and such sums as may be necessary for the purpose shall be included in the annual General Appropriations Act for the University. All public works appropriations in the name of Bicol Teachers College, the Daraga Central Elementary School, the Albay Provincial High School, the Bicol Regional School of Arts and Trades, the Roxas Memorial Agricultural School, and the School of Fisheries are hereby transferred to the University so provided for in this Act: *Provided*, That the construction of its buildings and other permanent improvements as authorized in the Public Works Acts of the Government shall be undertaken by the college of engineering as herein provided, any provision of existing laws to the contrary notwithstanding.

SEC. 5. Governing Board; manner of appointment. — The government of the Bicol University is vested in a Board of Regents which shall be composed of nine members, six of whom are regular members and three are *ex-officio* members. The regular members must be Filipino citizens and residents of the Philippines, two of whom shall be known educators in or from the Bicol Region, two shall be successful businessmen or industrialists or professionals of the Region who have shown and are showing interest in the cause of education in the region, and two shall be successful alumni of any of the school or college to be incorporated with and integrated into the University upon recommendation of their respective alumni association, and who will be replaced in due time, when available, by successful alumni of the University and upon recommendation by their alumni Association when this shall have been organized. The three *ex-officio* members shall be the Secretary of Education, who shall be the *ex-officio* Chairman of the Board, the Chairman of the Committee on Finance of the Senate and the Chairman of the Committee on Appropriations of the House of Representatives.

The regular members of the Board of Regents

who shall serve a term of four years, shall be appointed by the President of the Philippines, with the consent of the Commission on Appointments. Of the six regular members of the Board of Regents to be first appointed as above provided, the President of the Philippines shall designate two to serve for two years, two to serve for three years and two to serve for four years.

In the absence or inability of the Secretary of Education or when the position is vacant, the other members of the Board shall elect from among themselves a temporary chairman who shall act as Chairman. In case of a vacancy in the regular membership of the Board, the President of the Philippines shall, with the consent of the Commission on Appointments, appoint a new member to serve for the unexpired term only.

No person in the employ of the University or any other educational institution in the Region in any capacity whatsoever, whether as dean, professor, instructor, lecturer or otherwise, shall be eligible for membership in the Board.

The regular members of the Board of Regents shall receive each for every board meeting attended a per diem of one hundred pesos: *Provided*, That in no case shall the total amount received by each exceed the sum of three hundred pesos for any one month. Besides the *per diem*, they, together with the *ex-Officio* members shall be reimbursed for actual but necessary expenses incurred in attendance upon meetings of the Board or upon performing other official business authorized by resolution of the Board.

Sec. 6. Powers and duties of the Board of Regents. — The Board of Regents shall have the following powers and duties, in addition to its general powers of administration and the exercise of the powers of the corporation:

a) To determine and fix the dates and time of their regular meetings, as well as special meetings as the need for same may arise: *Provided*, That all such meetings shall not be more than three times in any one month, nor less than one time in any one quarter;

b) To recommend the President of the University for appointment by the President of the Phil-

ippines with the consent of the Commission on Appointments, and who shall serve for a period of nine years;

c) To fix the compensation of the President of the University and to empower him to sit as *ex-officio* member of the Board with right to participate in the deliberations but without the right to vote;

d) To receive and appropriate to the ends specified by law such sums as may be provided by law for the support of the University;

e) To provide for the establishment of colleges and schools as it may deem necessary: *Provided*, That at the initial establishment of the university, the Bicol Teachers College together with the Daraga Central Elementary School and the Albay Provincial High School shall be converted into the College of Education for elementary, high school and collegiate education; the Bicol Regional School of Arts and Trades into the School of Arts and Trades under the College of Engineering; the Roxas Memorial Agricultural School into the College of Agriculture, and the School of Fisheries into the College of Fisheries. It shall be required that the Board of Regents immediately establish a post-graduate course in liberal arts and sciences or in education leading to master's degree. The university shall also be required to possess and maintain a professionally administered library of at least ten thousand bound volumes of collegiate books;

f) To receive in trust legacies, gifts, and donations of real and personal property of all kinds and to administer the same for the benefit of the University or of a department thereof, or for aid to any student or students in accordance with the direction or instructions of the donor, and/or in default thereof, in such manner as the Board may in its discretion determine; all such donations shall be exempt from the income tax of the donors; to import duty free commodities for educational purposes as an exception to existing laws;

g) To appoint, on the recommendation of the President of the University, professors, instructors, lecturers and other employees of the University; to fix their compensation, hours of service, and such other duties and conditions as it may deem proper; to grant to them in its discretion leave of absence under such regulations as it may promulgate,

any provisions of law to the contrary notwithstanding, and to remove them for cause after an investigation and hearing shall have been had; and to extend with their consent the tenure of faculty members of the university beyond the age of sixty-five, any other provisions of law to the contrary notwithstanding, on recommendation of the President of the University, whenever in his opinion their services are specially need: *Provided, however,* That no extension of service shall be made beyond the age of seventy: *Provided, further,* That all heads, professors, instructors, lecturers, researchers and other employees actually employed in the schools and colleges to be incorporated with and integrated into the university shall be automatically retained consistent with the Civil Service rules and regulations;

h) To approve the courses of study and rules of discipline drawn up by the university council as hereinafter provided; to fix the required tuition fees, matriculation fees, fees, for laboratory courses, graduation fees, and all special and other fees; to remit the same in special cases; and, to utilize the income derived therefrom for the maintenance of the university together with the annual appropriation provided for in Section 10 hereof;

i) To provide fellowships and scholarships and to award the same to students showing special evidence of merit;

j) To establish chairs in the colleges hereinbefore mentioned and to provide for the maintenance or endowment of such chairs, as well as to provide for such other professors, assistant professors, instructors, tutors, and lecturers as the progress of instruction may make necessary, and to fix the compensation pertaining to such positions;

k) To confer the usual honorary degrees upon persons other than graduates of the university in recognition of learning, statesmanship, or eminence in literature, science, or arts: *Provided,* That such degrees shall not be conferred in consideration of the payment of money or other valuable consideration; and

l) To file with the President of the Philippines a detailed report, setting forth the progress, conditions and needs of the university on or before the fifteenth day of September of each year.

SEC. 7. *Quorum.* — A quorum of the Board of Regents shall consist of a majority of all the members holding office at the time the meeting of the Board is called. All processes against the Board of Regents shall be served on the chairman or secretary thereof.

SEC. 8. *Administration.* — The Administration of the University shall be vested in the President of the University who shall render full time service.

The President of the University shall be assisted by three vice-presidents; one Executive Vice-President, one Vice-President for Academic Affairs and one Vice-President for External Affairs, who shall be appointed by the Board of Regents upon the recommendation of the President of the University and whose compensation shall be fixed by the

SEC. 9. *Powers of the President.* — The powers and duties of the President of the University, in addition to those usually pertaining to the office of the president of a university which are not inconsistent with provisions of this law, are the following:

a) To promulgate for the government of the University such general ordinances and regulations, not contrary to law, as are consistent with the purposes of the University.

SEC. 10. *The Secretary of the University.* — The Board of Regents shall appoint a secretary who shall serve as such for the Board and of the University, and shall keep such records of the university as may be designated by the Board and the President of the University.

SEC. 11. *The University Council; powers.* — There shall be a university council, consisting of the president of the university and of all the members of the faculty of the university holding the rank of dean, professor, associate professor, and assistant professor. Subject to existing laws, the council shall have the power to prescribe the courses of study and rules of discipline, provided these matters are first approved by the Board of Regents. Subject to the same limitations, it shall fix the requirements for admission to any college of the University as well as for graduation and the conferment of degrees. The council alone shall have the power to recommend students or others to be recipient of degrees. Through its president or com-

mittee, it shall have the disciplinary power over the students with the limits prescribed by the rules of discipline approved by the Board of Regents.

SEC. 12. The Faculty of the University. — The body of professors and instructors of each college shall constitute its faculty, and as presiding officer of each faculty there shall be a dean elected by the Board of Regents on nomination by the president of the university. In the appointment of professors, instructors, and other personnel of the university, no religious or political tests shall be required, nor shall their religious or political opinions, or affiliations be made a matter of examination or inquiry: *Provided, however,* That no professor or instructor or any other personnel in the university shall inculcate sectarian tenets in any of the teachings, nor attempt, either indirectly or directly, under penalty of dismissal by the Board of Regents to influence students or attendants at the university for or against any particular church or religious sect, or for or against any political party during any political campaign. The university shall enjoy academic freedom.

SEC. 13. Civil Service requirements. — The presidents, vice-presidents, deans, professors, other regular instructors and employees in the university shall be exempt from any civil service examination or regulation as a requisite to appointment except the classified employees in the offices of the Comptroller and the representative of the Auditor General: *Provided, however,* That all shall be entitled to the privileges and rights of security of tenure, promotion in positions and salaries for meritorious service, leaves and retirement benefits, as in the government service as now provided for by law.

SEC. 14. The Comptroller of the University — There shall be a Comptroller of the university who shall be appointed by the President of the Philippines with the consent of the Commission on Appointments. The comptroller shall have the civil service qualification and rank of a provincial treasurer. Subject to the last proviso of Section 6 (g) hereof, he shall have the power to appoint his subordinates who must be civil service eligibles. The size of the Comptroller's staff and the compensations of the same including that of the Comptroller shall be determined and fixed by the Board of Regents.

SEC. 15. The Auditor of the University. — The Au-

ditor General of the Philippines shall be *ex-officio* auditor of the university and shall designate his representative who must hold the regular office in the university to be able to perform his duties efficiently and satisfactorily as a regular official of the university. The designated representative shall have the civil service qualification and rank of a provincial auditor and shall have the power to appoint his subordinates, subject to the last proviso of Sec. 7 (g) hereof, who must be civil service eligibles. The size of the office staff and compensation of the same shall be determined and fixed by the Board of Regents. The compensation of the Auditor's representative shall also be fixed by the Board of Regents upon recommendation by the Auditor General.

SEC. 16. Loans or transfers of apparatus or supplies; detail of employees for duty in the university. — Heads of Bureaus and Offices of the National Government are hereby authorized to loan or transfer, upon request of the president of the University, such apparatus or supplies as may be needed by the university and to detail employees for or Office, such supplies or employees can be spared without serious detriment to the public service. Employees so detailed shall perform such duties as are required under such detail, and the time so employed shall count as part of their regular service.

SEC. 17. Board of Visitors of the University. — The President of the Philippines, the President of the Senate and the Speaker of the House of Representatives, and the Senators and Congressmen from the Bicol Region shall constitute a board of visitors of the university, whose duty it shall be to attend commencement exercises of the university, to make visits at such other time as it may deem proper, to examine the property, course of study, discipline, the state of finances of the university, to inspect all books and accounts of the institution, and to make reports to the President of the Philippines upon the same, with such recommendations as it may favor.

SEC. 81. Abolition and Transfers. — The Bicol Teachers College, the Daraga Central Elementary School, the Albay Provincial High School, the Bicol Regional School of Arts and Trades, the Roxas Memorial Agricultural School, and the School of Fisheries at Tabaco, Albay, are hereby abolished and all their personnel, unexpended appropriations, and all

their assets fixed and movable are transferred to the Bicol University.

SEC. 19. *Appropriation.* — The sum of one million pesos is hereby appropriated out of any funds in the National Treasury to be expended in the discretion of the Board of Regents for the establishment and operation of the university. The unexpended balances in the appropriations for the schools and colleges incorporated with and integrated into the university at the time of incorporation and integration shall be added to this sum of one million pesos. Thereafter, funds for the maintenance of the university shall be included in the annual General Appropriation Act of the National Government, the total sum of which shall be recommended by the Board of Regents of the university.

SEC. 20. *Effectivity.* — This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on some bills.

The PRESIDENT. The Majority Floor Leader may proceed if there is no objection. (*There was none.*)

APPROVAL ON THIRD READING OF HOUSE BILL NO. 1043.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 1043.

The PRESIDENT. Voting on third reading, on Senate Bill No. 1043 is now in order. The Secretary will please read the title of the bill only, if there is no objection. (*There was none.*)

The SECRETARY:

"AN ACT AUTHORIZING THE PRESIDENT OF THE PHILIPPINES TO SELL CERTAIN PARCELS OF LAND OWNED BY THE GOVERNMENT LOCATED AT LEPANTO STREET, SAMPALOC, MANILA, TO THE PHILIPPINE COLLEGE OF COMMERCE."

The PRESIDENT. The Senate will now proceed

to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

Senator Alejandro D. Almendras	.....	Yes
" Magnolia W. Antonino	.....	Absent
" Benigno Aquino, Jr.	.....	Yes
" Dominador R. Aytona	.....	Yes
" Helena Z. Benitez	.....	Absent
" Jose W. Diokno	.....	Yes
" Eva Estrada Kalaw	.....	Yes
" Rodolfo T. Ganzon	.....	Yes
" Wenceslao R. Lagumbay	.....	Yes
" Salvador H. Laurel	.....	Yes
" Juan R. Liwag	.....	Yes
" Genaro F. Magsaysay	.....	Absent
" Sergio Osmeña, Jr.	.....	Absent
" Ambrosio Padilla	.....	Yes
" Emmanuel Pelaez	.....	Yes
" Leonardo B. Perez	.....	Absent
" Gerardo M. Roxas	.....	Absent
" Jose J. Roy	.....	Yes
" Jovito R. Salonga	.....	Absent
" Lorenzo M. Tañada	.....	Absent
" Lorenzo G. Teves	.....	Yes
" Arturo M. Tolentino	.....	Yes
" Tecla S. Ziga	.....	Absent
The PRESIDENT PRO TEMPORE	.....	Yes

The PRESIDENT. With fifteen affirmative votes, no negative vote and no abstention, Senate Bill No. 1043 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE BILL NO. 647.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 647.

The PRESIDENT. Voting on third reading, on Senate Bill No. 647 is now in order. The Secretary will please read the title of the bill only, if there is no objection. (*There was none.*)

The SECRETARY:

"AN ACT AMENDING REPUBLIC ACT NUMBERED THREE HUNDRED AND FOUR, ENTITLED "AN ACT TO PROVIDE FOR THE REGISTRA-

TION OF THE CLAIMS OF ALL OFFICERS AND EMPLOYEES OF THE GOVERNMENT OF THE COMMONWEALTH OF THE PHILIPPINES, ITS BRANCHES AND INSTRUMENTALITIES AND THE CORPORATIONS OWNED OR CONTROLLED BY THE GOVERNMENT AND THOSE OF THE FREE LOCAL CIVIL GOVERNMENTS, PROVINCIAL AND MUNICIPAL, DULY ORGANIZED FOR PURPOSES OF RESISTANCE AGAINST THE ENEMY, TO SALARIES AND WAGES DURING THE ENEMY OR JAPANESE OCCUPATION OF THE PHILIPPINES AND TO PROVIDE FOR THE MANNER OF THEIR SETTLEMENT."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

- Senator Alejandro D. Almendras Yes
- " Magnolia W. Antonino Absent
- " Benigno Aquino, Jr. Yes
- " Dominador R. Aytona Yes
- " Helena Z. Benitez Absent
- " Jose W. Diokno Yes
- " Eva Estrada Kalaw Yes
- " Rodolfo T. Ganzon Yes
- " Wenceslao R. Lagumbay Yes
- " Salvador H. Laurel Yes
- " Juan R. Liwag Yes
- " Genaro F. Magsaysay Absent
- " Sergio Osmeña, Jr. Absent
- " Ambrosio Padilla Yes
- " Emmanuel Pelaez Yes
- " Leonardo B. Perez Absent
- " Gerardo M. Roxas Absent
- " Jose J. Roy Yes
- " Jovito R. Salonga Absent
- " Lorenzo M. Tañada Absent
- " Lorenzo G. Teves Yes
- " Arturo M. Tolentino Yes
- " Tecla S. Ziga Absent
- The PRESIDENT PRO TEMPORE Yes

The PRESIDENT. With fifteen affirmative votes, no negative vote and no abstention, Senate Bill No. 647 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE
BILL NO. 18289.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 18289.

The PRESIDENT. Voting on third reading on House Bill No. 18289 is now in order. The Secretary will please read the title of the bill only, if there is no objection. *(There was none.)*

The SECRETARY:

"AN ACT AMENDING SECTION TWO OF REPUBLIC ACT NUMBERED FOURTEEN HUNDRED AND SEVEN, KNOWN AS "THE PHILIPPINE OVERSEAS SHIPPING ACT OF NINETEEN HUNDRED AND FIFTY-FIVE," AS AMENDED BY SECTION ONE OF REPUBLIC ACT NUMBERED FORTY-ONE HUNDRED AND FORTY-SIX."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

Senator PADILLA. Mr. President.

The PRESIDENT. The Minority Floor Leader, Senator PADILLA. With respect to that bill, may I state for the record that while I believe with the rest of our colleagues in the necessity of encouraging Philippine overseas shipping and of giving incentives to Filipino firms engaged in overseas shipping, I believe that the incentives, encouragement and protection should be made in the form of help and assistance as originally provided in the basic law on overseas shipping, and that is, to allow the government purchase vessels and resell them to our Filipino firms on installments and at reduced rates of interest, but not necessarily to further extend the period of exemption in the payment of income tax. Now, this is the third extension and I hope that in the future the Congress can provide for more adequate means of encouraging overseas shipping and not to perpetuate income tax exemptions which the Congress has found wise to disconti-

rue. Thank you, Mr. President.

The SECRETARY: *(continuing)*

The PRESIDENT. With fifteen affirmative votes, no negative vote and no abstention, Senate Bill No. 18289 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE BILL NO. 813.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 813.

The PRESIDENT. Voting on third reading on Senate Bill No. 813 is now in order. The Secretary will please read the title of the bill only, if there is no objection. *(There was none.)*

The SECRETARY:

"AN ACT AMENDING FURTHER REPUBLIC ACT NUMBERED FIVE HUNDRED AND EIGHTY OTHERWISE KNOWN AS THE "HOME FINANCING ACT," AS AMENDED BY REPUBLIC ACT NUMBERED ONE THOUSAND FIVE HUNDRED AND FIFTY-SEVEN."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

- Senator Alejandro D. Almendras Yes
- " Magnolla W. Antonino Absent
- " Benigno Aquino, Jr. Yes
- " Dominador R. Aytona Yes
- " Helena Z. Benitez Absent.
- " Jose W. Diokno Yes
- " Eva Estrada Kalaw Yes
- " Rodolfo T. Ganzon Yes
- " Wenceslao R. Lagumbay Yes
- " Salvador H. Laurel Yes
- " Juan R. Liwag Yes
- " Genaro F. Magsaysay.. Absent
- " Sergio Osmeña, Jr. Absent
- " Ambrosio Padilla Yes
- " Emmanuel Pelaez Yes

- Senator Leonardo B. Perez Absent.
- " Gerardo M. Roxas Absent
- " Jose J. Roy Yes
- " Jovito R. Salonga Absent
- " Lorenzo M. Tañada Absent
- " Lorenzo G. Teves Yes
- " Arturo M. Tolentino Yes
- " Tecla S. Ziga Yes
- The PRESIDENT PRO TEMPORE Yes

The PRESIDENT. With sixteen affirmative votes, no negative vote and no abstention, Senate Bill No. 813 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE BILL NO. 1038.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 1038.

The PRESIDENT. Voting on third reading on Senate Bill No. 1038 is now in order. The Secretary will please read the title of the bill only, if there is no objection. *(There was none.)*

The SECRETARY:

"AN ACT TO AMEND CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED TWO THOUSAND TWO HUNDRED AND THIRTY-SEVEN, OTHERWISE KNOWN AS THE CHARTER OF THE PHILIPPINE COLLEGE OF ARTS AND TRADES AND FOR OTHER PURPOSES."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

- Senator Alejandro D. Almendras Yes
- " Magnolia W. Antonino Absent
- " Benigno Aquino, Jr. Yes
- " Dominador R. Aytona Yes
- " Helena Z. Benitez Absent
- " Jose W. Diokno Yes
- " Eva Estrada Kalaw Yes
- " Rodolfo T. Ganzon Yes
- " Wenceslao R. Lagumbay Yes
- " Salvador H. Laurel Yes

Senator Juan R. Liwag Yes
 " Genaro F. Magsaysay, Absent
 " Sergio Osmeña, Jr. Absent
 " Ambrosio Padilla Yes
 " Emmanuel Pelaez Yes
 " Leonardo B. Perez Absent
 " Gerardo M. Roxas Absent
 " Jose J. Roy Yes
 " Jovito R. Salonga Absent
 " Lorenzo M. Tañada Absent
 " Lorenzo G. Teves Yes
 " Arturo M. Tolentino Yes
 " Tecla S. Ziga Yes

The PRESIDENT PRO TEMPORE Yes

The PRESIDENT. With sixteen affirmative votes, no negative vote and no abstention, Senate Bill No. 1038 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE BILL NO. 1085.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 1085. This bill is certified by the President of the Philippines.

The PRESIDENT. Voting on third reading on Senate Bill No. 1085 is now in order. The Secretary will please read the title of the bill only, if there is no objection. (There was none.)

The SECRETARY:

"AN ACT TO FURTHER AMEND SECTIONS ONE, TWO, AND FOUR OF REPUBLIC ACT NUMBERED FORTY-ONE HUNDRED FIFTY-THREE, AS AMENDED."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

Senator Alejandro D. Almendras Yes
 " Magnolla W. Antonino Absent
 " Benigno Aquino, Jr. Yes
 " Dominador R. Aytona Yes
 " Helena Z. Benitez Absent
 " Jose W. Diokno Yes

Senator Eva Estrada Kalaw Yes
 " Rodolfo T. Ganzon Yes
 " Wenceslao R. Lagumbay Yes
 " Salvador H. Laurel Yes
 " Juan R. Liwag Yes
 " Genaro F. Magsaysay Absent
 " Sergio Osmeña, Jr. Absent
 " Ambrosio Padilla Yes
 " Emmanuel Pelaez Yes
 " Leonardo B. Perez Absent
 " Gerardo M. Roxas Absent
 " Jose J. Roy Yes
 " Jovito R. Salonga Absent
 " Lorenzo M. Tañada Absent
 " Lorenzo G. Teves Yes
 " Arturo M. Tolentino Yes
 " Tecla S. Ziga Yes

The PRESIDENT PRO TEMPORE Yes

The PRESIDENT. With sixteen affirmative votes, no negative vote and no abstention/ Senate Bill No. 1085 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE BILL NO. 996.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 996.

The PRESIDENT. Voting on third reading on Senate Bill No. 996 is now in order. The Secretary will please read the title of the bill only, if there is no objection. (There was none.)

The SECRETARY:

"AN ACT REQUIRING THE REGISTRATION OF MEDICAL TECHNOLOGISTS, DEFINING THEIR PRACTICE AND FOR OTHER PURPOSES."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

Senator Alejandro D. Almendras Yes
 " Magnolla W. Antonino Absent
 " Benigno Aquino, Jr. Yes
 " Dominador R. Aytona Yes

Senator Helena Z. Benitez	Absent.
" Jose W. Dlokno	Yes
" Eva Estrada Kalaw	Yes
" Rodolfo T. Ganzon	Yes
" Wenceslao R. Lagumbay	Yes
" Salvador H. Laurel	Yes
" Juan R. Liwag	Yes
" Genaro F. Magsaysay	Absent
" Sergio Osmeña, Jr.	Absent
" Ambrosio Padilla	Yes
" Emmanuel Pelaez	Yes
" Leonardo B. Perez	Absent.
" Gerardo M. Roxas	Absent
" Jose J. Roy	Yes
" Jovito R. Salonga	Absent
" Lorenzo M. Tañada	Absent
" Lorenzo G. Teves	Yes
" Arturo M. Tolentino	Yes
" Tecla S. Ziga	Yes

The PRESIDENT PRO TEMPORE Yes

The PRESIDENT. With sixteen affirmative votes, no negative vote and no abstention, Senate Bill No. 996 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE BILL NO. 1126.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 1126.

The PRESIDENT. Voting on third reading, on Senate Bill No. 1126 is now in order. The Secretary will please read the title of the bill only, if there is no objection. *(There was none.)*

The SECRETARY:

"AN ACT TO ESTABLISH A UNIFORM AND STANDARDIZED RATE OF SALARY, BASED ON THE FUNDAMENTAL PRINCIPLE OF "EQUAL PAY FOR EQUAL WORK," FOR CLERKS OF COURT OF THE COURTS OF FIRST INSTANCE WHOSE APPOINTMENTS ARE VESTED IN THE PRESIDENT OF THE PHILIPPINES, AND FOR OTHER PURPOSES."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

Senator Alejandro D. Almendras	Yes
" Magnolia W. Antonino	Absent
" Benigno Aquino, Jr.	Yes
" Dominador R. Aytona	Yes
" Helena Z. Benitez	Absent.
" Jose W. Dlokno	Yes
" Eva Estrada Kalaw	Yes
" Rodolfo T. Ganzon	Yes
" Wenceslao R. Lagumbay	Yes
" Salvador H. Laurel	Yes
" Juan R. Liwag	Yes
" Genaro F. Magsaysay	Absent
" Sergio Osmeña, Jr.	Absent
" Ambrosio Padilla	Yes
" Emmanuel Pelaez	Yes
" Leonardo B. Perez	Yes
" Gerardo M. Roxas	Absent
" Jose J. Roy	Yes
" Jovito R. Salonga	Absent
" Lorenzo M. Tañada	Absent
" Lorenzo G. Teves	Yes
" Arturo M. Tolentino	Yes
" Tecla S. Ziga	Yes
The PRESIDENT PRO TEMPORE	Yes

The PRESIDENT. With seventeen affirmative votes, no negative vote and no abstention, Senate Bill No. 1126 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE BILL NO. 1042.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 1042.

The PRESIDENT. Voting on third reading, on Senate Bill No. 1042 is now in order. The Secretary will please read the title of the bill only, if there is no objection. *(There was none.)*

The SECRETARY:

"AN ACT PROVIDING FOR FOUR ADDITIONAL ASSISTANT PROVINCIAL FISCALS FOR THE PROVINCE OF LA UNION, AMENDING FOR THE PURPOSE SECTION SIXTEEN HUNDRED SEVENTY-FOUR OF THE ADMINISTRATIVE CODE, AS AMENDED."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

- Senator Alejandro D. Almendras Yes
- " Magnolla W. Antonino Absent
- " Benigno Aquino, Jr. Yes
- " Dominador R. Aytona Yes
- " Helena Z. Benitez Yes
- " Jose W. Diokno Yes
- " Eva Estrada Kalaw Yes
- " Rodolfo T. Ganzon Yes
- " Wenceslao R. Lagumbay Yes
- " Salvador H. Laurel Yes
- " Juan R. Liwag Yes
- " Genaro F. Magsaysay Absent
- " Sergio Osmeña, Jr. Absent
- " Ambrosio Padilla Yes
- " Emmanuel Pelaez Yes
- " Leonardo B. Perez Yes
- " Gerardo M. Roxas Absent
- " Jose J. Roy Yes
- " Jovito R. Salonga Absent
- " Lorenzo M. Tañada Absent
- " Lorenzo G. Teves Yes
- " Arturo M. Tolentino Yes
- " Tecla S. Ziga Yes
- The PRESIDENT PRO TEMPORE Yes

The PRESIDENT. With eighteen affirmative votes, no negative vote and no abstention, Senate Bill No. 1042 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE BILL NO. 696.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 696.

The PRESIDENT. Voting on third reading on Senate Bill No. 696 is now in order. The Secretary will please read the title of the bill only, if there is no objection. (There was none.)

The SECRETARY:

"AN ACT CLARIFYING THE SCOPE AND APPLICABILITY OF REPUBLIC ACT NUMBERED

THIRTY-FIVE HUNDRED AND NINETY, OTHERWISE KNOWN AS "THE REVISED BARRIO CHARTER," AMENDING FOR THE PURPOSE SECTION TWENTY-SIX THEREOF."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

- Senator Alejandro D. Almendras Yes
- " Magnolla W. Antonino Absent
- " Benigno Aquino, Jr. Yes
- " Dominador R. Aytona Yes
- " Helena Z. Benitez Yes
- " Jose W. Diokno Yes
- " Eva Estrada Kalaw Yes
- " Rodolfo T. Ganzon Yes
- " Wenceslao R. Lagumbay Yes
- " Salvador H. Laurel Yes
- " Juan R. Liwag Yes
- " Genaro F. Magsaysay Absent
- " Sergio Osmeña, Jr. Absent
- " Ambrosio Padilla Yes
- " Emmanuel Pelaez Yes
- " Leonardo B. Perez Yes
- " Gerardo M. Roxas Absent
- " Jose J. Roy Yes
- " Jovito R. Salonga Absent
- " Lorenzo M. Tañada Absent
- " Lorenzo G. Teves Yes
- " Arturo M. Tolentino Yes
- " Tecla S. Ziga Yes

The PRESIDENT PRO TEMPORE Yes

The PRESIDENT. With eighteen affirmative votes, no negative vote and no abstention, Senate Bill No. 696 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE BILL NO. 1095.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 1095.

The PRESIDENT. Voting on third reading on Senate Bill No. 1095 is now in order. The Secretary will please read the title of the bill only, if there is no objection. (There was none.)

The SECRETARY:

"AN ACT REGULATING THE ORGANIZATION AND OPERATION OF FINANCING COMPANIES."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

Senator Alejandro D. Almendras	Yes
" Magnolia W. Antonino	Absent
" Benigno Aquino, Jr.	Yes
" Dominador R. Aytona	Yes
" Helena Z. Benitez	Yes
" Jose W. Diokno	Yes
" Eva Estrada Kalaw	Yes
" Rodolfo T. Ganzon	Yes
" Wenceslao R. Lagumbay	Yes
" Salvador H. Laurel	Yes
" Juan R. Liwag	Yes
" Genaro F. Magsaysay	Absent
" Sergio Osmeña, Jr.	Absent
" Ambrosio Padilla	Yes
" Emmanuel Pelaez	Yes
" Leonardo B. Perez	Yes
" Gerardo M. Roxas	Absent
" Jose J. Roy	Yes
" Jovito R. Salonga	Absent
" Lorenzo M. Tañada	Absent
" Lorenzo G. Teves	Yes
" Arturo M. Tolentino	Yes
" Tecla S. Ziga	Yes

The PRESIDENT PRO TEMPORE Yes

The PRESIDENT. With eighteen affirmative votes, no negative vote and no abstention, Senate Bill No. 1095 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE
BILL NO. 17228.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 17228.

The PRESIDENT. Voting on third reading, on House Bill No. 17228 is now in order. The Secretary will please read the title of the bill only,

if there is no objection. *(There was none.)*

The SECRETARY:

"AN ACT PROVIDING FOR THE RETIREMENT AND SEPARATION FROM SERVICE OF COMMISSIONED OFFICERS OF THE BUREAU OF COAST AND GEODETIC SURVEY, ESTABLISHING A "COAST SURVEY OFFICERS RETIREMENT AND SEPARATION BENEFITS FUND IN THE GOVERNMENT SERVICE INSURANCE SYSTEM, AND FOR OTHER PURPOSES."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

Senator Alejandro D. Almendras	Yes
" Magnolia W. Antonino	Absent
" Benigno Aquino, Jr.	Yes
" Dominador R. Aytona	Yes
" Helena Z. Benitez	Yes
" Jose W. Diokno	Yes
" Eva Estrada Kalaw	Yes
" Rodolfo T. Ganzon	Yes
" Wenceslao R. Lagumbay	Yes
" Salvador H. Laurel	Yes
" Juan R. Liwag	Yes
" Genaro F. Magsaysay	Absent
" Sergio Osmeña, Jr.	Absent
" Ambrosio Padilla	Yes
" Emmanuel Pelaez	Yes
" Leonardo B. Perez	Yes
" Gerardo M. Roxas	Absent
" Jose J. Roy	Yes
" Jovito R. Salonga	Absent
" Lorenzo M. Tañada	Absent
" Lorenzo G. Teves	Yes
" Arturo M. Tolentino	Yes
" Tecla S. Ziga	Yes

The PRESIDENT PRO TEMPORE Yes

The PRESIDENT. With eighteen affirmative votes, no negative vote and no abstention, Senate Bill No. 17228 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE
BILL NO. 13854.

Senator TOLENTINO. Mr. President, I ask

that we vote on third reading on House Bill No. 3854.

The PRESIDENT. Voting on third reading on House Bill No. 13854 is now in order. The Secretary will please read the title of the bill only, if there is no objection. *(There was none.)*

The SECRETARY:

"AN ACT CREATING THE MUNICIPALITY OF BALABAGAN IN THE PROVINCE OF LANA DEL SUR."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

Senator Alejandro D. Almendras	Yes
" Magnolia W. Antonino	Absent
" Benigno Aquino, Jr.	Yes
" Dominador R. Aytona	Yes
" Helena Z. Benitez	Yes
" Jose W. Diokno	Yes
" Eva Estrada Kalaw	Yes
" Rodolfo T. Ganzon	Yes
" Wenceslao R. Lagumbay	Yes
" Salvador H. Laurel	Yes
" Juan R. Liwag	Yes
" Genaro F. Magsaysay	Absent
" Sergio Osmeña, Jr.	Absent
" Ambrosio Padilla	Yes
" Emmanuel Pelaez	Yes
" Leonardo B. Perez	Yes
" Gerardo M. Roxas	Absent
" Jose J. Roy	Yes
" Jovito R. Salonga	Absent
" Lorenzo M. Tañada	Absent
" Lorenzo G. Teves	Yes
" Arturo M. Tolentino	Yes
" Tecla S. Ziga	Yes

The PRESIDENT PRO TEMPORE Yes

The PRESIDENT. With eighteen affirmative votes, no negative vote and no abstention, Senate Bill No. 13854 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE BILL NO. 676.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 676. This bill is certified by the President of the Philippines.

The PRESIDENT. Voting on third reading on Senate Bill No. 676 is now in order. The Secretary will please read the title of the bill only, if there is no objection. *(There was none.)*

The SECRETARY:

"AN ACT CREATING AN OIL INDUSTRY COMMISSION, DEFINING ITS FUNCTIONS, POWERS AND OBJECTIVES, AND FOR OTHER PURPOSES."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

Senator Alejandro D. Almendras	Yes
" Magnolia W. Antonino	Absent
" Benigno Aquino, Jr.	Yes
" Dominador R. Aytona	Yes
" Helena Z. Benitez	Yes
" Jose W. Diokno	Yes
" Eva Estrada Kalaw	Yes
" Rodolfo T. Ganzon	Yes
" Wenceslao R. Lagumbay	Yes
" Salvador H. Laurel	Yes
" Juan R. Liwag	Yes
" Genaro F. Magsaysay	Absent
" Sergio Osmeña, Jr.	Absent
" Ambrosio Padilla	Yes
" Emmanuel Pelaez	Yes
" Leonardo B. Perez	Yes
" Gerardo M. Roxas	Absent
" Jose J. Roy	Yes
" Jovito R. Salonga	Absent
" Lorenzo M. Tañada	Absent
" Lorenzo G. Teves	Yes
" Arturo M. Tolentino	Yes
" Tecla S. Ziga	Yes

The PRESIDENT PRO TEMPORE Yes

The PRESIDENT. With eighteen affirmative votes, no negative vote and no abstention, Senate Bill No. 676 is approved on third reading.

APPROVAL ON THIRD READING OF HOUSE BILL NO. 18633.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on House Bill No. 18633.

The PRESIDENT. Voting on third reading, on House Bill No. 18633 is now in order. The Secretary will please read the title of the bill only, if there is no objection. (*There was none.*)

The SECRETARY:

"AN ACT PROVIDING FOR THE STANDARDIZATION OF SALARIES OF CERTAIN OFFICIALS OF QUEZON CITY AND FOR OTHER PURPOSES."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

Senator Alejandro D. Almendras	Yes
" Magnolia W. Antonino	Absent
" Benigno Aquino, Jr.	Yes
" Dominador R. Aytona	Yes
" Helena Z. Benitez	Yes
" Jose W. Diokno	Yes
" Eva Estrada Kalaw	Yes
" Rodolfo T. Ganzon	Yes
" Wenceslao R. Lagumbay	Yes
" Salvador H. Laurel	Yes
" Juan R. Liwag	Yes
" Genaro F. Magsaysay	Absent
" Sergio Osmeña, Jr.	Absent
" Ambrosio Padilla	Yes
" Emmanuel Pelaez	Yes
" Leonardo B. Perez	Yes
" Gerardo M. Roxas	Absent
" Jose J. Roy	Yes
" Jovito R. Salonga	Absent
" Lorenzo M. Tañada	Absent
" Lorenzo G. Teves	Yes
" Arturo M. Tolentino	Yes
" Tecla S. Ziga	Yes
The PRESIDENT PRO TEMPORE	Yes

The PRESIDENT. With eighteen affirmative votes, no negative vote and no abstention, Senate

Bill No. 18633 is approved on third reading.

RECONSIDERATION OF APPROVAL ON SECOND READING OF HOUSE BILL NO. 18977

Senator TOLENTINO. Mr. President, the distinguished gentleman from Nueva Ecija would like to present a motion in relation to a bill we approved last Saturday.

The PRESIDENT. The gentleman from Nueva Ecija has the floor.

Senator LIWAG. Mr. President, considering that we failed to amend Section 4 of House Bill No. 18977, which we approved on second reading last night, I move for the reconsideration of its approval so that the proper amendment can be made.

The PRESIDENT. Is there any objection? (*Silence.*) There being none, approval of House Bill No. 18977 on second reading is reconsidered.

Senator LIWAG. Mr. President, may I submit the following amendment: On page 2 of the bill, line 19, delete the words "authorized to be." I move for approval of the amendment, Mr. President.

The PRESIDENT. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator LIWAG. Mr. President, I move that we vote on the bill on second reading, as amended.

APPROVAL ON SECOND READING OF HOUSE BILL NO. 18977

The PRESIDENT. There is a motion to approve the bill on second reading. Is the Chamber ready to vote? (*Silence.*) As many as are in favor of the bill as amended will please say Aye. (Several senators: Aye) As many as are against will please say Nay. (*Silence.*) House Bill No. 18977 is approved on second reading, as amended.

**APPROVAL ON THIRD READING OF HOUSE
BILL NO. 18977**

Senator LIWAG. Mr. President, this bill is properly certified, and I ask that we vote on it on third reading.

The PRESIDENT. Voting on third reading on House Bill No. 18977 is now in order. The Secretary will please read the title of the bill only, if there is no objection. *(There was none.)*

The SECRETARY:

"AN ACT AUTHORIZING THE CONSTRUCTION OF THE UPPER PAMPANGA RIVER PROJECT, PROVIDING FOR THE FINANCING THEREOF, AND FOR OTHER PURPOSES."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

Senator Alejandro D. Almendras	Yes
" Magnolia W. Antonino	Absent
" Benigno Aquino, Jr.	Yes
" Dominador R. Aytona	Yes
" Helena Z. Benitez	Yes
" Jose W. Diokno	Yes
" Eva Estrada Kalaw	Yes
" Rodolfo T. Ganzon	Yes
" Wenceslao R. Lagumbay	Yes
" Salvador H. Laurel	Yes
" Juan R. Liwag	Yes
" Genaro F. Magsaysay	Absent
" Sergio Osmeña, Jr.	Absent
" Ambrosio Padilla	Yes
" Emmanuel Pelaez	Yes
" Leonardo B. Perez	Yes
" Gerardo M. Roxas	Absent
" Jose J. Roy	Yes
" Jovito R. Salonga	Absent
" Lorenzo M. Tañada	Absent
" Lorenzo G. Teves	Yes
" Arturo M. Tolentino	Yes
" Tecla S. Ziga	Yes
The PRESIDENT PRO TEMPORE	Yes

The PRESIDENT. With eighteen affirmative

votes, no negative vote and no abstention, House Bill No. 18977 is approved on third reading.

CONSIDERATION OF SENATE BILL NO. 1150
(Continuation)

Senator TOLENTINO. Mr. President, I ask that we resume consideration of Senate Bill No. 1150.

The PRESIDENT. Resumption of the consideration of Senate Bill No. 1150 is now in order. The Majority Floor Leader shall continue with the sponsorship.

Senator PADILLA. Mr. President.

The PRESIDENT. The Minority Floor Leader.

Senator PADILLA. Mr. President, I will not interpellate on this bill, but after the distinguished sponsor has submitted the amendments of the committee, I will submit certain individual amendments.

Senator TOLENTINO. Mr. President, the report does not contain any amendment. The recommendation is that the bill be approved without amendment.

Senator PADILLA. So, may I proceed to submit certain amendments, Mr. President.

The PRESIDENT. The gentleman may proceed.

Senator TOLENTINO. Mr. President, I would like to yield the floor to the distinguished sponsor and author of this bill in order to give the reaction of the committee to the amendments that may be presented.

The PRESIDENT. The gentleman from Nueva Vizcaya has the floor. The Minority Floor Leader may now proceed his amendments.

Senator PADILLA. Mr. President, the draft of the bill that I have has no lines.

The PRESIDENT. The copy of the Chair has lines but no numbers.

Senator PADILLA. That is what I meant, Mr. President. The bill consists of paragraphs, sections and naturally of lines.

Senator PEREZ. We can go by page and section, Mr. President.

Senator PADILLA. But there are no numbers. On page 11, on the fourth and fifth lines of Section 2, restore the line under brackets [present territorial jurisdiction] and strike out the word "TERRITORY" and the word "FORMER."

Senator PEREZ. Would that make any difference, Your Honor?

Senator PADILLA. Yes, Your Honor, because the "present territorial jurisdiction" that has been eliminated which makes reference to the former Municipality of Calocan in the Province of Rizal may have some boundary disputes with regard to Quezon City.

Senator PEREZ. The committee accepts the amendment, Mr. President.

The PRESIDENT. Is there any objection? (Silence.) There being none, the amendment is approved.

Senator PADILLA. On page 6, paragraph (P) eliminate the entire paragraph. This has reference to *vigilantes*.

Senator PEREZ. Section (B), Your Honor?

Senator PADILLA. Paragraph (P), formerly (q).

The PRESIDENT. The amendment is to eliminate this provision.

Senator PEREZ. The committee accepts the amendment, Mr. President.

The PRESIDENT. Is there any objection? (Silence.) There being none, the amendment is approved.

Senator PADILLA. On the same page 6 on the

second to the last line, change the word "UNCLASSIFIED" to "CLASSIFIED."

The PRESIDENT. What does the sponsor say?

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Is there any objection?

Senator AQUINO. Mr. President.

The PRESIDENT. Gentleman from Tarlac.

Senator AQUINO. With the permission of the gentlemen on the floor, the phrase "CLASSIFIED" service is rather vague, Mr. President, because the city administrators are not yet known in the civil service. At best, this will be the first city administrator. While the concept of city administrator is a well-accepted concept in the United States, most of the big American States today have what we call city managers or city administrators, and this is one of the recommendations of the Eastern Regional Organization for Public Administration in their meeting to professionalize the management of cities. But in Section 9-A it reads:

"THE MAYOR SHALL APPOINT A CITY ADMINISTRATOR WHO SHALL HOLD OFFICE DURING THE TERM OF OFFICE OF THE APPOINTING MAYOR, AND UNTIL HIS SUCCESSOR IS APPOINTED AND QUALIFIED, UNLESS SOONER REMOVED FOR CAUSE. HIS POSITION SHALL BE WITHIN THE CLASSIFIED SERVICE."

Does not Your Honor think that we should provide here some requirements, for instance, a bachelor's degree in public administration, or competence in city administration, or experience in city administration? The word "CLASSIFIED" may be misleading because there are no city administrators as yet, and this will be the first time that we will have a city administrator.

Senator PEREZ. Mr. President, I move to reconsider the approval of the amendment so that we can reopen discussion on this because this

amendment to the city charter has for its main feature the introduction of the concept of the employment of a city administrator. This concept is intended to assure a more efficient administrator. This concept is intended to assure a more efficient administration of the city and minimize the influence or incursion of political matters into the administration of the city. For this reason, Mr. President, I move that we reconsider the amendment.

Senator PADILLA. Mr. President, before we reconsider the amendment because that was my proposal...

The PRESIDENT. The Chair did not put to a vote the amendment of the Minority Floor Leader; so there is nothing to reconsider.

Senator PEREZ. I stand corrected, Mr. President.

Senator PADILLA. I have no objection to the suggestion of the Liberal senator from Tarlac to place some minimum requirements but the reason why I proposed the amendment from "UNCLASSIFIED" to "CLASSIFIED" is that, on this same bill, page 8, two lines before Section 10, the two assistant city administrators are occupying positions which are, under this bill, within the classified service. So I proposed that amendment to make it consistent because the assistant city administrator, the first and second assistants are within the classified service. Why should the head be under the unclassified service?

Precisely, if the amendment is not accepted, then the reason just given by the distinguished sponsor that the person appointed may be motivated by considerations other than his experience and qualifications in city administration may find support. In other words, instead of a city manager, who is competent and qualified, the position may become a political one.

Senator PEREZ. It is our understanding, Mr. President, that a city administrator is selected

to act as such because of his experience, because of his technical knowledge, because of his background and because of his executive ability. We believe that the office of the city administrator would fall under the category of highly technical position, and therefore, would not fall under the unclassified nor classified service.

Of course, there is the danger, as the distinguished Minority Floor Leader pointed out, that the mayor may appoint someone who is not competent, unqualified, someone who may not be efficient in running the affairs of the city. That is a possibility of abuse.

It is our hope that inasmuch as this will be the first time that we will introduce in our country the concept of employing city administrators to run the affairs of our cities, we expect that those who have been interested in the enactment of this law will not abuse the power that will be granted to them.

I would like to make it of record that the City Mayor of Caloocan, Mayor Asistio himself, has been with us very often to urge the enactment of this amendment. I do not believe that a city mayor who is interested in the appointment of a city administrator would abuse his power in appointing a city administrator.

Senator PADILLA. Mr. President, I regret to hear a statement by the distinguished sponsor referring to the incumbent mayor, who is also my good friend, I hope that we will consider this bill not in the light of personalities. We are amending the Charter of the City of Caloocan and the matter of who is the City Mayor should not be directly involved.

In fact, I made no reference whatever in my statement and the distinguished sponsor is attributing to my statements...

Senator PEREZ. No, I never attributed that statement to the distinguished Minority Floor Leader. I just mentioned that in case there is doubt or fear that the mayor who, under this

proposed amendment, would be the one to appoint the city administrator would abuse his appointing authority. I said that that statement is an assurance that persons who are interested in introducing this concept of city administrators would want this concept to succeed so that other cities would adopt this pattern of employing city administrators.

Senator AQUINO. Mr. President.

The PRESIDENT. Gentleman from Tarlac.

Senator AQUINO. May I propose my formal amendment on Section 9A:

"THE MAYOR SHALL APPOINT, WITH THE APPROVAL OF THE MUNICIPAL BOARD, A CITY ADMINISTRATOR WHO SHALL HOLD OFFICE DURING THE TERM OF OFFICE OF THE APPOINTING MAYOR, AND UNTIL HIS SUCCESSOR IS APPOINTED AND QUALIFIED, UNLESS SOONER REMOVED FOR CAUSE.

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Is there any objection? (Silence.) The Chair hears none, the amendment is approved.

Senator AQUINO. Mr. President, may I rephrase that amendment? I should not use Municipal Board but City Council. May I ask for a reconsideration of the approval of that amendment? I ask this because I recall that the whole bill is talking about Municipal Board. May I know from the distinguished sponsor what phraseology should we use: City Council or Municipal Board?

Senator PEREZ. The original law used Municipal Board.

Senator AQUINO. Then my amendment holds if that is the phraseology that we will use.

Then on the following line insert:

"HE SHOULD BE A HOLDER OF THE DEG-

REE OF BACHELOR OF SCIENCE IN PUBLIC ADMINISTRATION WITH AT LEAST FIVE YEARS EXPERIENCE IN CITY GOVERNMENT, AND SHALL RECEIVE A SALARY OF FIFTEEN THOUSAND PESOS PER ANNUM."

Senator PEREZ. Is that degree now being offered in Colleges?

Senator AQUINO. Yes, Mr. President. In the Institute of Public Administration, U.P., headed by Dean Carlos Ramos this course is being offered since five years ago. In fact, we already have a course leading to Master in Public Administration and Doctor in Public Administration in the person of Dr. Raul de Guzman, who has been working with us in the local government.

The PRESIDENT. What does the sponsor say?

Senator PEREZ. We accept the amendment, Mr. President.

The PRESIDENT. Is there any objection? (Silence.) There being none, the amendment is approved.

Senator AQUINO. Thank you, Mr. President.

The PRESIDENT. Just a minute. After the approval of that amendment, there should be an amendment to the last two lines.

Senator PEREZ. No, that is an insertion after that line. We have these two lines remaining: "His position shall be." After the approval of that amendment, the last two lines become unnecessary.

Senator PEREZ. No, the last line, Mr. President, refers to the salary.

The PRESIDENT. But the amendment of the gentleman carried a stipulation as to salary.

Senator PEREZ. Mr. President, the amendment of the gentleman from Tarlac deleted all the words from the word "HIS" up to and including

the word "SERVICE" in the second to the last line and, in lieu thereof, the following was inserted: "HE SHOULD BE A HOLDER OF THE DEGREE OF BACHELOR OF SCIENCE IN PUBLIC ADMINISTRATION AND WITH AT LEAST FIVE YEARS EXPERIENCE IN CITY ADMINISTRATION" -- then continue -- "AND HE SHALL RECEIVE A SALARY OF FIFTEEN THOUSAND PESOS PER ANNUM."

The PRESIDENT. That amendment has been approved.

Senator PADILLA. Mr. President.

The PRESIDENT. The Minority Floor Leader.

Senator PADILLA. On page 28, Mr. President, unless there be prior amendments.

The PRESIDENT. Any anterior amendments?

The Chair suggests that we amend this bill page by page. We are now on page 7. Any amendment on page 8, 9, 10, 11, 12, 13, 14...

Senator LIWAG. Page 14, Mr. President.

The PRESIDENT. The gentleman from Nueva Ecija.

Senator LIWAG. This is on subparagraph (c) —the third line thereof. Delete the words "THAT WHICH IS RECOMMENDED BY THE CITY MAYOR" so that the original provision shall be deemed restored. Considering that this involves the power of the municipal board, as it is herein called, and whatever power the board may have over the salaries of officials and employees of the city can be checked by his veto power, the mayor cannot limit the exercise of the power granted by this provision.

The PRESIDENT. What does the sponsor say?

Senator PEREZ. We accept the amendment, Mr. President.

The PRESIDENT. Is there any objection? (Silence.) There being none, the amendment is approved.

Senator LIWAG. On page 16, subsection (n), restore the original provision by eliminating the brackets enclosing the words "to prevent" and striking out the words "TO HELP." So, Mr. President, subsection (n) will read as follows:

"(n) To make regulations to protect the public from conflagrations, to prevent and mitigate the effects of famine, floods, storms, and other public calamities, and provide relief for victims thereof;"

The PRESIDENT. What does the sponsor say?

Senator PEREZ. We accept the amendment, Mr. President.

The PRESIDENT. Any objections? (Silence.) There being none, the amendment is approved.

Senator LIWAG. Page 26, Mr. President.

The PRESIDENT. Any anterior amendments? (Silence.) The gentleman may proceed.

Senator LIWAG. Mr. President, this has reference to the Law Department. It has been constituted into two according to the amendment — that is, the Office of the City Legal Officer and the Office of the City Fiscal. I believe that the City Legal Officer cannot have supervision over the City Fiscal. The City Fiscal is under the Department of Justice, and his functions as the prosecuting arm of the city must not be under the City Legal Officer. He must be under the Department of Justice. Consequently, they must be split into separate departments.

Senator PEREZ. What is Your Honor's specific proposal?

Senator LIWAG. Mr. President, No. 3 should be "OFFICE OF THE CITY LEGAL OFFICER"; No. 4 should be "OFFICE OF THE CITY FISCAL"; No. 4 will become "5. Department of Health"; No. 5 will be "6. Police Department"; No. 6 will become "7. Fire Department"; No. 7 will become "8. Department of Assessment"; and No. 8 will become "9. CALOOCAN CITY GENERAL HOSPITAL."

The PRESIDENT. What does the sponsor say?

Senator PEREZ. So that letter "B" will become No. 4. Is that Your Honor's proposal? "OFFICE OF THE CITY FISCAL" will be No. 4.

(There was a pause.)

Senator LIWAG. Mr. President, I would like to withdraw my amendment and just leave as No. 3 the Office of the City Legal Officer.

The PRESIDENT. The amendment is being withdrawn?

Senator LIWAG. Yes, Mr. President. So, No. 3, instead of "Law Department," will be "OFFICE OF THE CITY LEGAL OFFICER" and then delete "B. OFFICE OF THE CITY FISCAL."

The PRESIDENT. What does the sponsor say?

Senator PEREZ. We accept the amendment, Mr. President.

The PRESIDENT. Any objection? *(Silence.)* There being none, the amendment is approved.

Senator PEREZ. Under this amendment, Your Honor believes that the Office of the City Fiscal is not under the Office of the Mayor.

Senator LIWAG. No, because it says here, "There shall be the following city departments over which the Mayor shall have direct control and supervision" — and I do not believe that the mayor can have such direct control and supervision over the Office of the City Fiscal.

Senator PADILLA. Mr. President.

The PRESIDENT. The Minority Floor Leader.

Senator PADILLA. On page 28, the last three lines, delete the clause "ANY PROVISION OF EXISTING LAW TO THE CONTRARY NOTWITHSTANDING."

Senator PEREZ. What page, Your Honor?

Senator PADILLA. Page 28, under Section 22-

A

The PRESIDENT. The third line from the bottom.

Senator PADILLA. This has reference to the duties of the clerk of court and ex-officio sheriff. I think it is not wise to say "any provision of existing law to the contrary notwithstanding," because this provision should not conflict with any existing provision of law regarding clerks of court and the duties of a sheriff. Now, if it does not conflict, then this becomes superfluous.

Senator PEREZ. But in case it conflicts, Mr. President, then there will be confusion. They will not know which to follow.

Senator PADILLA. Well, they follow the law, whatever is the law.

Senator PEREZ. There will be two laws.

Senator PADILLA. Mr. President, I have never been in favor of such a sweeping clause like "any provision of existing law to the contrary notwithstanding." Precisely, it might give exactly the impression that the distinguished sponsor has made reference to: What should apply?

Senator PEREZ. Well, this is only a matter of phraseology which is common. It is a standard which is followed by most laws. But if the gentleman believes that it is only to make the situation more categorical, we accept the amendment, Mr. President.

Senator PADILLA. Thank you, Your Honor.

The PRESIDENT. Any objection? *(Silence.)* There being none, the amendment is approved.

Senator PADILLA. Now, on page 29, under Section 23, Bureau of Public Schools, the third line of the section, I believe that this clause "THE PROVISION OF EXISTING LAW TO THE CONTRARY NOTWITHSTANDING" should be eliminated.

Senator PEREZ. I accept, Mr. President.

The PRESIDENT. Any objection? *(Silence.)*
There being none, the amendment is approved.

Senator PADILLA. On page 32, under Section 25-A — "RESTRICTIONS UPON LIMIT OF DISBURSEMENTS" — I move that the same clause of "ANY PROVISION OF EXISTING LAW, RULE OR REGULATION TO THE CONTRARY NOTWITHSTANDING" be deleted.

Senator PEREZ. What line, Mr. President?

Senator PADILLA. Lines 4 and 5 under Section 25-A.

Senator PEREZ. I accept, Mr. President.

The PRESIDENT. Any objection? *(Silence.)*
There being none, the amendment is approved.

Senator LIWAG. Mr. President.

The PRESIDENT. The gentleman from Nueva Ecija.

Senator LIWAG. Regarding this Section 25-A, I believe that this is in excess of the powers of the city. It says:

"DISBURSEMENT BY THE CITY TREASURER IN ACCORDANCE WITH APPROPRIATIONS OF THE MUNICIPAL BOARD, AS SHOWN IN THE CITY BUDGETS, MAY BE MADE FROM ANY GOVERNMENT FUNDS IN THE HANDS OF THE CITY TREASURER, ANY PROVISION OF EXISTING LAW, RULE OR REGULATION TO THE CONTRARY NOTWITHSTANDING, BUT THE TOTAL DISBURSEMENTS FROM ANY CITY FUND SHALL IN NO CASE BE IN EXCESS OF THE ACTUAL COLLECTIONS PLUS FIFTY PER CENTUM OF THE UNCOLLECTED ESTIMATED REVENUES ACCRUING TO SUCH FUND:"

Now, the deficiency or defects of this particular portion that I have read is practically cured by the amendments of the distinguished Minority Floor Leader. But the succeeding provision says:

"PROVIDED, THAT IN CASE OF AN EMERGENCY CAUSED BY TYPHOON, EARTHQUAKE OR ANY OTHER PUBLIC CALAMITY WHICH MAY SERIOUSLY AFFECT THE COLLECTION OF REVENUES IN THE CITY DURING ANY FISCAL YEAR, THE MUNICIPAL BOARD AND THE CITY MAYOR MAY AUTHORIZE THE CITY TREASURER TO CONTINUE MAKING DISBURSEMENTS FROM ANY GOVERNMENT FUNDS IN HIS POSSESSION IN EXCESS OF THE LIMITATION HEREIN PROVIDED, BUT ONLY FOR SALARIES AND WAGES INCLUDED IN THE BUDGET."

That means that they will be disposing of funds which do not belong to the city, and that is purely in excess of its power.

"ANY OVERDRAFT WHICH MAY BE INCURRED AT THE END OF THE YEAR IN ANY CITY FUND BY VIRTUE OF THE PROVISIONS HEREOF SHALL BE COVERED WITH THE FIRST COLLECTIONS OF THE FOLLOWING FISCAL YEAR ACCRUING TO SUCH CITY FUND: PROVIDED, FURTHER, THAT THE TERM "GOVERNMENT FUNDS" AS USED IN THIS SECTION SHALL BE INTERPRETED TO INCLUDE DEPOSITARY AND TRUST FUNDS AS DEFINED IN SECTION SIX HUNDRED FIFTY-EIGHT OF THE REVISED ADMINISTRATIVE CODE."

I believe that this provision is in excess of what the city can dispose of and it is in contravention of the provisions of the Administrative Code and of the Internal Revenue as to what constitutes disposable funds by the city. In effect, it is authorizing the disposition of funds belonging to the National Government. And I believe that this is highly objectionable in the light of the existing laws.

Senator PEREZ. Our understanding, Mr. President, is that the disbursements which may be authorized to be made out of funds in the hands of the city treasurer would be from the funds that could be legally used without incurring and violation of the provision of the Penal Code on tech-

nical malversation. Because if there are funds, let us say, funds which could not be used for purposes which are mentioned in the city budget, these funds would not be affected by this power, otherwise they would be guilty of diverting a fund to another purpose which is not authorized by the law. That is why we accepted the amendment of the distinguished Minority Floor Leader because that would make the provision clearer. But the intention is not to allow the mayor, together with the city treasurer, to divert funds although these funds are in the possession of the city treasurer as contemplated under this amendment.

Senator LIWAG. Will Your Honor accept an amendment on page 33 to remove the colon (:) after the words "CITY FUND" on the third line and instead put a period (.) . . .

Senator PEREZ. Remove the definition of the term "GOVERNMENT FUNDS"?

Senator LIWAG. Put a period (.) instead of a colon (:).

Senator PEREZ. If Your Honor will present the amendment, we will accept that.

Senator LIWAG. Yes.

Mr. President, I would like to present the following amendment: on page 33, the third line of the page, after the words "CITY FUNDS" remove the colon (:) and, in lieu thereof, insert a period (.), and then delete the succeeding proviso which reads:

"PROVIDED, FURTHER, THAT THE TERM 'GOVERNMENT FUNDS' AS USED IN THIS SECTION SHALL BE INTERPRETED TO INCLUDE DEPOSITARY AND TRUST FUNDS AS DEFINED IN SECTION SIX HUNDRED FIFTY-EIGHT OF THE REVISED ADMINISTRATIVE CODE."

Delete that entire provision.

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. Mr. President.

The PRESIDENT. The Minority Floor Leader.

Senator PADILLA. On page 38, the last two lines, and on page 39, top line, eliminate the words "WHO SHALL DISCHARGE THEIR DUTIES UNDER THE GENERAL SUPERVISION OF THE SECRETARY OF JUSTICE AND."

Senator PEREZ. What line is that, Your Honor?

Senator PADILLA. Page 38, the last two lines. Your Honor, the discharge of their duties should not be under the control and supervision of the Department of Justice. Probably by administrative apportionment the city fiscals are under some administrative supervision of the Department, but not in the discharge of their duties, otherwise the Department can tell the fiscals what to do or what not to do.

Senator PEREZ. So Your Honor would wish to subject the city fiscal and the assistant city fiscals of Caloocan City to the same . . .

Senator PADILLA. The same as other fiscals.

Senator PEREZ. To the same treatment as other fiscals?

Senator PEREZ. We accept the amendment, Mr. President.

The PRESIDENT. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. On page 39, lines 4 and 5, eliminate the words "ANY PROVISION OF EXISTING LAW TO THE CONTRARY NOTWITHSTANDING."

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. On page 42, under paragraph (K), the last three lines before Section 31-A — maybe this is a matter of form only: Maintain the clause, "THE DEPARTMENT OF HEALTH TO PREVENT AND/OR STOP THE OCCURRENCE OF SUCH EPIDEMIC" and remove the rest. By the rest, I mean the phrase, "OR TO STOP IT IN CASE IT IS ALREADY OCCURRING."

Senator PEREZ. Mr. President, I would like to clarify that amendment. The duty which is vested in the Department of Health is to prevent the occurrence of certain epidemic. Now, if it does not succeed in preventing, will they not go further to stop it?

Senator PADILLA. That is why I said "TO PREVENT AND/OR STOP."

The PRESIDENT. What does the sponsor say?

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Any objection? *(Silence.)* There being none, the amendment is approved.

Senator PADILLA. On page 43, line 12, eliminate the word "POLICE" so that the line will read "SHALL EXERCISE EXCLUSIVE POLICE SUPERVISION OVER LAND AND WATER WITHIN THE JURISDICTION OF THE CITY."

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Any objection? *(Silence.)* There being none, the amendment is approved.

Senator PADILLA. Three lines thereafter, eliminate the clause "AND SHALL ARREST WITHOUT WARRANT WHEN NECESSARY TO PREVENT THE ESCAPE OF THE OFFENDER, VIOLATORS, OF ANY LAW OR ORDINANCE, AND ALL WHO OBSTRUCT OR INTERFERE WITH HIM IN THE DISCHARGE OF HIS DUTY." Mr. President, this has reference to arrest without warrant and this is provided for by the Rules of Court. Now, if we amplify the right of the police to cause arrest without warrant by extending the

provisions of the Rules of Court, it would be an additional power of the police in this city which may in some cases adversely affect the individual rights of citizens.

Senator PEREZ. What portion of this, Mr. President, would augment the power to make arrest without warrant?

Senator PADILLA. The phrase, for example, "AND ALL WHO OBSTRUCT OR INTERFERE WITH HIM IN THE DISCHARGE OF HIS DUTY."

Senator PEREZ. We accept the amendment, Mr. President.

The PRESIDENT. Any objection? *(Silence.)* There being none, the amendment is approved.

Senator PADILLA. The last line on page 43, and the first line on page 44, with reference to "ATTEND ALL SESSIONS OF THE CITY COURTS, AND PROMPTLY AND FAITHFULLY EXECUTE ALL ORDERS OF THE MAYOR, AND ALL WRITS AND PROCESSES OF THE CITY COURTS." Now, I do not know if the police should attend the sessions of city courts. We have the sheriffs, bailiffs and the judicial officers and the police should faithfully execute all writs and processes of the city courts but not necessarily orders of the mayor.

Senator PEREZ. So what is your specific amendment? Is Your Honor going to delete the words after "COURTS"?

Senator PADILLA. After the word "SHALL" on the second line from the bottom, eliminate "EITHER IN PERSON OR BY DEPUTY, ATTEND ALL SESSIONS OF THE CITY COURTS." We can go by parts.

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Any objection? *(Silence.)* There being none, the amendment is approved.

Senator PADILLA. Now, on page 44, lines 1 and 2, after the word "EXECUTE" eliminate the words "ALL ORDERS OF THE MAYOR, AND."

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. On page 47, unless there is a prior or previous amendment...

The PRESIDENT. We are now on page 47.

Senator PADILLA. The second paragraph—from the fourth line of the second paragraph under capital letters, eliminate the clause "HE SHALL HAVE POWER TO SWEAR IN SPECIAL POLICE, IN SUCH NUMBERS AS THE OCCASION MAY DEMAND, WHO SHALL HAVE THE SAME POWERS WHILE ON DUTY AS MEMBERS OF THE REGULAR FORCE; OR." That is a consequence of the previous amendment regarding the power to create special force or vigilantes.

The PRESIDENT. What does the sponsor say?

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. The last clause in the same paragraph, eliminate the phrase "EXISTING LAW TO THE CONTRARY NOTWITHSTANDING."

The PRESIDENT. What does the sponsor say?

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. On page 54, under Section 43, "When assessment may be increased or decreased." Add to the last line of said section this proviso:

"PROVIDED, THAT REVISION SHALL NOT BE MADE MORE THAN ONCE EVERY FIVE YEARS."

There is a similar provision in the Charter of the City of Manila, if I am not mistaken, as well as in the Special Assessment Law.

Senator PEREZ. Under the Special Assessment Law, Your Honor, it is within three years.

Senator PADILLA. Ah, three years. But in the City of Manila, I think it is within five years. That is just a certain amount of protection to property owners; if the assessment is revised this year then the City Assessor may revise it again.

The PRESIDENT. What does the sponsor say?

Senator PEREZ. We accept the amendment, Mr. President.

The PRESIDENT. Which amendment was accepted, the five years or the three years?

Senator PEREZ. Five years, Mr. President.

The PRESIDENT. Is there any objection? (*Silence.*) There being none, the amendment is approved.

Senator PADILLA. Now, on page 67, Section 61. The registrations of conveyance in favor of the city are made free of charge, and the section ends with the usual clause, "ANY PROVISION OF EXISTING LAW, RULES AND OR REGULATIONS TO THE CONTRARY NOTWITHSTANDING." Now, I believe that we should eliminate these phrases.

Senator PEREZ. You mean, Your Honor, the entire amendment?

Senator PADILLA. No, no. Not the entire amendment. "ANY PROVISION OF EXISTING LAW..." etc.

Senator PEREZ. "ANY PROVISION OF EXISTING LAW x x x."

Senator PADILLA. And also the phrase "FREE OF CHARGE."

Senator PEREZ. "FREE OF CHARGE." We

accept the amendment, Mr. President.

The PRESIDENT. Is there any objection? (Silence.) There being none, the amendment is approved.

Senator PADILLA. And the clause "ANY PROVISION OF EXISTING LAW, RULES AND REGULATIONS TO THE CONTRARY NOTWITHSTANDING."

Senator PEREZ. We also accept the amendment, Mr. President.

The PRESIDENT. That has already been approved.

Senator PADILLA. Unless there are prior amendments. On page 73, subsection 67-A, entitled "INCOME TAX WITHHELD FROM WAGES," delete the phrase on the last two lines, "ANY PROVISIONS OF EXISTING LAW TO THE CONTRARY NOTWITHSTANDING."

The PRESIDENT. What does the sponsor say?

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Is there any objection? (Silence.) There being none, the amendment is approved.

There is another phrase there.

Senator PADILLA. What page, Mr. President.

The PRESIDENT. On the same page 73.

Senator PEREZ. The three lines before Sec. 67-A.

The PRESIDENT. "PROVIDED, FURTHER, THAT THE SHARE OF THE PROVINCE OF RIZAL FROM FEES, FINES, OR FORFEITURES COLLECTED IN THE CITY OF CALOOCAN IN CONNECTION WITH THE REGISTRATION OF ALIENS SHALL, ANY PROVISION OF EXISTING LAW TO THE CONTRARY NOTWITHSTANDING x x x"

Senator PEREZ. Mr. President, to save time,

the sponsor would like to present an omnibus amendment that whenever the words "ANY PROVISION OF EXISTING LAW TO THE CONTRARY NOTWITHSTANDING" appear in any page of this bill they should be deemed as deleted.

The PRESIDENT. Does the Minority Floor Leader accept the amendment?

Senator PADILLA. Yes, Mr. President.

The PRESIDENT. Is there any objection? (Silence.) There being none, the amendment is approved, so that whenever this phrase appears in any page of the bill it is considered as deleted.

Senator PADILLA. We should adhere to and observe existing laws.

I think those are enough amendments and I think I have done more than my part.

Senator PEREZ. Mr. President, if there are no further individual amendments...

Senator ZIGA. Mr. President.

The PRESIDENT. The gentle lady from Albay.

Senator ZIGA. May I present the following amendment. I notice on page 41 that the city health officer is also the ex-officio local civil registrar. I believe, Mr. President, that this is not proper because the functions of the civil registrar are entirely different from and not related at all to those of the city health officer. As the distinguished sponsor can see, as such local civil registrar, he is required to issue marriage licenses, prepare documents in connection with the issuance of marriage license, administer oaths, keep records of the civil status of persons by entering therein births, deaths, marriages, annulment of marriages, legitimations, adoptions, acknowledgments of natural children, naturalization and change of name. These are not functions related to the Health Department, Mr. President. So, I propose to create another office under the Office of the City Mayor to be called "Of-

office of the Civil Registrar." As the sponsor can see on page 26, I think the only place we can put the city registrar is under the Law Department under the Office of the City Mayor.

Senator PEREZ. Your Honor, I understand that under the present set up the local civil registrar is the city treasurer.

Senator ZIGA. City health officer.

Senator PEREZ. No, city treasurer.

Senator ZIGA. But in this bill, Mr. President, the city health officer is also the *ex-officio* local civil registrar. As you can see on page 41, paragraphs (I) and (J) these are the two functions of the city health officer in his capacity as *ex-officio* local civil registrar. You will note, Mr. President, that these are entirely different from the functions of the city health officer. I believe that these two paragraphs should be placed under the office of the city registrar and we could very well place this office in the law department under the office of the city mayor. I wonder if the distinguished sponsor agrees with me on that.

Senator PEREZ. Mr. President, under the charter as it is now it is true that the city health officer does not act as *ex-officio* city registrar. However, he has the duty to keep a civil register for the city for recording the civil status of persons which shall be entered births, deaths, marriages, etc. In other words, under the old charter the city health officer really keeps the records but he is not the one who is charged with the duty of issuing marriage licenses.

Senator ZIGA. Who is the one in charge of that, Mr. President?

Senator PEREZ. Under the present setup I understand it is the city treasurer.

Senator ZIGA. So there is a confusion in this proposed bill, Mr. President, if that is the present setup. Here we have in this bill the city treasurer to act as *ex officio* local civil registrar,

doing all the different functions of keeping the records of the civil register for births, deaths, marriages, annulment of marriages, legitimations, adoptions, acknowledgments and others. These are entirely foreign to the functions of a city health officer. So for a good charter, as I think and suppose we would like to improve upon the present charter by having an orderly, systematic setup, I would propose that this city registrar be a separate city officer. Maybe we could place it under the law department, under the office of the mayor as the distinguished sponsor can see on page 26. But my point is that the functions of the city registrar should not be given to the city health officer.

Senator PEREZ. I agree with the distinguished lady senator, Mr. President, that the duties of the local civil registrar *ex officio* should not devolve upon the city health officer.

Senator ZIGA. Yes. So with that observation I would leave it to the distinguished sponsor to place the office of the city registrar under whatever department he thinks is proper, although I am suggesting that as I scan the different departments under the office of the city mayor, I think it could very well be placed under the law department.

Senator PEREZ. Mr. President, in line with the proposed amendment offered by the distinguished lady senator from Albay I would ask that we go back to page 26, and after the words "OFFICE OF THE CITY LEGAL OFFICER" we insert in the next line: "A. OFFICE OF THE CIVIL REGISTRAR."

Senator PEREZ. And consequently, Mr. President, on page 38, between the words "PERSONNEL AS MAY BE DETERMINED BY THE MUNICIPAL BOARD" and before the words "B. — OFFICE OF THE CITY FISCAL," I move that we insert the following: "A. — THE OFFICE OF THE CIVIL REGISTRAR IS HEREBY CREATED WHICH SHALL HAVE THE DUTY OF ISSUING MARRIAGE LICENSES REQUIRED BY LAW TO

BE ISSUED BEFORE THE SOLEMNIZATION OF MARRIAGE. IT SHALL BE THE DUTY OF THE CIVIL REGISTRAR OR HIS AUTHORIZED DEPUTY TO: 1. PREPARE THE DOCUMENTS AS ARE REQUIRED BY LAW IN CONNECTION WITH THE ISSUANCE OF MARRIAGE LICENSE AND TO ADMINISTER OATHS, FREE OF CHARGE, TO ALL INTERESTED PARTIES." I move for the approval of the amendment, Mr. President.

Senator ZIGA. Mr. President, the next paragraph also refers to the functions of civil registrar. So I move that the second paragraph should also be included among the functions of the civil registrar.

The PRESIDENT. Paragraph (J).

Senator ZIGA. Letter (J), Mr. President.

Senator PEREZ. And paragraph (J) on page 41 up to and including the words "register; and." The paragraph on page 42 should also be included in the amendment to be placed on page 38 before "B. — OFFICE OF THE CITY FISCAL."

The PRESIDENT. Is there any objection? (Silence.) There being none the amendment is approved.

Senator ZIGA. My next amendment, Mr. President is on page 88. I propose that in SEC. 91-B the title of the paragraph be "SOCIAL WELFARE DIVISION." This is to make it conform with the Social Welfare Department of the Philippines.

Senator PEREZ. Accepted, Mr. President.

Senator ZIGA. And the paragraph will read as follows, as we cannot depend on the lines because they are not numbered, Mr. President. I will just read the paragraph as I amend it: "THERE SHALL BE ESTABLISHED A SOCIAL WELFARE DIVISION WHICH SHALL BE STAFFED WITH DULY REGISTERED SOCIAL WORKERS, WHO SHALL BE APPOINTED BY THE JUDGE WITH SUCH COMPENSATION AS MAY BE FIXED BY THE MUNICIPAL BOARD:

PROVIDED, HOWEVER, THAT THE CHIEF OF THE DIVISION SHALL RECEIVE A COMPENSATION OF NOT LESS THAN SEVEN THOUSAND TWO HUNDRED PESOS PER ANNUM," etc. That is my amendment, Mr. President.

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Is there any objection? (Silence.) There being none the amendment is approved.

Senator ZIGA. As a consequence of that amendment, Mr. President, I move that on page 93, in the third paragraph the words "SOCIAL SERVICE AND COUNSELLING" be changed to "SOCIAL WELFARE DIVISION."

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Is there any objection? (Silence.) There being none the amendment is approved.

Senator ZIGA. Similarly in the next fourth paragraph the words "SOCIAL SERVICE AND COUNSELLING" should also be changed to "SOCIAL WELFARE DIVISION."

Senator PEREZ. Accepted, Mr. President.

The PRESIDENT. Is there any objection? (Silence.) There being none the amendment is approved.

Senator PEREZ. Mr. President, if there are no further amendments I move that we approve the bill on second reading, as amended.

APPROVAL ON SECOND READING OF HOUSE BILL NO. 1150

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill, as amended, will please say *Aye*. (Several Senators: *Aye*.) As many as are against will please say *Nay*. (Silence.) House Bill No. 1150 is approved on second reading, as amended.

APPROVAL ON THIRD READING OF HOUSE BILL No. 18226

Senator TOLENTINO. Mr. President, I ask

that we vote on third reading on House Bill No. 18226.

The PRESIDENT. Voting on third reading on House Bill No. 18226 is now in order. The Secretary will please read the title of the bill only, if there is no objection. (There was none.)

The SECRETARY:

"AN ACT CREATING THE CITY OF MANDAUE."

The PRESIDENT. The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

The SECRETARY:

Senator Alejandro D. Almendras	Yes
" Magnolia W. Antonino	Absent
" Benigno Aquino, Jr.	Yes
" Dominador R. Aytona	Yes
" Helena Z. Benitez	Yes
" Jose W. Diokno	Yes
" Eva Estrada Kalaw	Yes
" Rodolfo T. Ganzon	Yes
" Wenceslao R. Lagumbay	Yes
" Salvador H. Laurel	Absent
" Juan R. Liwag	Yes
" Genaro F. Magsaysay	Absent
" Sergio Osmeña, Jr.	Absent
" Ambrosio Padilla	Yes
" Emmanuel Pelaez	Yes
" Leonardo B. Perez	Yes
" Gerardo M. Roxas	Yes
" Jose J. Roy	Yes
" Jovito R. Salonga	Absent
" Lorenzo M. Tañada	Absent
" Lorenzo G. Teves	Yes
" Arturo M. Tolentino	Yes
" Tecla S. Ziga	Yes

The PRESIDENT PRO TEMPORE Yes

The PRESIDENT. With eighteen affirmative votes, no negative vote and no abstention, House Bill No. 18226 is approved on third reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 17786

Senator TOLENTINO. Mr. President, I ask that

we now consider House Bill No. 17786.

The PRESIDENT. Consideration of House Bill No. 17786 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT DECLARING PAOAY LAKE IN THE PROVINCE OF ILOCOS NORTE A NATIONAL PARK

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Paoay Lake in the Province of Ilocos Norte and its extremities within one kilometer from said lake is hereby declared a national park.

SEC. 2. This Act shall take effect upon its approval.

Senator TOLENTINO. I ask for the approval of the bill, Mr. President.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say Aye. (Several senators: (Aye.) As many as are against will please say Nay. (Silence.) House Bill No. 17786 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 8970

The PRESIDENT. Consideration of House Bill No. 8970 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT CREATING A BRANCH OFFICE OF THE REGISTER OF DEEDS OF THE PROVINCE OF ILOCOS NORTE, WITH PERMANENT STATION AT THE MUNICIPALITY OF BATAC, SAME PROVINCE, AND AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR.

Be it enacted by the Senate and House of Repre-

representatives of the Philippines in Congress assembled:

SECTION 1. There is hereby created a branch office of the Register of Deeds of the Province of Ilocos Norte, with permanent station at the Municipality of Batac, same province, which shall perform all the duties and functions of the register of deeds for the Municipalities of Batac, Paoay, Currimao, Pinili, Badoc, Esplritu, Marcos, Nueva Era, Dingras and Solsona, all in the Province of Ilocos Norte.

SEC. 2. To carry out the provisions of this Act, there is hereby authorized to be appropriated for the fiscal year nineteen hundred sixty-eight, out of any funds in the National Treasury not otherwise appropriated, the sum of twenty thousand seven hundred eighty four pesos to be spent for the following:

- (a) Deputy Register of Deeds P5,112.00
- (b) One supervising clerk 3,300.00
- (c) One senior cash clerk 2,424.00
- (d) One clerk 2,196.00
- (e) One messenger 1,800.00
- (f) One janitor 1,476.00
- (g) One laborer P1,476.00
- (h) Sundry expenses 3,000.00

Such sums as may be necessary for the same purpose in subsequent years shall be included in the annual General Appropriations Act.

SEC. 3. This Act shall take effect upon its approval.

COMMITTEE AMENDMENT

Senator TOLENTINO. Mr. President, there is a Committee amendment: On page 1, line 11, change the word "sixty-eight" to "SEVENTY."

The PRESIDENT. Is there any objection? (Silence). The Chair hears none, the amendment is approved.

Senator TOLENTINO. Mr. President, I ask for the approval of the bill, as amended, on second reading.

The PRESIDENT. We shall now vote on the

bill on second reading, as amended. As many as are in favor of the bill will please say *Aye*. (Several senators: *Aye*.) As many as are against will please say *Nay*. (Silence.) House Bill No. 8970, as amended, is approved on second reading.

CONSIDERATION AND APPROVAL OF HOUSE BILL NO. 8913

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 8913.

The PRESIDENT. Consideration of House Bill No. 8913 is now in order. The Secretary will please read the bill.

The SECRETARY:

AN ACT CREATING THE SUBPROVINCE OF SAMAL IN THE PROVINCE OF DAVAO.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The Municipalities of Samal and Babak and all the territories comprised therein in the Province of Davao, are constituted into a subprovince to be known as the Subprovince of Samal, with the seat of government in the Municipality of Samal.

SEC. 2. The provisions of Sections twenty-one hundred and thirty-seven, twenty-one hundred and thirty-eight, twenty-one hundred and thirty-nine, twenty-one hundred forty, twenty-one hundred forty-one, twenty-one hundred forty-two, and twenty-one hundred forty-three of the Administrative Code, as amended, shall be applied to the Subprovince of Samal.

SEC. 3. The Lieutenant-governor of the Subprovince of Samal shall receive a compensation of six thousand pesos *per annum*.

SEC. 4. The creation of the Subprovince of Samal in the Province of Davao, as provided in this Act, shall become effective if majority of the qualified voters of the proposed subprovince shall vote in favor of such creation in a plebiscite to be held simultaneously with the election in November, nine-

teen hundred sixty-seven under the supervision of the Commission on Election.

SEC. 5. This Act shall take effect upon its approval.

COMMITTEE AMENDMENT

Senator TOLENTINO. Committee amendment, Mr. President. On page 2, line 9, delete the word: "sixty-seven" and in lieu thereof insert: "SIXTY-NINE."

The PRESIDENT. Is there any objection? (*Silence.*) The Chair hears none, the amendment is approved.

Senator TOLENTINO. Mr. President, I ask for the approval of the bill, as amended, on second reading.

The PRESIDENT. We shall now vote on the bill on second reading, as amended. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 8913, as amended, is approved on second reading.

CONSIDERATION AND APPROVAL OF HOUSE BILL NO. 11154

Senator TOLENTINO. Mr. President, I move that we now consider House Bill No. 11154.

The PRESIDENT. Consideration of House Bill No. 11154 is now in order. The Secretary will please read the bill.

The SECRETARY:

AN ACT PROVIDING FOR THE ESTABLISHMENT OF A NATIONAL SHRINE IN THE MUNICIPALITY OF BATAAC, PROVINCE OF ILOCOS NORTE, TO BE KNOWN AS AGLIPAY SHRINE.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. There is established in the Muni-

pality of Bataac, Province of Ilocos Norte, a national shrine to be known as Aglipay Shrine, which shall comprise the land and the house built thereon where the late Bishop Gregorio Aglipay was born, as well as lands adjacent thereto whose acquisition by negotiation or expropriation is hereby authorized.

SEC. 2. There shall be constructed, on any vacant place in the land where the late Bishop Gregorio Aglipay was born, a house wherein shall be preserved the relics in the Bishop's life.

SEC. 3. This Act shall take effect upon its approval.

COMMITTEE AMENDMENT

Senator TOLENTINO. Committee amendment, Mr. President. On page 1, line 5, insert between "thereto" and "whose" the words: "NOT TO EXCEED 2,000 SQUARE METERS."

The PRESIDENT. Is there any objection? (*Silence.*) The Chair hears none, the amendment is approved.

Senator TOLENTINO. Mr. President, I ask for the approval of the bill, as amended, on second reading.

The PRESIDENT. We shall now vote on the bill on second reading, as amended. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 11154 is approved on second reading as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 11149

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 11149.

The PRESIDENT. Consideration of House Bill No. 11149 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT PROVIDING FOR THE ESTABLISHMENT OF A NATIONAL SHRINE IN THE MUNICIPALITY OF BATAC, PROVINCE OF ILOCOS NORTE, TO BE KNOWN AS RICARTE SHRINE.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. There is established in the Municipality of Batac, Province of Ilocos Norte, a national shrine to be known as Ricarte Shrine, which shall comprise the land and the house built thereon where the late General Artemio Ricarte was born, as well as lands adjacent thereto whose acquisition by negotiation or expropriation is hereby authorized.

SEC. 2. There shall be constructed on any vacant place in the land, birthplace of the late General Artemio Ricarte, a house wherein shall be preserved the relics in the General's life.

SEC. 3. This Act shall take effect upon its approval.

COMMITTEE AMENDMENT

Senator TOLENTINO. Committee amendment, Mr. President. On page 1, line 6, insert between "thereto" and "whose" the words: "NOT TO EXCEED 2,000 SQUARE METERS."

The PRESIDENT. Is there any objection? (*Silence.*) The Chair hears none, the amendment is approved.

Senator TOLENTINO. Mr. President, I ask for the approval of the bill, as amended, on second reading.

The PRESIDENT. We shall now vote on the bill on second reading, as amended. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 11149 is approved on second reading, as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 17249

Senator TOLENTINO. Mr. President, I ask that

we now consider House Bill No. 17249.

The PRESIDENT. Consideration of House Bill No. 17249 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING REPUBLIC ACT NUMBERED SIXTEEN HUNDRED TWENTY-NINE (re Quezon Memorial Hospital School of Nursing).

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section one of Republic Act Numbered Sixteen hundred twenty-nine is amended to read as follows:

"Section 1. There shall be established a School of Nursing in the Quezon Memorial Hospital in the City [Municipality] of Lucena [Province of Quezon.] The establishment, maintenance and operation of the said school of nursing shall be under the control and management of the Director of the said Quezon Memorial Hospital, subject to the executive supervisory of the SECRETARY OF HEALTH [Director of Hospitals]."

Sec. 2. Section two of the same Act is amended to read as follows:

"SEC. 2. The sum of one hundred FIFTY thousand pesos is hereby [authorized to be] appropriated, out of any funds in the National Treasury not otherwise appropriated, for the establishment, maintenance and operation of the school of nursing [under this Act] FOR THE FISCAL YEAR ENDING JUNE THIRTY, NINETEEN HUNDRED SIXTY-NINE. Such SUMS AS MAY BE NECESSARY FOR THE OPERATING EXPENSES OF THE QUEZON MEMORIAL HOSPITAL SCHOOL OF NURSING IN SUCCEEDING FISCAL YEARS SHALL BE INCLUDED IN SUBSEQUENT GENERAL APPROPRIATION ACTS, which shall be disbursed by the [Director of the Quezonian Memorial Hospital in Lucena, Quezon] SCHOOL OF NURSING AUTHORITIES CONCERNED, IN ACCORDANCE WITH THE PROVISIONS OF COMMONWEALTH ACT NUMBERED TWO HUNDRED FORTY-SIX AS AMENDED. [subject to the approval of the Director of Hospitals.]"

SEC. 3. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I ask for the approval of the bill.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 17249 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 1182

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 1182.

The PRESIDENT. Consideration of House Bill No. 1182 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING SECTIONS TWENTY-FIVE AND NINETY-NINE OF REPUBLIC ACT NUMBERED FOUR THOUSAND SIX HUNDRED FORTY-FIVE, OTHERWISE KNOWN AS THE "CHARTER OF THE CITY OF OLONGAPO."

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The first paragraph of Section twenty-five of Republic Act Numbered Four thousand six hundred forty-five is amended to read as follows:

"SEC. 25. *The City Fiscal—His powers, duties and compensation.* — There shall be city fiscal, who shall be the chief legal adviser of the city. There shall be SEVEN [four assistant city fiscals, who shall be known as the first, second, third, [and] fourth, FIFTH, SIXTH AND SEVENTH assistant city fiscals, respectively. The city fiscal and his assistants shall each receive the salary provided for in existing laws to be payable from national funds EXCEPT THE FIFTH, SIXTH AND SEVENTH AS-

SISTANT CITY FISCALS WHO SHALL BE PAID FROM THE CITY FUNDS: *Provided however, That their salaries shall be paid from the city funds until such time as the appropriation for the same has been included in the said annual Appropriations Act. The city fiscal shall, subject to the general supervision of the secretary of Justice, have the following general powers and duties.*"

SEC. 2. Section ninety-nine of the same Act is amended to read as follows:

"SEC. 99. *The Bureau of Health Services; City Hospital.* — The Bureau of Health Services shall exercise the same jurisdiction and power in the city as elsewhere in the Philippines.

"The former Olongapo Hospital owned by the erstwhile municipality, presently called Southern Zambales Emergency Hospital under Republic Act Numbered Three thousand five hundred fifty-one shall hereinafter be referred to as Olongapo City General Hospital: *PROVIDED, HOWEVER, THAT ITS ADMINISTRATION, MAINTENANCE AND FUNDING SHALL BE BORNE BY THE CITY GOVERNMENT: PROVIDED, FURTHER, THAT THE NATIONAL FUNDS ACCRUING TO THE HOSPITAL SHALL CONTINUE TO BE INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT, BUT SHALL BE TRANSFERRED TO AND EQUALLY DISTRIBUTED FOR THE OPERATION AND MAINTENANCE OF THE SAN MARCELINO EMERGENCY HOSPITAL: AND PROVIDED, FINALLY, [however] That the incumbent Chief of Hospital shall be the director OF THE SAME and he shall not be removed nor suspended except FOR CAUSE: AND PROVIDED, FINALLY, THAT THE STAFF AND PERSONNEL OF SAID HOSPITAL SHALL BE RETAINED [In the manner and/or causes provided by law]."*

SEC. 3. This Act shall take effect upon its approval.

COMMITTEE AMENDMENT

Senator TOLENTINO. Committee amendment. Mr. President. On page 2, line 11, delete the word "AND" before the word "Provided," and also the word "FINALLY" and in lieu thereof insert: "FURTHERMORE."

The PRESIDENT. Is there any objection? (*Si-*

lence.) The Chair hears none, the amendment is approved.

Senator TOLENTINO. Mr. President, I ask for its approval on second reading, as amended.

The PRESIDENT. We shall now vote on the bill on second reading, as amended. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 1182 is approved on second reading as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 17710

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 17710.

The PRESIDENT. Consideration of House Bill No. 17710 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING COMBINED BROADCASTING, INC., A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN A RADIO BROADCASTING STATION IN THE CITY OF LIPA AND THE PROVINCE OF BATANGAS.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the provisions of the Constitution, as well as Act Numbered Three thousand eight hundred forty-six entitled "An Act providing for the regulation of radio stations and radio communications in the Philippine Islands, and for other purposes"; Act Numbered Three thousand nine hundred ninety-seven, known as the Radio Broadcasting Law; Commonwealth Act Numbered One hundred forty-six, known as the Public Service Act, and their amendments, and other applicable laws, not inconsistent with this Act, Combined Broadcasting, Inc., a domestic corporation duly consti-

tuted under the laws of the Republic of the Philippines is hereby granted a franchise to construct, maintain and operate a radio broadcasting station in the City of Lipa and the Province of Batangas.

SEC. 2. This franchise shall continue for a period of twenty-five years from the date the said station shall be put in operation and is granted upon the express condition that the same shall be void unless the construction of said station be begun within two years from the date of approval of this Act and completed within four years from said date.

SEC. 3. This franchise is likewise granted upon the express condition that the grantee shall contribute to the public welfare, shall assist in the functions of public information and education, shall conform to the ethics of honest enterprise, and shall not use its station for the dissemination of deliberately false information or willful misrepresentation, or to the detriment of public health, or to incite, encourage or assist in subversive or treasonable acts.

SEC. 4. The grantee's radio broadcasting station shall not be put in actual operation until the Secretary of Public Works and Communications shall have allotted to the grantee the frequency and wave length to be used under this franchise and issued to the grantee a license for such use.

SEC. 5. A special right is reserve to the President of the Philippines in time of war, rebellion, public peril, or other national emergency and when public safety requires, to cause the closing of said station or to authorize the use and and operation thereof by any department of the Government without compensating the grantee for the use of said station during the continuance of the national emergency.

SEC. 6. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on its business, real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay.

SEC. 7. The grantee, its successors or assigns, shall hold the national, provincial and municipal governments of the Philippines harmless from all

claims, demands or action arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the station of the grantee.

SEC. 8. The franchise hereby granted shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires.

SEC. 9. As a condition of the granting of this franchise, the grantee shall execute a bond in favor of the Government of the Republic of the Philippines, in the sum of ten thousand pesos, in form and with sureties satisfactory to the Secretary of Public Works and Communications, conditioned upon faithful performance of the grantee's obligation hereunder during the first three years of the life of this franchise. If after three years from the date of acceptance of this franchise, the grantee shall have fulfilled the same, the bond shall be cancelled by the Secretary of Public Works and Communications.

SEC. 10. Acceptance of this franchise shall be given in writing within six months after approval of this Act. When so accepted by the grantee and upon approval of the bond by the Secretary of Public Works and Communications, the grantee shall be empowered to exercise the privileges granted thereby.

SEC. 11. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise, or the rights and privileges acquired thereunder, to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other person, company or corporation organized for the same purpose, without the approval of the Congress of the Philippines first had. Any corporation to which this franchise may be sold, transferred or assigned shall be subject to the corporation laws of the Philippines now existing or hereafter enacted, and any person, firm, company, corporation or other commercial or legal entity to which this franchise is sold, transferred or assigned shall be subject to all conditions, terms, restrictions and limitations of this franchise as fully and completely and to the same extent as if the franchise had been originally granted to the said person, firm, company, corporation or other commercial or legal entity.

SEC. 12. The grantee shall not require any pre-

vious censorship of any speech, play or other matter to be broadcast from his station; but if any speech, play or other matter should constitute a violation of the law or infringement of a private right, the grantee shall be free from any liability, civil or criminal, for such speech, play or other matter: *Provided* That the grantee during any broadcast shall cut off from the air the speech, play of other matter being broadcast if the tendency thereof is to propose and/or incite treason, rebellion or sedition, or the language used therein or the theme thereof is indecent or immoral, and willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

SEC. 13. This franchise shall not be interpreted as an exclusive grant of the privilege herein provided for.

SEC. 14. This Act shall take effect upon its approval.

COMMITTEE AMENDMENT

Senator TOLENTINO. Committee amendment, Mr. President. On page 6, section 13, line 4, add another Section, Section 13 a and the phrase:

"IN CONSIDERATION OF THIS FRANCHISE THE GRANTEE SHALL PAY A TAX EQUIVALENT TO FIVE PERCENT OF ITS GROSS INCOME."

The PRESIDENT. Is there any objection? (*Silence.*) The Chair hears none, the amendment is approved.

Senator TOLENTINO. I ask for the approval of the bill on second reading, as amended.

The PRESIDENT. We shall now vote on the bill on second reading, as amended. As many as are in favor of the bill as amended, will please say *Aye* (*Several senators: Aye*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 17710 is approved on second reading, as amended.

CONSIDERATION AND APPROVAL ON
SECOND READING OF HOUSE BILL NO. 16446

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 16446.

The PRESIDENT. Consideration of House Bill No. 16446 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING R. AND B. ICE PLANT, INC., A FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE ICE PLANTS AND COLD STORAGES IN THE CITY OF MANILA AND IN THE PROVINCE OF RIZAL.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the conditions imposed by this Act, there is granted to R. and B. Ice Plant, Inc. its successors or assigns, for a period of twenty-five years after the approval of this Act, the right, privileges and authority to construct, maintain and operate ice plants and cold storage in the City of Manila and in the Province of Rizal, for the purpose of manufacturing ice and supplying cold storage and to sell and distribute the ice so manufactured and supply cold storage facilities in the said city and province and to collect a schedule of rates and prices for the ice so manufactured and for the cold storage so furnished which schedule of rates and prices shall at all times be subject to regulation by the Public Service Commission.

SEC. 2. The grantee shall install, maintain and operate ice plants and cold storages in any part of the City of Manila and in the Province of Rizal: Provided, however, That the total daily output of all the ice plants so installed and maintained shall not exceed one thousand tons and for the cold storages so installed and maintained shall not exceed a total capacity of ten thousand tons.

SEC. 3. All the apparatus and appurtenances to be used by the grantee shall be modern, safe and first class in every respect, and the grantee shall, whenever the Public Service Commission shall determine that public interest reasonably requires it, change or alter any of its apparatus and appurtenances at grantee's expense.

SEC. 4. If the grantee shall not commence the construction of at least one ice plant and cold storage within two years from the approval of this Act, unless prevented by an act of God or *force majeure*, martial law, riot, civil commotion, usurpation by a military power or any other cause beyond the grantee's control, this franchise shall become null and void.

SEC. 5. This franchise is granted subject to the provisions of Commonwealth Act Numbered One hundred sixty-six, as amended, only with respect to the fixing of rates, and with the understanding and upon the condition that it shall be subject to amendment, alteration or repeal by the Congress of the Philippines when public interest so requires.

SEC. 6. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on its business, real estate, buildings, and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay.

SEC. 7. In the event of any competing individual, association of persons, or corporation receiving from the Congress of the Philippines as similar franchise in which there shall be any term or terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become a part of the terms hereof and shall operate equally in favor of the grantee as in the case of said competing individual, association of persons or corporation.

SEC. 8. This Act shall take effect upon its approval.

COMMITTEE AMENDMENT

Senator TOLENTINO. Committee amendment. Mr. President. On page 2, line 7, delete the words beginning with: "not exceed" up to the word "tons" on line 9, and in lieu thereof insert the following: "TO BE DETERMINED BY THE PUBLIC SERVICE COMMISSION."

The PRESIDENT. Is there any objection? (Silence.) The Chair hears none, the amendment is approved.

Senator TOLENTINO. On page 3, delete Section 7 and change Section 8 to Section 7.

The PRESIDENT. Is there any objection? (Silence.) The Chair hears none, the amendment is approved.

Senator TOLENTINO. On page 3, Section 6, delete the whole section starting from the word "THE" on line 6 up to the word "pay" on line 10, and in lieu thereof place the following: "IN CONSIDERATION OF THIS FRANCHISE THE GRANTEE SHALL PAY A TAX EQUIVALENT TO FIVE PER CENT (5%) OF ITS GROSS INCOME."

The PRESIDENT. Is there any objections? (Silence.) The Chair hears none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move for the approval of the bill, as amended, on second reading.

The PRESIDENT. We shall now vote on the bill as amended, on second reading. As many as are in favor of the bill will please say *Aye*. (Several senators: *Aye*.) As many as are against will please say *Nay*. (Silence.) House Bill No. 16446, as amended, is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 14019

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 14019.

The PRESIDENT. Consideration of House Bill No. 14019 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING WORLDWIDE PAPER MILLS, INC., A FRANCHISE TO ESTABLISH, MAINTAIN AND OPERATE PRIVATE FIXED POINT-TO-POINT, PRIVATE COASTAL, LAND-BASED, AERONAUTICAL AND LAND-MOBILE RADIO

STATIONS FOR THE TRANSMISSION AND RECEPTION OF WIRELESS MESSAGES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Worldwide Paper Mills, Inc., is hereby granted a franchise to establish, maintain and operate fixed point-to-point, private coastal, land-based, aeronautical and land-mobile radio stations in Manila as well as in all such places within the Philippines where it operates its business and/or when the interest of its trade and business activities justify, subject to the approval of the Secretary of Public Works and Communications, for transmission and reception of wireless messages on radio-telegraph and/or radio telephone, radio teletype, radio photo, facsimile, pictures and such other types of emission to and from said stations, each station to be provided the necessary radio transmitting and radio receiving apparatus.

SEC. 2. This franchise shall continue in force for a period of twenty-five years, renewable for another twenty-five years, and is granted upon the express condition that the same shall be void unless the construction or installation of at least one station be begun within two years from the date of approval of this Act and be completed within four years from said date.

SEC. 3. The President of the Philippines shall have the power and authority to permit the location of said private fixed point-to-point, private coastal, land-based, aeronautical and land-mobile radio stations on any land of the public domain upon such terms as he may prescribe.

SEC. 4. The grantee shall not engage in domestic business of telecommunications in the Philippines without further special assent of the Congress of the Philippines, it being understood that the purpose of this franchise is to secure to the grantee the right to establish, maintain and operate fixed point-to-point, private coastal, land-based, aeronautical and land-mobile radio stations at places herein aforesaid for no other purpose than to promote and subserve the trade and business interest of the grantee.

SEC. 5. No fees shall be charged by the grantee as the radio stations that may be established by

virtue of this Act shall engage in communications regarding the grantee's business only.

SEC. 6. The grantee shall so construct and operate its stations in such a way that said stations will not interfere with the operations of other radio stations maintained and operated in the Philippines.

SEC. 7. The grantee is authorized to operate its radio stations on the frequency and/or frequencies that may be assigned to it by the Secretary of Public Works and Communications.

SEC. 8. A special right is hereby reserved to the President of the Philippines in time of war, insurrection, public peril, calamity, or disaster to cause the closing of the grantee's radio stations or to authorize the temporary use or possession thereof by any department of the government upon just compensation.

SEC. 9. This franchise shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when public interest so requires, and shall not be interpreted as exclusive grant of the privilege herein provided.

SEC. 10. In the event of any competing individual, partnership or corporation receiving from the Congress of the Philippines a similar franchise on which there shall be any term or terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become a part of the terms hereof and shall operate equally in favor of the herein grantee as in the case of said competing individual, partnership or corporation.

SEC. 11. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise, or the rights and privileges acquired thereunder, to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other person, company, corporation or other commercial or legal entity, nor merge with any other person, company, corporation or other commercial or legal entity organized for the same purpose without the approval of the Congress of the Philippines first had. Any corporation to which this franchise may be sold, transferred or assigned shall be subject to the corporation laws of the Philippines now existing or hereafter enacted and any person, firm,

company, corporation or other commercial or legal entity to which this franchise is sold, transferred or assigned shall be subject to all conditions, terms, restrictions and limitations of the franchise as fully and completely and to the same extent as if the franchise has been originally granted to the said person, firm, company, corporation or other commercial or legal entity.

SEC. 12. In consideration of the franchise and rights hereby granted, and any provision of law to the contrary notwithstanding, the grantee shall pay the same taxes as are now or may hereafter be required by law from other individuals, co-partnerships, private, public or quasi-public association or joint stock companies, on real estate, buildings and other personal property except on such radio equipment, machinery, motor vehicles, and spare parts needed in connection with the franchise hereby granted which shall be exempt from customs duties, tariffs and all taxes.

SEC. 13. Whenever in this Act the term "grantee" is used, it shall be held and understood to mean and represent Worldwide Paper Mills, Inc., its representatives, successors or assigns.

SEC. 14. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move for the approval of the bill on second reading.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: (Aye.)* As many as are against will please say *Nay*. (*Silence.*) House Bill No. 14019. is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18245

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18245.

The PRESIDENT. Consideration of House Bill No. 18245 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING REPUBLIC ACT NUMBERED FORTY-FOUR HUNDRED THIRTY-SEVEN, AS AMENDED (re change of franchise grantee from Batac Consolidated Facoma, Inc. to Benjamin Torres).

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The title of Republic Act Numbered Forty-four hundred thirty-seven is hereby amended to read as follows:

"An Act granting BENJAMIN TORRES [Batac Consolidated Facoma, Inc.] a permit to construct, maintain and operate a radio BROADCASTING AND television station in the Municipality of Batac, Province of Ilocos Norte."

SEC. 2. Section one of Republic Act Numbered Forty-four hundred thirty-seven as amended, is hereby amended to read as follows:

"SECTION 1. Subject to the provisions of the Constitution as well as of Act Numbered Thirty-eight hundred and forty-six, entitled "An Act providing for the regulation of radio stations and radio communications in the Philippine Islands, and for other purposes;" Act Numbered Thirty-nine hundred and ninety-seven, known as the Radio Broadcasting Law; Commonwealth Act Numbered One hundred and forty-six, known as the Public Service Act, and their amendments and other applicable laws, BENJAMIN TORRES [Batac Consolidated Facoma, Inc.] is hereby granted a permit to construct, maintain and operate, for commercial purposes and in the public interest, to cover Northern Luzon area a radio BROADCASTING and television station in the Municipality of Batac, Province of Ilocos Norte; *Provided*, That this permit shall be void unless the construction of said radio BROADCASTING OR television station is begun within two years from approval of this AMENDATORY Act; *Provided*, further, That the grantee shall provide adequate public service time to enable the Government, through the station herein authorized, to reach the population on important issues; shall assist in the function of public information and education; shall conform to the ethics of honest enterprise; and shall not use said station for broadcasting, exhibiting obscene or indecent language or speech or for the dissemination of deliberate false information or will-

ful misrepresentation or to the detriment of the public health, or to incite, encourage or assist in subversive or treasonable acts."

SEC. 3. This Act shall take effect upon its approval.

COMMITTEE AMENDMENT

Senator TOLENTINO. Committee amendment, Mr. President. On page 3, Section 1, line 4, add another Section 1a and the following phrase: "IN CONSIDERATION OF THIS FRANCHISE THE GRANTEE SHALL PAY A TAX EQUIVALENT TO FIVE PER CENT (5%) OF ITS GROSS INCOME."

The PRESIDENT. Is there any objection? (Silence.) The Chair hears none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move for the approval of the bill, as amended, on second reading.

The PRESIDENT. We shall now vote on the bill on second reading, as amended. As many as are in favor of the bill as amended will please say *Aye*. (Several senators: *Aye*.) As many as are against will please say *Nay*. (Silence.) House Bill No. 18245 is approved on second reading as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 17983

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 17983.

The PRESIDENT. Consideration of House Bill No. 17983 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING ILOCANDIA TOBACCO PROCESSORS, INC. A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN PRIVATE FIXED POINT-TO-POINT, PRIVATE COASTAL

AND PRIVATE LAND-BASED RADIO STATIONS AND RADIO MOBILE UNITS FOR THE RECEPTION AND TRANSMISSION OF RADIO COMMUNICATIONS WITHIN THE PHILIPPINES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. There is hereby granted to Ilocandia Tobacco Processors, Inc., its successors or assigns a franchise to construct, install, operate and maintain in the Philippines, or at such places as the grantee may select subject to the approval of the Secretary of Public Works and Communications or any competent authority who is or shall be authorized now or in the future, such private fixed point-to-point, private coastal and private land-based radio stations and radio mobile units for the reception and transmission of wireless message on radiotelegraph or radiotelephone, each station to be provided with a radio-telephone apparatus, a radio transmitting apparatus and a radio receiving apparatus.

SEC. 2. The President of the Philippines shall have the power and authority to permit the location of said private fixed point-to-point and private coastal radio stations or any of them on the public domain upon such terms as he may prescribe.

SEC. 3. This grant shall continue for a period of fifty years from the date said stations shall be placed in operation and is made upon the express conditions that the same shall be void unless the construction of said stations shall begin within two years from date of approval of this Act and be completed within four years from said date.

SEC. 4. The grantee shall not engage in domestic business of telecommunications in the Philippines without further special assent of the Congress of the Philippines it being understood that the purpose of this franchise is to secure to the grantee the right to construct, install, operate and maintain private fixed point-to-point and private coastal and private land-based radio stations and radio mobile units in places within the Philippines as the interest of the corporation and of its trade and business may justify.

SEC. 5. A special right is hereby reserved to the President of the Philippines in time of war, insur-

rection, public peril, calamity or disaster to cause the closing of the station or stations or to authorize the temporary use or possession thereof by any department of the Government, upon just compensation.

SEC. 6. No fees are chargeable as the radio stations that may be established by virtue of this Act shall engage in communication regarding grantee's business only.

SEC. 7. The grantee, its successors or assigns, shall so construct or operate its radio stations as not to interfere with the operation of other radio stations operated and maintained in the Philippines.

SEC. 8. The grantee, its successors or assigns shall hold the national, provincial, city and municipal governments of the Philippines, free from all claims, accounts, demands or actions arising out of the accidents or injuries, whether to property or to persons caused by the construction or operation of its radio stations.

SEC. 9. No private property shall be taken for any purpose by the grantee of this franchise, its successors or assigns, without proper condemnation proceedings and just compensation paid or tendered therein, and any authority to take and occupy land contained herein shall not authorize the taking, use, or occupation of any land except such as is required for the actual necessary purpose for which the franchise is granted. All lands or rights of use and occupation of lands granted to the grantee, its successors or assigns, shall, upon the termination of this franchise or upon revocation, or repeal, revert to the national, provincial or municipal government to which such land or right to use and occupy belonged at the time of the grant thereof or the right to use or occupy the same was conceded to the grantee, its successors or assigns.

SEC. 10. The grantee, its successors or assigns, is authorized to operate its private fixed point-to-point radio stations on commercial frequencies that may be assigned to it by the licensing authority, including the international distress frequency of five hundred kilocycles and the high distress frequency of eight thousand two hundred eighty kilocycles, and to communicate with ship radio stations open to public correspondence only in cases of emergency.

SEC. 11. This franchise shall not be interpreted to

mean as an exclusive grant of the privilege herein provided for.

Sec. 12. Wherever in this Act the term "grantee" is used, it shall be held and understood to mean Ilocandia Tobacco Processors, Inc., its representatives, successors or assigns, unless the context indicates otherwise.

Sec. 13. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, I move for the approval of the bill on second reading.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (Several senators: *Aye*.) As many as are against will please say *Nay*. (Silence.) House Bill No. 17983 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18687

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18687.

The PRESIDENT. Consideration of House Bill No. 18687 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING FIDEL G. GONZALES A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN AN ICE PLANT AND COLD STORAGE IN THE MUNICIPALITY OF BOTOLAN, PROVINCE OF ZAMBALES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the terms and conditions established in this Act and in Commonwealth Act Numbered One hundred forty-six, as amended, and to the provisions of the Constitution, there is granted to Fidel G. Gonzales for a period of twenty-five years from the approval of this Act, the right, privilege and authority to construct, operate and main-

tain an ice plant and cold storage in the Municipality of Botolan, Province of Zambales, for the purpose of manufacturing ice for distribution and sale within the Province of Zambales and for supplying cold storage therein and to charge and collect a schedule of prices shall at all times be subject to regulation by the Public Service Commission or its successor.

SEC. 2. The grantee shall manufacture and supply ice up to the limit of the capacity of his plant or plants.

SEC. 3. The apparatus and appurtenances to be used by the grantee shall be modern, safe and first class in every respect. Whenever the Public Service Commission shall determine that public interest reasonably requires it, the grantee shall change or alter any of the apparatus and appurtenances at grantee's expense, and should the demand for ice at any time increase beyond the capacity of the plant to the grantee to supply the same said capacity of the plant to the grantee to supply the same said capacity of the plant shall be increased by the grantee to meet such demand and in accordance with the decision of the Public Service Commission or its legal successor.

SEC. 4. If the grantee shall not commence the construction of the ice plant and cold storage within one year from the approval of this Act, unless prevented by an act of God or *force majeure*, martial law, riot, civil commotion, usurpation by a military power or any other cause beyond the grantee's control, this franchise shall become null and void.

SEC. 5. This franchise is granted with the understanding and upon the condition that it shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires.

SEC. 6. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on his business, real estate, buildings, and personal property, exclusive of this franchise, as other persons or corporation are now or hereafter may be required by law to pay.

SEC. 7. The books, records and accounts of the grantee shall always be open to inspection by the municipal treasurer quarterly in duplicate showing

the gross receipts for the past quarter, one of which shall be forwarded by the municipal treasurer to the Auditor General who shall keep the same on file.

SEC. 8. This franchise is granted subject to the provision of Commonwealth Act Numbered One hundred forty-six, as amended, only with respect to the fixing of rates.

SEC. 9. In the event of any competing individual, association of persons, or corporation receiving from the Congress of the Philippines a similar franchise in which there shall be any term or terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become part of the terms hereof and shall operate equally in favor of the grantee as in the case of said competing individual, association of persons, or corporation.

SEC. 10. This Act shall take effect upon its approval.

COMMITTEE AMENDMENTS

Senator TOLENTINO. Committee amendments, Mr. President. On page 3, Section 6, delete the whole section starting with the word "THE" on line 5 up to and including the word "PAY" on line 9 and in lieu thereof, place the following: "IN CONSIDERATION OF THIS FRANCHISE THE GRANTEE SHALL PAY A TAX EQUIVALENT TO FIVE PER CENT (%) OF ITS GROSS INCOME."

The PRESIDENT. Is there any objection? (*Silence.*) The Chair hears none, the amendment is approved.

Senator TOLENTINO. On page 2, line 5, delete the whole line and in lieu thereof insert: "IN SUCH QUANTITY AS MAY BE DETERMINED BY THE PUBLIC SERVICE COMMISSION."

The PRESIDENT. Is there any objection? (*Silence.*) The Chair hears none, the amendment is approved.

Senator TOLENTINO. Mr. President, on page 3, delete the whole Section 9 and then change Section 10 to Section 9.

The PRESIDENT. Is there any objection? (*Silence.*) The Chair hears none, the amendment is approved.

Senator TOLENTINO. Mr. President, I ask for the approval of the bill, as amended, on second reading.

The PRESIDENT. We shall now vote on the bill as amended. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18687 is approved on second reading, as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18516

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18516.

The PRESIDENT. Consideration of House Bill No. 18516 is now in order. The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING ELPIDEFORO CUNA, JR. A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN ICE PLANTS AND COLD STORAGE, TO DISTRIBUTE AND SELL ICE SO MANUFACTURED AND FURNISH COLD STORAGE IN THE CITIES OF PASAY, CALOOCAN, QUEZON AND MANILA AND IN THE PROVINCE OF RIZAL.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the conditions imposed by this Act, there is hereby granted to Elpideforo Cuna, Jr., his successors or assigns, for a period of twenty-five years after the approval of this Act, the right, privilege and authority to construct, operate and maintain ice plants and cold storage in

the Cities of Pasay, Caloocan, Manila, and Quezon and in the Province of Rizal, for the purpose of manufacturing ice and furnishing cold storage, and to sell and distribute the ice so manufactured and render cold storage and facilities in the said [cities and province.] and to collect a schedule of rates, prices and charges for the ice so manufactured, distributed and sold, and for the cold storage service furnished which schedule of rates, prices and charges shall at all times be subject to regulation by the Public Service Commission.

SEC. 2. The grantee shall install and maintain an ice plant [or ice plants] and cold storage in any [or] some of all of the cities and province enumerated in Section one hereof: *Provided, however,* That the total daily production capacity of all the ice plants so installed and maintained shall not exceed two thousand tons and that the total capacity of all the storage so installed and maintained shall not exceed ten thousand tons.

SEC. 3. All the machinery, equipment and appurtenances to be used by the grantee shall be modern, safe and first class in every respect.

SEC. 4. If the grantee shall not commence the manufacture of ice within five years from the approval of this Act, unless prevented by an act of God, or *force majeure*, martial law, riot, civil commotion, usurpation by a military power or any other cause beyond the grantee's control this franchise shall become null and void.

SEC. 5. This franchise is granted subject to the provisions of Commonwealth Act Numbered One hundred forty-six, as amended, only with respect to the fixing of rates and with the understanding and upon the condition that it shall be subject to amendment, alteration or repeal by the Congress of the Philippines when public interest so requires.

SEC. 6. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on his business, real estate, buildings, and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay.

SEC. 7. In the event of any competing individual, association of persons, or corporation receiving from the Congress of the Philippines a similar franchise in which there shall be any term or terms more

favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become a part of the terms hereof and shall operate equally in favor of the grantee as in the case of said competing individual, association of persons, or corporation.

SEC. 8. This Act shall take effect upon its approval.

COMMITTEE AMENDMENTS

Senator TOLENTINO. Mr. President, there are committee amendments. On page 1, line 7, before the word "in" insert "IN PARAÑAQUE."

The PRESIDENT. Is there any objection? (*Silence.*) The Chair hears none, the amendment is approved.

Senator TOLENTINO. On page 2, line 1, delete "cities and province," and in lieu thereof insert "PLACES."

The PRESIDENT. Is there any objection? (*Silence.*) The Chair hears none, the amendment is approved.

Senator TOLENTINO. On line 8, delete the words: "or ice plants."

The PRESIDENT. Is there any objection? (*Silence.*) The Chair hears none, the amendment is approved.

Senator TOLENTINO. On the same line, delete the words: "or some of all of the cities and province" and in lieu thereof insert: "OF THE PLACES."

The PRESIDENT. Is there any objection? (*Silence.*) The Chair hears none, the amendment is approved.

Senator TOLENTINO. On the same page, line 12, delete all the words beginning with "two thousand" up to and including the whole of line 14 and, in lieu thereof, insert; "SUCH QUANTITY AS MAY BE DETERMINED BY THE PUBLIC

SERVICE COMMISSION."

Senator TOLENTINO. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. On page 3, delete the whole of Section 7 and, in lieu thereof, insert the following: "IN CONSIDERATION OF THIS FRANCHISE THE GRANTEE SHALL PAY A TAX EQUIVALENT TO FIVE PER CENT (5%) OF ITS GROSS INCOME."

Senator TOLENTINO. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move for approval of the bill as amended.

The PRESIDENT. We shall now vote on the bill as amended on second reading. As many as are in favor of the bill as amended will please say *Aye.* (*Several senators: Aye.*) As many as are against will please say *Nay.* (*Silence.*) House bill No. 18516 is approved on second reading as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18316

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18316.

The PRESIDENT. Consideration of House Bill No. 18316 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING AURELIA A. GOPUANSUY A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN AN ICE AND COLD STORAGE PLANT IN BALUT, TONDO, MANILA.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the terms and conditions established in this Act and in Commonwealth Act Numbered One hundred forty-six, as amended, and

to the provisions of the Constitution, there is granted to Aurelia A. Gopuansuy for a period of twenty-five years from the approval of the Act, the right, privilege and authority to construct, operate and maintain an ice plant and cold storage in Balut, Tondo, City of Manila, for the purpose of manufacturing ice for distribution and sale, for supplying cold storage in the City and suburbs and to charge and collect a schedule of prices and rates therefor which shall at all times be subject to regulation by the Public Service Commission or its legal successor.

SEC. 2. The grantee shall manufacture and supply ice up to the limit of the capacity of the plant, said limit to be determined by the Public Service Commission, and sell the same at the rates to be determined by the Public Service Commission.

SEC. 3. All the apparatus and appurtenances to be used by the grantee shall be modern, safe and first class in every respect, and the grantee, whenever the Public Service Commission shall have determined that public interest reasonably requires it, shall change or alter any of its apparatus and appurtenances at grantee's expense.

SEC. 4. If the grantee shall not commence the construction of the ice plant and cold storage within two years from the approval of this Act, unless prevented by an Act of God or *force majeure*, martial law, riot, civil commotion, usurpation by a military power or any other cause beyond the grantee's control, this franchise shall become null and void.

SEC. 5. This franchise is granted with the understanding and upon the condition that its period shall not exceed twenty-five years, that it shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when public interest so requires.

SEC. 6. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on his business, real estate, buildings, and personal property, exclusive of this franchise as well as income, as other persons or corporation are now or hereafter may be required by law to pay.

SEC. 7. In the event of any competing person, natural or juridical, receiving or may have received from the Congress of the Philippines a similar franchise in which there shall be any term or terms

more favorable than those therein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become a part of the terms hereof and shall operate equally in favor of the grantee as in the case of such competing person.

Sec. 8. This Act shall take effect upon its approval.

Senator TOLENTINO. There is an amendment by the Committee which is contained in the Committee Report, Mr. President. I move that their committee amendment be approved.

Senator TOLENTINO. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Another amendment, Mr. President. On page 3, delete the whole of Section 7 and change "SEC. 8" to "SEC. 7."

Senator TOLENTINO. Any objection? (*Silence.*) There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move that the bill as amended be approved.

The PRESIDENT. We shall now vote on the bill as amended on second reading. As many as are in favor of the bill as amended will please say *Aye.* (*Several senators: Aye.*) As many as are against will please say *Nay.* (*Silence.*) House bill No. 18316 is approved on second reading as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18960

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18960.

The PRESIDENT. Consideration of House Bill No. 18960 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING PROGRESSIVE DEVELOPMENT CORPORATION, A TEMPORARY PER-

MIT TO CONSTRUCT, ESTABLISH, OPERATE AND MAINTAIN PRIVATE FIXED POINT-TO-POINT, PRIVATE AERONAUTICAL, PRIVATE COASTAL AND PRIVATE LAND-BASED AND LAND-MOBILE RADIO STATIONS FOR THE RECEPTION AND TRANSMISSION OF RADIO COMMUNICATIONS WITHIN THE PHILIPPINES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the provisions of the Constitution and the provisions of Act Numbered Three thousand eight hundred and forty-six, entitled "An Act providing for the regulation of radio stations and radio communications in the Philippines Islands, and for other purposes," Commonwealth Act Numbered One hundred forty-six, known as the Public Service Act, and their amendments, and other applicable laws, there is hereby granted to Progressive Development Corporation a temporary permit to construct, establish, operate and maintain in the Philippines at such places as the grantee may select, subject to the approval of the Secretary of Public Works and Communications, private fixed point-to-point, private aeronautical, private coastal and private land-based and land-mobile radio stations, for the reception and transmission of wireless messages on radiotelegraphy or radiotelephony, each station to be provided with a radio transmitting apparatus and radio receiving apparatus.

SEC. 2. The President of the Philippines shall have the power and authority to permit the location of said private fixed point-to-point, private aeronautical, private coastal, and private land-based and land-mobile radio stations or any of them on lands of the public domain upon such terms as he may prescribe.

SEC. 3. This temporary permit shall continue to be in force during the time that the Government has not established similar service at the places selected by the grantee, and is granted upon the express condition that the same be void unless the construction of at least one of the said stations be begun within one and one-half years from the date of approval of this Act.

SEC. 4. The grantee shall not engage in domestic business of telecommunications in the Philippines without further special assent of the Congress of the Philippines, it being understood that the purpose of this temporary permit is to secure to the grantee the right to construct, establish, maintain and operate private fixed point-to-point radio stations, private aeronautical radio stations, private coastal radio stations and private land-based and land-mobile radio units at such places in the Philippines as the interest of the corporation and of its business may justify.

SEC. 5. This temporary permit shall not take effect until the Secretary of Public Works and Communications shall have allotted to the grantee the frequencies and wave lengths to be used thereunder, but the grantee may use the international distress frequency of five hundred kilocycles and the high distress frequency of five hundred kilocycles and the high distress frequency of eight thousand two hundred eighty kilocycles whenever necessary.

SEC. 6. No fees are chargeable, as the radio stations that may be established by virtue of this Act shall engage in communications regarding the grantee's business only.

SEC. 7. The grantee shall so construct and operate its radio stations as not to interfere with the operation of other radio stations maintained and operated in the Philippines.

SEC. 8. The grantee shall hold the national, provincial, and municipal governments of the Philippine harmless from all claims, accounts, demands, or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of its radio stations.

SEC. 9. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this temporary permit, or the rights or privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity without approval of the Congress of the Philippines first had. Any corporation to which this temporary permit may be sold, transferred, or assigned, shall be subject to the corporation laws of the Philippines now existing or hereafter enacted, and any person, firm, company, corporation or other commercial or legal entity to which this temporary permit is sold,

transferred, or assigned shall be subject to all the conditions, terms, restrictions and limitations of this temporary permit as fully and completely and to the same extent as if the temporary permit had been originally granted to the said person, firm, company, corporation or other commercial or legal entity.

SEC. 10. A special right is hereby reserved to the President of the Philippines in time of war, insurrection, public peril, emergency, calamity or disaster to cause the closing of the grantee's stations or to authorize the temporary use or possession thereof by any department of the Government upon payment of just compensation.

SEC. 11. The grantee shall file a bond in the amount of fifty thousand pesos to guarantee the full compliance and fulfillment of the conditions under which this temporary permit is granted. If after four years from the date of the approval of this Act the grantee shall have fulfilled said conditions or as soon thereafter as the grantee shall have fulfilled the same, the aforesaid bond shall be cancelled by Government.

SEC. 12. Whenever in this temporary permit the term "grantee" is used, it shall be held and understood to mean "Progressive Development Corporation" its representatives, successors, or assigns, unless the context indicates otherwise.

SEC. 13. This temporary permit shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires, and shall not be interpreted as an exclusive grant of the privileges herein provided for.

SEC. 14. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 18960 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 17857

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 17857.

The PRESIDENT. Consideration of House Bill No. 17857 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING JOSE CONRADO BENITEZ A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN PRIVATE FIXED POINT-TO-POINT AND LAND-BASED AND LAND-MOBILE RADIO STATIONS FOR THE RECEPTION AND TRANSMISSION OF RADIO COMMUNICATIONS WITHIN THE PHILIPPINES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. There is hereby granted to Jose Conrado Benitez, hereinafter referred to as the "grantee", a franchise to construct, operate and maintain within the Philippines at such places as the grantee may select, subject to the approval of the Secretary of Public Works and Communications, private fixed point-to-point and land-based and land-mobile radio stations for the reception and transmission of wireless messages by radiotelgraph or radio telephone, each station to be provided with radio transmitting apparatus and radio receiving apparatus.

SEC. 2. This franchise shall continue for a period of twenty-five years from the date the said stations shall be put in operation and is made upon the express condition that the same shall be void unless the construction or installation of said stations be begun within one year from the date of approval of this Act and be completed within two years from said date.

SEC. 3. The grantee, his successors or assigns, shall not engage in the domestic business of telecommunications in the Philippines without further special assent of the Congress of the Philippines, it being understood that the purpose of this franchise is to secure to the grantee the right to construct, install, maintain and operate private radio stations in such places in the Philippines as

the interest of the grantee may justify.

SEC. 4. No fees shall be charged by the grantee as the radio stations that may be established by virtue of this Act shall engaged in communications regarding the grantee's business only.

SEC. 5. The grantee, his successors or assigns, shall so construct and operate his radio stations as not to interfere with the operation of other radio stations maintained and operated in the Philippines.

SEC. 6. The grantee, his successors or assigns, shall hold the national, provincial, city and municipal governments of the Philippines harmless from all claims, accounts, demands or actions arising out of accidents or injuries whether to property or person, caused by the construction or operation of his radio stations.

SEC. 7. The grantee, his successors or assigns, shall be subject to the corporation laws of the Philippines now existing or hereafter enacted.

SEC. 8. The grantee, his successors or assigns, is authorized to operate his radio station frequency, high frequency, and very high frequency that may be assigned to it by the Secretary of Public Works and Communications.

SEC. 9. The grantee shall not lease, transfer, grant, the usufruct of, sell or assign this franchise or the rights or privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other person, company or corporation organized for the same purpose, without the approval of the Congress of the Philippines first had. Any corporation to which this franchise may be sold, transferred, or assigned shall be subject to the corporation laws of the Philippines now existing or hereafter enacted, and any person, firm, company, corporation or other commercial or legal entity to which this franchise is sold, transferred, or assigned shall be subject to all conditions, terms, restrictions and limitations of this franchise as fully and completely and to the same extent as if the franchise had been originally granted to the said person, firm, company, corporation or other commercial or legal entity.

SEC. 10. A special right is hereby reserved to the

President of the Philippines in time of war, insurrection, public peril, emergency, calamity or to authorize the temporary use or possession thereof by any department of the Government upon payment of just compensation.

Sec. 11. This franchise shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires, and shall not be interpreted as an exclusive grant of the privilege herein provided for.

Sec. 12. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No. 17857 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF HOUSE BILL NO. 18688

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18688.

The PRESIDENT. Consideration of House Bill No. 18688 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING FERNANDO C. BOLLOZOS, A FRANCHISE TO CONSTRUCT OPERATE AND MAINTAIN ICE PLANTS AND COLD STORAGE FACILITIES, AND TO DISTRIBUTE AND SELL ICE SO MANUFACTURED AND FURNISH COLD STORAGE FACILITIES IN THE MUNICIPALITY OF SOGOD, PROVINCE OF SOUTHERN LEYTE.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the conditions imposed by

this Act, there is hereby granted to Fernando C. Bollozos, his successors or assigns, for a period of twenty-five years after the approval of this Act, the right, privilege and authority to construct, operate and maintain an ice plant or ice plants and cold storage facility or facilities in the Municipality of Sogod, Province of Southern Leyte and the other municipalities of Libagon, Bontoc, Malitbog Lioan, Padre Burgos, San Francisco and Pintuyan, for the purpose of manufacturing ice and furnishing cold storage, and to sell and distribute the ice so manufactured and render cold storage service therein, and to collect a schedule of rates, prices and charges for the ice so manufactured, distributed and sold, and for the cold storage service furnished, which schedule of rates, prices and charges shall at all times be subject to regulation by the Public Service Commission.

SEC. 2. The grantee shall install and maintain an ice plant or ice plants and cold storage facility or facilities in any or some or all of the municipalities of Sogod Bay in Southern Leyte: *Provided, however,* That the grantee shall manufacture and supply ice up to the limit of the capacity of his plant or plants.

SEC. 3. All the apparatus and appurtenances to be used by the grantee shall be modern, safe and first class in every respect.

SEC. 4. If the grantee shall not commence the construction of the ice plant or plants and cold storage facility or facilities within three years from the approval of this Act, unless prevented by an Act of God or *force majeure*, martial law, riot, civil commotion, usurpation by a military power or any other cause beyond the grantee's control, this franchise shall become null and void.

SEC. 5. This franchise is granted with the understanding and upon the condition that it shall be subject to amendment, alteration or repeal by the Congress of the Philippines when public interest so requires.

SEC. 6. The books, records and accounts of the grantee shall always be open to the inspection of the Auditor General or his authorized representatives, and it shall be the duty of the grantee to submit to the Auditor General quarterly reports in

duplicate showing the gross receipts for the quarter past.

SEC. 7. In consideration of the franchise and rights hereby granted, the grantee shall pay a franchise tax equal to five *per centum* of the gross earnings under this franchise, two *per centum* of which shall accrue to the National Government and three *per centum* to the municipality or city where the franchise is in operation.

SEC. 8. In the event of any competing person, association of persons, or corporation receiving from the Congress of the Philippines a similar franchise in which there shall be any term or terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become a part of the terms hereof and shall operate equally in favor of the grantee as in the case of such competing person, association of persons, or corporation.

SEC. 9. The grantee shall be liable to pay the same taxes, unless exempted therefrom, on his business, real estate, buildings, and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay.

SEC. 10. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, there are amendments.

The PRESIDENT. The gentleman may proceed.

Senator TOLENTINO. On page 2, line 14, delete the words "up to the limit of the capacity of his plant or plants" and, in lieu thereof, insert "IN SUCH QUANTITY AS MAY BE DETERMINED BY THE PUBLIC SERVICE COMMISSION."

Senator TOLENTINO. Any objection? *(Silence.)* There being none, the amendment is approved.

Senator TOLENTINO. On page 3, delete the whole of Section 8 and renumber the succeeding sections correspondingly.

Senator TOLENTINO. Any objection? *(Silence.)*

There being none, the amendment is approved.

Senator TOLENTINO. Mr. President, I move for approval of the bill as amended.

The PRESIDENT. We shall now vote on the bill as amended on second reading. As many as are in favor of the bill as amended will please say *Aye.* *(Several senators: Aye.)* As many as are against will please say *Nay.* *(Silence.)* House bill No. 18688 is approved on second reading as amended.

Senator TOLENTINO. Mr. President, I move that we now consider Senate Bill No. 1157.

The PRESIDENT. Consideration of Senate Bill No. 1157 is now in order.

Senator TOLENTINO. Mr. President, I withdraw that motion.

The PRESIDENT. The motion is withdrawn.

CONSIDERATION OF P. S. R. NO. 76

Senator TOLENTINO. Mr. President, I move that we consider now Proposed Senate Resolution No. 76, to be sponsored by the distinguished Chairman of the Committee on Foreign Relations.

The PRESIDENT. Consideration of Proposed Senate Resolution No. 76 is now in order.

The Secretary will please read the resolution.
The SECRETARY:

RESOLUTION CONCURRING IN THE RATIFICATION BY THE PRESIDENT OF THE PHILIPPINES OF THE AGREEMENT ESTABLISHING THE ASIAN COCONUT COMMUNITY

WHEREAS, the Agreement Establishing the Asian Coconut Community was negotiated in Bangkok by Ceylon, India, Indonesia, Malaysia, Singapore, Thailand and the Philippines;

WHEREAS, the then Secretary of Foreign Affairs, Narciso Ramos, signed the Agreement on December 12, 1968;

WHEREAS, the regional grouping was conceived to develop a well-planned program of concerted action to solve common problems and to mobilize resources to promote the coconut industry of the region and ensure its rapid development;

WHEREAS, the functions of the Community shall be to promote, coordinate, and harmonize all necessary activities with a view to achieving maximum economic development of the coconut industry;

WHEREAS, Article II of the Agreement provides that the instrument of ratification shall be deposited with the Secretary-General of the Nations not later than 31 December 1960;

WHEREAS, the President of the Philippines finds it desirable to ratify the Agreement and has accordingly submitted it to the Senate pursuant to paragraph 7, Section 10, Article VII, of the Constitution;

NOW, THEREFORE be it

RESOLVED, that the Senate of the Philippines concur, as it hereby concurs, in the ratification by the President of the Philippines, of the Agreement Establishing the Asian Coconut Community, signed in Bangkok on December 12, 1968.

The PRESIDENT. The distinguished Senate President Pro Tempore has the floor.

SPONSORSHIP SPEECH OF SENATOR ROY

Senator ROY. Mr. President, the resolution before us requests the concurrence of the Senate in the ratification by the President of the Agreement Establishing the Asian Coconut Community, signed in Bangkok last December 12, 1968. Under the Constitution, this will require 16 votes. I will not ask the President to close the doors or call other members of the Senate to be present.

The signatories to this Agreement, Mr. President, are the seven coconut-producing countries in this part of the world. And the following may interest my distinguished colleagues:

That of the seven coconut countries who are

members of this Coconut Community, the Philippines controls 63 per cent of the total world market for copra; 60 per cent of the coconut oil in the world market comes from the Philippines; 60 per cent of the copra meal and cake in the world market comes from the Philippines; and 54 per cent of the desiccated coconut in the world market comes from the Philippines. So, Mr. President, the Philippines is unquestionably the leader of this Coconut Community in this part of the world.

Mr. President, the purpose of this Coconut Community is to promote, first, improvement in the growth of coconut products; the marketing of coconut products in the world market; the processing of coconut products; and the stability of prices of coconut products all over the world. Needless to state, the Philippines will benefit most.

Mr. President, I therefore ask for the the ratification without reservation of this Agreement.

Senator PADILLA. Mr. President.

THE PRESIDENT. The Minority Floor Leader.

Senator PADILLA. Will the distinguished gentleman yield to a few questions?

THE PRESIDENT. The gentleman may yield if he so desires.

Senator ROY. Willingly, Mr. President.

Senator PADILLA. Your Honor, will this agreement tend to promote a seller's market instead a buyer's market regarding copra and other coconut products?

Senator ROY. That is one of the main objectives, Your Honor. That is specified in Article 3, paragraph (4): "Study the possibilities of enlarging the markets both among the countries of the region and elsewhere and to this end undertake market surveys and market research regarding coconut products;" With all the member

countries banding together, producing more than 80 per cent of the coconut products in the world market, there is no question that they will dictate the prices for coconut products in the world market.

Senator PADILLA. Now, I notice that on page 3, paragraph (9), it is provided: "the object of facilitating the marketing of coconut products within the region." If all the signatories to this Agreement are producers of copra, we don't have to market coconut products from the Philippines, to Indonesia, to other countries.

Senator ROY. No, Your Honor.

Senator PADILLA. But this should be in the nature of a cooperative among the coconut producing countries so that the big powers, the highly industrialized countries in Europe and elsewhere, will not make one source within this region compete with another source and make of us a buyers' market instead of the sellers receiving a stable, reasonable continuing price for coconut products, particularly copra.

Senator ROY. That is right, Your Honor.

Senator PADILLA. Is that the main objective?

Senator ROY. That is the main objective, Your Honor.

Senator PADILLA. And oftentimes in the United Nations the highly industrialized countries always speak of helping the underdeveloped or the developing countries by way of financial aids but actually they take advantage of the export prices of export products, like copra, from this region and from the Philippines such that the coconut producers do not have encouragement to increase their production because sometimes the prices fluctuate and drop, so that even if we increase the volume of our exports, we do not necessarily increase our dollar earnings.

Senator ROY. That is right, Your Honor.

Senator PADILLA. Now, that situation is expected to be solved or at least this would be a means to help solve that problem afflicting the developing countries.

Senator ROY. Yes, Your Honor, that is precisely the main purpose of this Coconut Community Organization to enable these coconut producing countries to band together and find the best price for their products in a cooperative way.

Senator PADILLA. That is very good, Your Honor.

Senator ROY. We can thus dictate the world price on coconut products.

Senator PADILLA. If that will be achieved with this Agreement . . .

Senator ROY. That will be achieved.

Senator PADILLA. Your Honor, in many of these international conferences, including those under the auspices of the International Monetary Fund and the United Nation, I have watched and heard many of the financial experts all over the world, their Governors of Central Banks, or their Secretaries of Finance, not only in Asia but even in South America, complain that because of fluctuating prices, because of the lowering of prices mainly due to the manipulation of world traders under the control of the highly industrialized countries, that even should they increase their production and the volume of their production and the volume of their export trade, because of the diminishing prices, they do not earn an increase in their foreign exchange. And in the coconut industry or in copra, we have seen many of our coconut planters here in the Philippines very happy because they have plenty of money when the price of copra is high. But for one reason at all, after three or four months, the prices drop and they become very unhappy. Now, I don't think there is a valid reason for this sudden fluctuation downwards of the world

prices of copra, other than the manipulation by the more powerful.

Senator ROY. I said a while ago, Your Honor, that the coconut industry is controlled 80 per cent by the member nations or signatories of this Agreement. It turned out that it is not 80% but about 92 per cent and only about 8 per cent is left to other countries of the world supplying coconut products in the world market. And there is no reason why the members of this Coconut Community cannot dictate the price if they work honestly to achieve the purpose and objective of their organization.

Senator PADILLA. Now, I recall, Your Honor, that when I had the privilege to attend the United Nations as minority representative of the Senate and I had the privilege of addressing the Economic Committee of the United Nations, the statement or address that I delivered was exactly on this point — a plea for stable, reasonable and continuing prices for the export products of developing countries. Thank you, Your Honor.

APPROVAL ON THIRD READING OF

P.S.R. No. 76

Senator ROY. Thank you, too.

Mr. President, I move that the resolution be approved on third reading without reservations. This is certified.

The PRESIDENT. Voting on third reading on P. S. R. No. 76 is now in order. The Secretary will please read the title of the Resolution only, if there is no objection. *(There was none.)*

The SECRETARY:

"RESOLUTION CONCURRING IN THE RATIFICATION BY THE PRESIDENT OF THE PHILIPPINES OF THE AGREEMENT ESTABLISHING THE ASIAN COCONUT COMMUNITY."

The PRESIDENT. The Senate will now proceed to vote on the Resolution. The Secretary will

please call the roll.

The SECRETARY:

Senator Alejandro D. Almendras	Yes
" Magnolia W. Antonino	Absent
" Benigno Aquino, Jr.	Yes
" Dominador R. Aytona	Yes
" Helena Z. Benitez	Yes
" Jose W. Diokno	Yes
" Eva Estrada Kalaw	Yes
" Rodolfo T. Ganzon	Yes
" Wenceslao R. Lagumbay	Yes
" Salvador H. Laurel	Yes
" Juan R. Liwag	Yes
" Genaro F. Magsaysay	Absent
" Sergio Osmeña, Jr.	Absent
" Ambrosio Padilla	Yes
" Emmanuel Pelaez	Absent

Senator PELAEZ. Mr. President, I would like to explain my vote very briefly.

The PRESIDENT. The gentleman from Misamis Oriental.

SENATOR PELAEZ EXPLAINS HIS VOTE

Senator PELAEZ. As one who comes from a region where the coconut is the principal product, and being identified with the coconut industry, I would like to say that I am very happy that we are ratifying this Agreement. And I would merely wish to point out that while the Philippines did have a leading role in the drafting of this Agreement under the auspices of the ECAFE, I hope that this leadership in forging this international agreement for the coconut industry will be reflected in our domestic policies, because the truth of the matter is that the coconut industry today is one of the most, if not the most neglected industry in the Philippines. To show the extent of this, you might call almost disdain of this industry, when the budget for the Department of Agriculture and Natural Resources was submitted to us during the committee hearings of the Committee on Finance, we found out that the total appropriation of the Department of Agriculture and Natural Resources

ces only .002% or .2% of 1% of the total appropriation for agriculture was destined for coconut. And as if to add insult to injury, the Department of Agriculture and Natural Resources proposed that we appropriate something like P4 million for vegetables and not one centavo for the coconut industry.

Mr. President, while we may take the lead in banding together the nations of Southeast Asia to cooperate in promoting the coconut industry, we must also begin at home. So, I hope that with the initiative of our distinguished Chairman of the Committee on Finance the budget now will reflect this awakened interest in the coconut industry and I hope that we shall not remain as we are.

While the distinguished sponsor of this measure, the gentleman from Tarlac, Senator Roy, pointed out that in terms of production, we are the leaders in the world, in terms of knowledge of the coconut industry, we are among the last. For instance, we are way behind, we are almost a quarter of a century behind Ceylon in research on the coconut. Until now, we do not have a decent coconut research institute. We are way behind even India which does not export its coconuts, because it does not have enough and it consumes all of it as food. We are way behind these countries. And I hope that as we enter into this international agreement with other countries, we shall not be behind in promoting the coconut industry in the Philippines.

I hope that we shall now pay attention to coconut research, to improvement of agricultural methods; to extension work of the coconut and to find ways and means to realize the true potential of the coconut which today is being neglected. So, I vote yes in the hope that this will be a catalyst domestically for the government, and for the people to give the coconut industry its due.

Mr. President, I vote yes.

The SECRETARY: (continuing) Senator Pelaez yes.

Senator Gerardo M. Roxas	Yes
" Jose J. Roy	Yes
" Jovito R. Salonga	Absent
" Lorenzo M. Tañada	Absent
" Lorenzo G. Teves	Yes
" Arturo M. Tolentino	Yes
" Tecla S. Ziga	Yes
The PRESIDENT	Yes

The PRESIDENT. By 19 affirmative votes, no abstention, no negative vote, P.S.R. No. 76 is approved on third reading and the Senate of the Republic of the Philippines concurs in the ratification by the President of the Philippines of the Agreement establishing the Asian Coconut Community.

CONSIDERATION AND APPROVAL ON
SECOND READING OF PROPOSED SENATE
RESOLUTION NO. 41

Senator TOLENTINO. Mr. President, I move that we consider Proposed Senate Resolution No. 41 to be sponsored also by the distinguished President Pro Tempore of the Senate.

The PRESIDENT. Consideration of Proposed Senate Resolution No. 41 is now in order. The Secretary will please read the Resolution.

The SECRETARY:

RESOLUTION CONCURRING IN THE RATIFICATION BY THE PRESIDENT OF THE PHILIPPINES OF THE CONVENTION BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE KINGDOM OF SWEDEN FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL.

WHEREAS, the Convention between the Government of the Republic of the Philippines and the Government of the Kingdom of Sweden for the avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income

and Capital was signed on April 12, 1966 at Manila:

WHEREAS, the Convention, in general, gives relief to the residents of the Contracting States from double taxation imposable on the same income; and prevents or minimize fiscal evasion through exchange of information;

WHEREAS, the Convention includes tax sparing provisions and provisions on preferred areas of investment which will encourage the flow of investment in the Philippines;

WHEREAS, the President of the Philippines finds it desirable to ratify the Convention and, has accordingly submitted it to the Senate for its concurrence as required by the Constitution of the Philippines;

NOW THEREFORE, be it

RESOLVED, that the Senate of the Philippines concur, as it hereby concurs, in the ratification by the President of the Philippines of the Convention between the Government of the Republic of the Philippines and the Government of the Kingdom of Sweden for the avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital, done at Manila on April 12, 1966, subject to the following reservation, namely, that the reduction in Philippine taxes on dividends and interests granted under Articles VI and VII of the Convention shall be allowed only if the amount realized on account of such reduction is reinvested in the Philippines.

The PRESIDENT. The distinguished gentleman from Tarlac is recognized.

SPONSORSHIP SPEECH OF SENATOR ROY

Senator ROY. Mr. President, this convention subject matter of P.S.R. 41 has been signed on the part of our country last April 12, 1966. Negotiations for this tax treaty with the Government of the Kingdom of Sweden started as far back as 1959. But it was in 1965, several years after, that our government consented in earnest to enter into negotiation for this tax treaty, and we sent a team of six to Sweden to discuss this

problem with their counterparts in Sweden. And our government through the Secretary of Foreign Affairs, signed the agreement on April 12, 1966.

In 1967 this convention was presented to the Senate for its concurrence. At the time, then Chairman of the Committee on Foreign Relations, Senator Salonga, reported out a resolution asking for the concurrence of this Body but with some reservation. That appears on line 7, subject to the following reservation, namely, that the reduction in Philippine taxes on dividends and interest granted under Articles VI and VII of the Convention shall be allowed only if the amount realized on account of such reduction is reinvested in the Philippines". There was objection to this reservation and notably by Senator Sumulong. So this was referred back for study to the committee. It was referred again to the Secretary of Finance, to the Joint Legislative-Executive Tax Commission and it was reported back from those agencies of the government with the recommendation that the convention be accepted without reservation. It was the unanimous opinion and advice of the agencies of our government to away with the reservation.

On the part of the Government of the Kingdom of Sweden, since this has been approved by the Parliament of Sweden, if we insist on the reservation they will have to go over it again, and they can say that anyhow we don't have to provide in our reservation that the 1/3 reduction given them as provided in Articles VI and VII be written in this agreement, because if a favorable investment climate exists in our country, they don't have to be told to reinvest here every earnings they will make or whatever amount they will realize on account of such reduction.

It was also said by the Joint Legislative-Executive Tax Commission that such reservation would instead place a burden in the implementation of this agreement, because there is no provision as to within what period of time will the government of the Kingdom of Sweden reinvest the equivalent of 1/3 of the reduction allowed

them under Articles VI and VII. And it is for this reason that your committee would recommend the ratification of this convention signed by the President of the Philippines without reservation.

Mr. President, it is needless to state that our country, which is still in the stage of development, has made it a policy, written in several laws, two of them having been enacted the other year and last year, to invite foreign capital or foreign investment in our country under certain conditions. And as we know, the obstacles, to foreign investment in any country, aside from what we may call political climate, are the taxes imposed on it, such as double taxation, and by removing this double taxation feature and providing for reciprocity in the grant of tax credits to one another, we will be removing the obstacle to inviting foreign capital and foreign investment in our country.

I would like to read here, Mr. President, a news item datelined Stockholm, Sweden published in the Philippines Herald on Sunday, May 18:

"The Philippine Goodwill and Trade Mission led by Clemente C. Abella, president of the Chamber of International Trade, was here a few days on a tour of the Scandinavian countries. The Filipinos had been to India, Austria, Belgium, Norway, and Denmark.

"The Filipinos invited Swedish businessmen to invest in the Philippines on joint ventures in such fields as integrated pulp and paper, plywood, veneer, long fiber pulp, particles board, activated farming, livestock, glucose, dextrose, rice bran oil, dairy fruits, marine products (industrial scale), deepsea and inland fishing, agar-agar, and ship building or invest directly in the fields of industry in which Filipino capital is shy.

"The Philippine panel suggested financing on a deferred payment plan for five to 10 years at 5-to-6 per cent interest annually by the Skandinaviska Banken under guarantee of reputable insurance companies in the Philippines as recommended by the Scandinavian embassies in Manila to expedite banking transaction directly with the private sectors.

"The Skandinaviska Banken agreed to finance importation of Swedish capital goods on a deferred payment scheme or if the exporters agreed, on guarantees by other than Government banks. This was considered by the Filipino trade mission as an opening for guarantees by the foreign banks of the foreign insurance companies in the Philippines.

"The law of Scandinavia, it was learned, allows financing by Scandinavian banks on a bank-to-bank basis or merely on bank guarantees.

"Most members of the Philippine trade mission had closed orders for Philippine products while other Swedish businessmen said they were considering placing orders, particularly for pineapples, canned foods, sauce, fruits, handicrafts, and glycerine.

"Since business firms here in Sweden are represented in the Philippines by Swedish firms, the Filipino trade mission requested that representatives and distribution should be by Filipinos to enhance close trade relations between the two countries and as a sincere manifestation of the Swedish desire to help the economy of developing countries."

This, the Filipinos cannot do under the tax provisions of both countries because of double taxation. By approving this treaty, I am certain that Filipinos, as requested by the Swedish government, may establish also their trading posts or establishments in Sweden and, likewise, the Swedes can also establish their business firms here. May I continue reading;

"The Philippine panel found out Sweden depends on imports for her consumer needs and raw materials to feed her industries."

Mr. President, it may be inquired what is the volume of our trade with Sweden at the present time. The latest figures I have shown that as of 1967, Philippine exports to Sweden amount to P49.9 million only and Philippine imports from Sweden give us this figure of P30.5 million. The goods comprising our exports to Sweden are copra, Manila hemp, canned stuff, handicrafts and palm oil. Goods coming from Sweden by way of imports are mining equipment and machinery, ball bearings, paper newsprint, pulp and other

highly specialized articles.

Sweden, by the way, is one of the most industrialized countries in the world today, having the highest per capita income in all Europe, even higher than West Germany.

In the interest of national economy, Mr. President, I ask for approval.

Senator DIOKNO. Mr. President.

The PRESIDENT. Gentleman from Batangas.

Senator DIOKNO. I just want to ask the distinguished sponsor regarding the third "WHEREAS" which says:

"WHEREAS, the Convention includes provisions on preferred areas of investment which will encourage the flow of investment into the Philippines."

All I want to know, Mr. President, is whether these provisions included in this treaty are contrary to, or conflict with, the provisions of the Investment Incentive Law because this being a subsequent resolution it may have the effect of repealing the Investment Incentive Law.

Senator ROY. Mr. President, I have here a copy of the law authored by the distinguished Chairman of the Committee on Economic Affairs, Senator Diokno, Republic Act No. 5186. The agencies of your government made a careful check up of the preferred areas of investment under Article VI mentioned in this treaty and those provided for in this law and they have been found to be substantially alike and the same. As a matter of fact, your Tax Commission saw to it that they conform to our definition of preferred areas of investment.

Senator DIOKNO. The reason I asked that, sir, is because this treaty or convention was signed on April 12, 1966, but we did not at that time have an incentive law.

Senator ROY. That is right.

Senator DIOKNO. We only approved the Investment Incentive Law in 1967. If we now ratify this treaty and its provisions on preferred areas of investment are different from, and conflict with, the Investment Incentive Law, this would, with respect at least to the citizens of Sweden, be a modification or repeal of our Investment Incentive Law and we might, thereby, tie our hands in connection with other countries.

Senator ROY. Your Honor is right there.

Senator DIOKNO. That is why I am asking only. Now, if there would be no conflict, it will be perfectly all right.

Senator ROY. There is no conflict. We made it a point, Your Honor, after the passage of this law, to check over again on these preferred areas of investment mentioned under Article VI of this Convention and these preferred areas of investment were taken almost bodily from the provisions of our law giving incentives to basic industries, and the basic industries in the law have been reproduced in Republic Act No. 5186.

Senator DIOKNO. For the record, Mr. President, may I request the distinguished sponsor to state that in the ratification of this treaty it is not the intent of the Senate in any way to modify our repeal the Investment Incentive Law.

Senator ROY. I will take that as the word of the sponsor.

Senator DIOKNO. Thank you.

Senator PADILLA. Mr. President, will the distinguished sponsor yield to some questions?

The PRESIDENT. He may yield if he so desires.

Senator ROY. Willingly.

Senator PADILLA. The treaty or the convention has very laudable purposes, that is, the avoidance of double taxation and the prevention

of fiscal evasion. Now, this convention that we are going to ratify under Resolution No. 41 is not attached to the resolution. But I would be satisfied if the distinguished sponsor would clarify in very brief language how we hope to achieve this purpose of avoiding double taxation under the Treaty.

Senator ROY. Yes, Your Honor. The relief on double taxation appears on Article XVIII of the Convention or Treaty which provides for reciprocity on any tax credit given nationals of the Government of the Kingdom of Sweden, or a reduction of taxes granted in our country under Section 30, C3P of our Internal Revenue Code. There is a mutual reciprocity of tax credit. For instance, under our laws, we have the tax on corporation of 35 per cent. The tax paid on income of 35 per cent will be credited in Sweden to its nationals. We have a provision in our Internal Revenue Code giving tax credit.

Senation PADILLA. That has reference, I suppose, to the reduction that Your Honor mentioned earlier . . .

Senator ROY. On all taxes on income.

Senator PADILLA. . . . reduction on Philippine taxes on dividends and interest granted under Articles VI and VII of the Convention.

Now, how will this double taxation be avoided? Let us be clear. For example, a Swedish firm is doing business in the Philippines. It realizes income and is subject to income tax because its business is carried in the Philippines. And being of Swedish citizenship, I suppose the firm as well as its principal owners or stockholders is likewise liable for income tax in Sweden.

Senator ROY. Yes, Your Honor.

Senator PADILLA. The same with our Philippine laws on income. If you are a Filipino citizen you are liable for income realized not only within but also outside of the Philippines. Now, how is that double liability, we might say, or double taxation, avoided under this Treaty?

Senator ROY. Let me take the case of tax on income on corporation which is 35 per cent under our law. Let us say that the net income is P1 million. Thirty-five per cent of that is paid to us in taxes. This Swedish company here in the Philippines will be credited 35 per cent; otherwise it will have to pay again tax on income in Sweden if it is not credited here. Like what we have with the United States. The corporate tax on American firms organized in the Philippines is about 52 per cent with surcharge. Our tax is 35 per cent. So an American firm pays only the difference between 35 per cent and 52 per cent. In Sweden they will not be taxed again. In other words, they will be credited for the 35 per cent tax paid in the Philippines, otherwise they will have to pay again in Sweden. So this is intended to encourage Swedish nationals or corporation to come to the Philippines because they will be credited with the tax paid here.

Senator PADILLA. This would seem to favor the Swedish nationals or the Swedish firms.

Senator ROY. That is right, Your Honor.

Senator PADILLA. But there is hardly reciprocity here because I do not know of any Filipino firm that is doing business in Sweden or is engaged there in some kind of a productive venture where they realize profit.

Senator ROY. Your Honor may just as well say that we are losing in this kind of transaction or in taxes for giving what you may call a special privilege, but it is not so because unless we approve or ratify this Treaty they will not come here just the same. Besides, I read awhile ago what the Philippine Trade Mission said in Stockholm the other day that they would like also to establish their firm in Sweden or establish a trading establishment there so that they can regularize their trade with Sweden. So, we cannot say that Filipinos may not establish firms there. When you are trading with a country, you may establish your own firm or office in that country because of the regular trade on certain articles which may be considered more or less

permanent. I am certain that some Filipinos may establish firms in Sweden as expressed by the Philippine Trade Mission while they were in Stockholm the other day. We are not going to lose anything on this. As I have stated a while ago unless we approved this Treaty Swedish capital is shy of coming to our country because of double taxation.

Senator PADILLA. Well, Honor, I am not against this resolution, but I want to clarify whether the benefits under this Treaty are more for the Swedish and less for the Filipinos.

Senator ROY. It is more for our benefit, Your Honor, because we want to invite the flow of capital from Sweden where, as Your Honor knows, we have some trade relation because we are a regular buyer of some of their commodities for many many years now.

Senator PADILLA. In other words, this Treaty is more to encourage more Swedish investments.

Senator ROY. Yes, Your Honor, which means more Swedish buying of our products, or the other way around because they may establish their firms here.

Senator PADILLA. Because if they were to buy our products only, in other words, import our export products, and the buyer is a firm established in Stockholm, there would be no problem of double taxation. If the purpose is to encourage exportation, only I think double taxation will arise if Swedish capital were invested in the Philippines and is deprived income from sources within the Philippines.

Senator ROY. That is right, Your Honor, and that is our purpose: to encourage them to bring in their capital and to organize a Swedish corporation under our laws.

Senator PADILLA. Now, is this Convention one of the several Conventions along the same line with other industrialized countries in Europe?

Senator ROY. No, Your Honor, We have the tax treaty pending with the United States. The tax treaty with the United States will involve many many problems. And we have to study very very carefully the tax treaty with the United States because of the tremendous investments of the Americans here amounting to billions of pesos. So the tax treaty with the United States will need a very special treatment on our part. We have to be extra careful in concluding any tax treaty with the United States. As a matter of fact, it is still under study by our government.

Then we have also the pending tax convention with Denmark. We may follow the pattern set in this Convention if we ratify the treaty with respect to Denmark because the nature of our trade with Denmark and Sweden is about the same.

Senator PADILLA. What about West Germany, Your Honor?

Senator ROY. West Germany is also negotiating with us.

Senator PADILLA. I understand that West Germany has foreign capital for investment in Asia, in the Philippines, Your Honor.

Senator ROY. That is right, Your Honor. In the case of West Germany we may even have a tax treaty different from this. It all depends, Your Honor, on the nature of our business or trade with West Germany. Our trade with West Germany is more voluminous than that with Sweden. As Your Honor and our other colleagues will see, on this matter of tax treaty, we will consult very carefully with the members of the Senate through our committee. Public hearings might be necessary to hear all sectors of economy. That is the plan set by your humble servant as chairman of the Committee on Foreign Relations. So we are not in a hurry to take up those other tax treaties because of the studies which the different agencies of our government are now undertaking.

Senator PADILLA. Before this Convention was signed by the President, were our offices in charge with taxation and economic policies and so forth, like the BIR and the NEC, consulted or is this just only the action of the Foreign Affairs Department.

Senator ROY. No, Your Honor. In 1965 we sent a Philippine Delegation to Stockholm, consisting of a team of six officials: The Assistant Secretary of Finance; Undersecretary Endriga; Mr. Ambrosio Lina, Chief Counsel of the Bureau of Internal Revenue; Mr. Jose Plana from the Department of Foreign Affairs; Mr. Montejo from the Joint Legislative-Executive Tax Commission; Mr. Ambrosio Lina, Chief Counsel of the Bureau of Internal Revenue; and Mr. Teofilo Sison, Executive Director, Board of Industries.

These gentleman went to Stockholm and when they arrived the draft of the Agreement was presented to the Executive Office. It was reviewed all over again and then sent to the Joint Legislative Executive Tax Commission. Even after that, I had it sent all over again to the same agencies of the Government for re-study. I conducted investigations in our Committee on Foreign Affairs.

Senator PADILLA. How greatly is fiscal evasion sought to be prevented under this Conven-

Senator ROY. That is achieved, Your Honor, by interchange of communication between the officials of our Government concerned and that of Sweden. Without the Convention or a treaty, there is no means of checking the activities of the business firms established here with respect to their mother country. For the ratification of this treaty there will be an exchange of information of facts and figures on trading activities of Swedish firms doing business in Sweden. That is in Article 20.

Senator PADILLA. The avoidance of double taxation is mainly to encourage the flow of investments into the Philippines, as mentioned in the third Whereas.

Senator ROY. That is right.

Senator PADILLA. Thank you, Your Honor.

Senator ROY. Mr. President, I move for the ratification of the Convention without reservation.

APPROVAL ON THIRD READING OF P.S.R.
NO. 41.

Senator TOLENTINO. Mr. President, I ask that we vote on third reading on P.S.R. No. 41.

The PRESIDENT PRO TEMPORE. Voting on third reading on P.S.R. Bill No. 41 is now in order. The Secretary will please read the title of the resolution only, if there is no objection. *(There was none.)*

The SECRETARY:

"RESOLUTION CONCURRING IN THE RATIFICATION BY THE PRESIDENT OF THE CONVENTION BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE KINGDOM OF SWEDEN FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL."

The PRESIDENT. The Senate will now proceed to vote on the Resolution. The Secretary

will please call the roll.

he SECRETARY:

Senator Alejandro D. Almendras	Yes
" Magnolla W. Antonino	Absent
" Benigno Aquino, Jr.	Yes
" Dominador R. Aytona	Yes
" Helena Z. Benitez	Yes
" Jose W. Diokno	Yes
" Eva Estrada Kalaw	Yes
" Rodolfo T. Ganzon	Yes
" Wenceslao R. Lagumbay	Yes
" Salvador H. Laurel	Yes
" Juan R. Liwag	Yes
" Genaro F. Magsaysay	Absent

Senator Sergio Osmeña, Jr.	Absent
" Ambrosio Padilla	Yes
" Emmanuel Pelaez	Yes
" Leonardo B. Perez	Yes
" Gerardo M. Roxas	Yes
" Jose J. Roy	Yes
" Jovito R. Salonga	Absent
" Lorenzo M. Tafiada	Absent
" Lorenzo G. Teves	Yes
" Arturo M. Tolentino	Yes
" Tecla S. Ziga	Yes
The PRESIDENT	Yes.

The PRESIDENT. With 19 affirmative votes, no abstention and no negative vote, P.S.R. No. 41 is approved on third reading and the Senate of the Philippines concurs in the ratification by the President of the Philippines of the Convention between the Government of the Republic of the Philippines and the Government of the Kingdom of Sweden for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes and income on capital.

CONSIDERATION OF HOUSE BILL NO. 18003

Senator TOLENTINO. Mr. President, I move that we now consider House Bill No. 18003.

The PRESIDENT. Consideration of House Bill No. 18003 is now in order. The Secretary will please read the bill.

The SECRETARY:

AN ACT CREATING THE MUNICIPALITY OF SAN PASCUAL IN THE PROVINCE OF BATANGAS.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Twenty-five of sixty barrios, namely: San Pascual, Danglayan, San Antonio, Laurel, Bayanan, San Mateo, Banaba, Natunuan South, Natunuan North, Kalngin, Santo Niño, Sambat, Palsahingin, Alalum, Sta. Elena, Del Pilar, Malaking Pokok, Pila, San Mariano, Pook ni Banal, Pook ng Kapitán, Mataas-na-Lupa, Ilat, Gelerang Cawayan, and Resplandor in the Municipality of Bauan, Province of Batangas, are separated from said munic-

ipality, and constituted into a distinct and independent municipality, to be known as the Municipality of San Pascual, same province. The seat of government of the new municipality shall be in the present site of the barrio of San Pascual.

SEC. 2. The new municipality shall acquire corporate existence upon the qualification of the first mayor, vice-mayor and councilors, who shall be elected in the next general elections for local officials in November nineteen hundred seventy-one.

SEC. 3. The present indebtedness of the Municipality of Bauan in whatever lending institution and the indebtedness to be incurred as a consequence of the creation of the Municipality of San Pascual shall be apportioned proportionately based on their areas between the new Municipality of San Pascual and the Municipality of Bauan and each shall be liable to the payment of its proportionate share.

SEC. 4. The Roman Catholic Cemetery and the municipal cemetery shall be retained as a territory under the jurisdiction of the Municipality of Bauan. The one-half hectare area wherein the pumping station of the water system of Bauan, and so with one-half hectare area where the reservoir of the water system is to be located to be under the jurisdiction of Bauan.

SEC. 5. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, if there are no questions on this bill, I move that we go to the period of amendments.

Senator PADILLA. Mr. President.

The PRESIDENT. The Minority Floor Leader.

Senator PADILLA. This is a highly controversial bill.

Senator TOLENTINO. Yes, Mr. President, but it is no longer controversial with the amendments that will be introduced.

Senator PADILLA. I have a whole folder of information on this bill.

Senator TOLENTINO. I also have. There has been some kind of an arrangement already made in which the parties to the controversy have agreed to some amendments.

The Bill, Mr. President, is intended to be amended so that the election of the first officials, which will give rise to the municipality's rate existence, will be held in November, 1969. There will be no appointment of municipal officials and the date of election is advanced to this year.

Senator PADILLA. Your Honor, there should be a plebiscite in 1969. The inhabitants of this very controversial issue. Then if the people decides in favor of this bill to segregate a portion of the Municipality of Bauang, including the Caltex Refinery, then the election should be held in 1971.

Senator TOLENTINO. Mr. President, I don't believe that there will be any need for making such a proviso because of the fact that those who are contending over this division have already, as I said, come to some kind of arrangement, and that arrangement is going to be reflected in the amendment that is going to be presented.

Senator PADILLA. Your Honor mentioned the amendment that will provide for the election of these new municipal officials, but the information I gathered is that there are more barrios that are against this bill and only a few are in favor. It is not fair to just approve the creation of this new municipality, dismembering the existing municipality of Bauang unless we allow the people to decide this issue in a plebiscite.

Senator TOLENTINO. If the distinguished Minority Floor Leader will have no objection, we will proceed to the period of amendments and let the amendments be introduced.

Senator PADILLA. Your Honor, I would like to have some kind of an understanding on that plebiscite, otherwise I may forced to speak against the measure.

Senator TOLENTINO. I am sorry if the desire

of the distinguished Minority Floor Leader is to have some —

Senator PADILLA. I said, unless we have some agreement or understanding regarding the people voting in a plebiscite. I may be compelled, Your Honor, to speak against the measure because 15 out of 25 barrios have approved resolutions against this bill.

Senator TOLENTINO. Would the distinguished Minority Floor Leader want to take up and speak against the bill now?

Senator PADILLA. Not now because it is already one o'clock in the morning. Now, I would have no objection to having this very controversial bill decided by the people themselves. That is a fair proposal.

Senator TOLENTINO. Precisely, I said, if the distinguished Minority Floor Leader wants to present such an amendment, let us go to the period of amendments.

Senator PADILLA. But if we are going to force this through sheer force of numbers . . .

Senator TOLENTINO. No, Your Honor. The matter of plebiscite is a matter of amendment to the bill. So, let us go to the period of amendments.

Senator PADILLA. Yes, Your Honor. But earlier they informed me that there is already some kind of an agreement. Now, if there is some kind of an agreement, I will not be more *papista* than the *Papa*. I will agree to some kind of a reasonable compromise. And I thought that

that agreement was to have the creation of this municipality submitted to the people in a plebiscite in 1969, in these November elections, and let the people decide. If they are in favor of creation, then the first officials of this new municipality will be elected in the local elections of 1971.

Senator TOLENTINO. Mr. President, if it is the desire of the distinguished Minority Floor

Leader to check on this agreement which I mentioned, I am willing that we suspend consideration of this bill until tomorrow. Anyway, I understand that it is certified. So, we can afford to do that.

Senator PADILLA. Thank you, Your Honor.

**SUEPENSION OF CONSIDERATION OF
H. NO. 18003**

Senator TOLENTINO. Mr. President, I move that we suspend consideration of this bill until tomorrow.

The PRESIDENT. Any objection? *(Silence.)* There being none, consideration of House Bill No. 18003 is suspended until tomorrow.

**CONSIDERATION AND APPROVAL ON SECOND
READING OF H. NO. 18007**

The PRESIDENT. Consideration of House Bill No. 18007 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING ANTONIO SIBULO A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN AN ICE PLANT IN THE PROVINCE OF LAGUNA AND TO SELL AND DISTRIBUTE ICE IN THE SAID PROVINCE.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the terms and conditions established in this Act and in Act Numbered Thirty-six hundred and thirty-six, as amended by Commonwealth Act Numbered One hundred and thirty-two and to the provisions of the Constitution, there is granted to Antonio Sibulo, for a period of twenty-five years from the approval of this Act, the privilege and authority to construct, operate and maintain an ice plant in the Province of Laguna and to sell and distribute ice in the said province and to charge and collect a schedule of prices and rates for the ice so furnished which schedule or prices and rates shall at all times be subject to regulation

by the Public Service Commission.

SEC. 2. The grantee shall manufacture ice up to the limit of the capacity of his plant, said limit to be determined by the Public Service Commission.

SEC. 3. All the apparatus and appurtenances to be used by the grantee shall be modern, safe and first class in every respect, and the grantee shall whenever the Public Service Commission shall determine that public interest reasonably requires it, change or alter any of his apparatus and appurtenances at grantee's expense.

SEC. 4. If the grantee shall not commence the manufacture and distribution of ice within one year from the approval of this Act, unless prevented by an act of God or *force majeure*, martial law, riot, civil commotion, usurpation by a military power or any other cause beyond the grantee's control, this franchise shall become null and void.

SEC. 5. This franchise is granted subject to the provisions of the Constitution and Commonwealth Act Numbered One hundred forty-six, as amended, and with the understanding and upon the condition that it shall be subject to amendment, alteration or repeal by the Congress of the Philippines when public interest so requires.

SEC. 6. The grantee may sell, lease, grant, convey, assign, mortgage, give in usufruct, or transfer this franchise and all property and rights acquired thereunder to any individual, co-partnership, corporation competent to operate the business hereby authorized, but transfer of title to the franchise or any right or interest acquired under such sale, lease, grant, conveyance, assignment, mortgage, usufruct or transfer shall not be effective until there shall have been filed in the office of the Public Service Commission or its legal successor an agreement in writing by which the individual, co-partnership or corporation in whose favor such sale, lease, grant, conveyance, assignment, mortgage, usufruct or transfer is made, shall be firmly bound to comply with the terms and conditions imposed upon the grantee by this franchise and by any and all certificates of convenience and public necessity therefore issued by the Public Service Commission or its legal successor, and to accept the same subject to all terms and conditions then existing.

SEC. 7. The grantee shall be liable to pay the

same taxes, unless exempted therefrom, on its business, real estate, buildings and personal property, exclusive of this Franchise, as other persons or corporations are now or hereafter may be required by law to pay.

SEC. 8. In the event of any competing individual, association of persons, or corporation, receiving from the Congress of the Philippines a similar franchise in which there shall be any term or terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become a part of the terms hereof and shall operate equally in favor of the grantee as in the case of said competing individual, association of persons, or corporation.

SEC. 9. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, there are a couple of amendments to the bill.

The PRESIDENT. The gentleman may proceed.

Senator TOLENTINO. On page 1, line 8 between the words "plant" and "in," insert "IN SAN PEDRO";

On page 2, delete the words "up to the" on line 3 and the whole of line 4 and, in lieu thereof, insert "IN SUCH QUANTITY AS MAY BE"; and

On page 4, delete the whole of Section 8 and change "SEC. 9" to "SEC. 8."

I move for the approval of those amendments, Mr. President.

The PRESIDENT. Any objection? (Silence.) There being none, the amendments are approved.

Senator TOLENTINO. Mr. President, I move for the approval of the bill as amended.

The PRESIDENT. We shall now vote on the bill as amended on second reading. As many as are in favor of the bill as amended will please say *Aye*. (Several senators: *Aye*.) As many as are against will please say *Nay*. (Silence). House Bill

No. 18007 is approved on second reading as amended.

CONSIDERATION AND APPROVAL ON SECOND READING OF H. NO. 15823

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 15823.

The PRESIDENT. Consideration of House Bill No. 15823 is now in order.

The Secretary will please read the bill.

The SECRETARY:

AN ACT AMENDING THE TITLE AND CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED TWELVE HUNDRED AND SEVENTY-TWO, ENTITLED "AN ACT GRANTING THE MONSERRAT BROADCASTING SYSTEM, INCORPORATED, A TEMPORARY PERMIT TO CONSTRUCT, MAINTAIN AND OPERATE RADIO BROADCASTING STATIONS IN THE PHILIPPINES."

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The title of Republic Act Numbered Twelve hundred and seventy-two is hereby amended to read as follows:

"An Act granting the Monserrat Broadcasting System, Incorporated, a [temporary permit] FRANCHISE to construct, maintain and operate radio broadcasting stations in the Philippines."

SEC. 2. Sections one, two, three, four and five of the same act is hereby amended to read as follows:

"SECTION 1. Subject to the provisions of the Constitution, as well as of Act Numbered Thirty-eight hundred and forty-six, entitled "An Act providing for the regulation of radio stations and radio communications in the Philippine Islands, and for other purposes"; Act Numbered Thirty-nine hundred and ninety-seven, known as the radio Broadcasting Law; Commonwealth Act Numbered One hundred and forty-six, known as the Public Service Act, and their amendments, and other applicable laws, the Monserrat Broadcasting System,

Incorporated, is hereby granted a [temporary permit] FRANCHISE FOR A PERIOD OF FIFTY YEARS FROM THE APPROVAL OF THIS AMENDATORY ACT, to construct, maintain and operate, for commercial purposes and in the public interest, radio broadcasting stations in the Philippines: *Provided*, That [this temporary permit shall be void unless the construction of at least one radio broadcasting station be begun within six months from the date of the approval of this Act and be completed within two years from said date: *Provided, further*, That] the grantee shall provide adequate public service time to enable the Government, through the stations herein authorized, to reach the population on important issues; shall assist in the functions of public information and education; shall conform to the ethics of honest enterprise; and shall not use said stations for the broadcasting of obscene or indecent language or speech, or for the dissemination of deliberately false information or willful misrepresentation, or to the detriment of the public health, or to incite, encourage or assist in subversive or treasonable acts.

"Sec. 2. The grantee shall file a bond in the amount of fifty thousand pesos to guaranty for the full compliance and fulfillment of the conditions under which this [temporary permit] FRANCHISE is granted IF AFTER FOUR YEARS FROM THE DATE OF THE APPROVAL OF THIS ACT, THE GRANTEE SHALL HAVE FULFILLED SAID CONDITIONS, OR AS SOON THEREAFTER AS THE GRANTEE SHALL HAVE FULFILLED THE SAME, THE BOND AFORESAID SHALL BE CANCELLED BY THE GOVERNMENT.

"Sec. 3. In the event of any competing individual, partnership or corporation receiving from the Congress a similar temporary permit OR FRANCHISE in which there shall be any term or terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall, *ipso facto*, become a part of the term hereof and shall operate equally in favor of the grantee as in the case of said competing individual, partnership or corporation.

"Sec. 4. In the event of WAR, REBELLION, INSURRECTION OR SIMILAR NATIONAL CRISIS AND the Government [should desire] SHALL FIND IT NECESSARY to maintain and operate for itself any or all of the radio broadcasting stations herein au-

thorized, the grantee shall TEMPORARY turn over such station or stations to the Government [with all the serviceable equipment therein, at cost, less reasonable depreciation] AFTER PAYMENT OF JUST AND REASONABLE COMPENSATION FOR THE USE THEREOF.

"Sec. 5. The grantee shall be liable to pay the same taxes on its real estate, buildings and personal property, exclusive of the [temporary permit] FRANCHISE, as other person or corporations are now or hereafter may be required by law to pay."

SEC. 3. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye*.) As many as are against will please say *Nay*. (*Silence*.) House Bill No. 15823 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF H. NO. 18131

Senator TOLENTINO. Mr. President, I ask that we now consider House Bill No. 18131.

The PRESIDENT. Consideration of House Bill No. 18131 is now in order

The Secretary will please read the bill.

The SECRETARY:
AN ACT GRANTING ANGEL JOSE TRANSPORTATION, INCORPORATED A PERMIT TO ESTABLISH, OPERATE AND MAINTAIN PRIVATE FIXED POINT-TO-POINT AND LAND BASED AND LAND MOBILE RADIO STATIONS FOR THE TRANSMISSION AND RECEPTION OF WIRELESS MESSAGES TO AND FROM SAID STATIONS.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The Angel José Transportation, Incorporated, its successors and assigns, is here granted a permit to establish, operate and maintain private fixed point-to-point and land based and land mobile radio stations in the City of Manila, and in other parts of the Philippines where it maintains or may hereafter maintain offices, shops, terminals or establishments for the operation of its transportation and customs brokerage business, subject to the approval of the Secretary of Public Works and Communications, for the transmission and reception of wireless messages on radio-telegraphy or radiotelephony, to and from said stations, including its vessels and boats, each station to be provided with a radio transmitting apparatus and a radio receiving apparatus.

SEC. 2. The permit granted under this Act shall continue to be in force while the Government has not established similar service at places selected by the grantee, and subject to the condition that the grantee, its successors or assigns, shall start operation under this permit within one year from the date of approval of this Act.

SEC. 3. The grantee, its successors and assigns, shall not engage in domestic business of telecommunications in the Philippines without further special assent of the Congress of the Philippines, it being understood that the purpose of this permit is to secure to the grantee the right to construct, install, operate and maintain private fixed point-to-point and land based and land mobile radio stations, as the interest of the grantee and of its trade and business may justify.

SEC. 4. The actual operation of said private radio stations shall not commence until after the Secretary of Public Works and Communications shall have allotted to the grantee the frequencies and wave lengths to be used thereunder.

SEC. 5. Fees shall not be charged by the grantee as the radio stations that may be established by virtue of this Act shall engage in communication regarding the grantee's business only.

SEC. 6. The grantee, its successors and assigns, shall so construct and operate such stations as not to interfere with the operate such stations as not to interfere with the operations of other radio stations operated and maintained in the Philippines.

SEC. 7. The grantee, its successors or assigns shall hold the national, provincial, city and municipal governments of the Republic of the Philippines free from all claims, accounts demands of actions arising from accidents or injuries, whether to property or to persons, caused by the construction and operation of its radio stations.

SEC. 8. The grantee, its successors and assigns, shall be subject to the corporation laws of the Philippines now existing or which may hereafter be enacted.

SEC. 9. A special right is hereby reserved to the President of the Philippines in time of war, rebellion, public peril or other national emergency and when public safety requires, to cause the closing of the grantee's radio stations or to authorize the use or possession thereof by any department of the Government without compensation of the grantee for the use of said station during the continuance of the national emergency.

SEC. 10. The permit granted under this Act shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires, and shall not be interpreted as an exclusive grant of the privileges herein provided for.

SEC. 11. This Act shall take effect upon its approval.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) House Bill No 18131 is approved on second reading.

CONSIDERATION AND APPROVAL ON SECOND READING OF S. NO. 1012

Senator TOLENTINO. Mr. President, I ask that we now consider Senate Bill No. 1012.

The PRESIDENT. Consideration of Senate Bill No. 1012 is now in order.

Senator TOLENTINO. I move for the approval of the bill, Mr. President.

The PRESIDENT. We shall now vote on the bill on second reading. As many as are in favor of the bill will please say *Aye*. (*Several senators: Aye.*) As many as are against will please say *Nay*. (*Silence.*) Senate Bill No. 1012 is approved on second reading.

The Secretary will please read the bill.

The SECRETARY:

AN ACT DECLARING MACTAN ALTERNATE INTERNATIONAL AIRPORT A REGULAR INTERNATIONAL AND PRINCIPAL PORT OF ENTRY TO BE KNOWN AS MACTAN INTERNATIONAL AIRPORT, MACTAN CUSTOMS COLLECTION DISTRICT.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subject to the provisions of the Customs and Tariff Code of the Philippines, Mactan Customs Collection District, is hereby declared a regular, international and principal port of entry henceforth, to be known as Mactan International Airport, Mactan Customs Collection District: *Provided*, That the income of the Mactan Customs Collection District as defined in Customs Administrative Order No. 13-66 dated April 14, 1966, shall constitute a Special Fund and shall be expended for its operation and maintenance.

SEC. 2. This Act shall take effect upon its approval.

Senator PADILLA. Mr. President.

The PRESIDENT. The Minority Floor Leader,

Senator PADILLA. With regard to Senate Bill No. 1012, according to the committee report, there is an amendment by substitution submitted by the Committee on Ways and Means. Now, did we approve the original bill or the amendment by substitution?

Senator TOLENTINO. The original bill, Your Honor. The amendment by substitution was not

submitted because it contains so many aspects that would be controversial. It creates even an authority.

Senator PADILLA. So, we are disregarding the recommendation of the Committee.

Senator TOLENTINO. The author of the bill recommended that the simpler one be taken up. (*There was a pause.*)

Mr. President, in the meantime, I ask that we proceed to another matter, and we can come back to this again.

The PRESIDENT. Further discussion on the bill is deferred.

APPROVAL OF CONFERENCE REPORT

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing votes of the two Houses on the amendments of the Senate to House Bill No. 16027 — converting a municipal district into a regular municipality — has submitted its report. The report is that the bill as passed by the House be approved without amendment. I move that the report be approved.

The PRESIDENT. Any objection? (*Silence.*) There being none, the conference report is approved.

(*Full text of the conference report as approved.*)

The Conference Committee on the disagreeing votes of the two House on the amendments of the Senate to House Bill No. 16027, entitled:

AN ACT CONVERTING THE MUNICIPAL DISTRICT OF DINALONGAN IN THE SUBPROVINCE OF QUEZON, INTO A REGULAR MUNICIPALITY,

after having met and fully discussed the subject matter in the Conference, has come to an agreement, and the Conferees hereby recommend to their respective Houses the following:

THAT THE PROVISIONS OF THE SAID BILL

AS PASSED BY THE HOUSE, BE APPROVED WITHOUT AMENDMENT.

CONFEREES ON THE PART OF THE SENATE

(Sgd.) Leonardo B. Perez

HON. LEONARDO B. PEREZ

(Sgd.) Salvador H. Laurel

HON. SALVADOR H. LAUREL

(Sgd.) Benigno S. Aquino

HON. BENIGNO S. AQUINO

CONFERES ON THE PART OF THE HOUSE

(Sgd.) Teodoro B. Galagar

HON. TEODORO B. GALAGAR

(Sgd.) Manuel S. Enverga

HON. MANUEL S. ENVERGA

HON. ELADIO CALIWARA

Senator TOLENTINO. Mr. President, we have approved some Senate bills which have counterpart measures, and in order to reconcile the disagreeing provisions in these measures, I move that we ask for conferences with the House and appoint the members of our conference committees.

The PRESIDENT. Any objection? *(Silence.)* There being none, the gentleman may proceed.

CONFERENCE COMMITTEES

Senator TOLENTINO. Mr. President, the first of these are Senate Bill No. 1043 and House Bill No. 18410 which refer to the sale of certain parcels of land owned by the government to the Philippine College of Commerce. I ask that we appoint as members of our conference committee Senators Benitez, Antonino and Ziga.

The PRESIDENT. Any objection? *(Silence.)* There being none, the motion is approved.

Senator TOLENTINO. With respect to Senate Bill No. 813 and House Bill No. 16762, referring

to the amendment to the Home Financing Act, I propose that the members of our conference committee be Senators Benitez, Antonino and Liwag.

The PRESIDENT. Any objection? *(Silence.)* There being none, the motion is approved.

Senator TOLENTINO. With respect to Senate Bill No. 1085 and House Bill No. 18706, referring to amendments to the salary scale in the Department of Public Works and Communications, I proposed that our conferees be Senators Teves, Almendras and Aquino.

The PRESIDENT. Any objection? *(Silence.)* There being none, the motion is approved.

Senator TOLENTINO. In connection with Senate Bill No. 996 and House Bill No. 7082, referring to the registration of medical technologists, I propose that our conferees be composed of Senators Ganzon, Lagumbay and Ziga.

The PRESIDENT. Any objection? *(Silence.)* There being none, the motion is approved.

Senator TOLENTINO. With respect to Senate Bill No. 1126 and House Bill No. 18937, referring to the standardization of salaries of clerks of court of First Instance, I propose that our conferees be composed of Senators Laurel, Tañada and Liwag.

The PRESIDENT. Any objection? *(Silence.)* There being none, the motion is approved.

Senator TOLENTINO. With respect to Senate Bill No. 696 and House Bill No. 13277, clarifying some provisions of the Revised Barrio Charter, I propose that our conferees be composed of Senators Perez, Pelaez and Aquino.

The PRESIDENT. Any objection? *(Silence.)* There being none, the motion is approved.

Senator TOLENTINO. With respect to Senate Bill No. 1095 and House Bill No. 18740 on finan-

cing companies, I propose that our conferees be composed of Senators Teves, Aytona and Padilla.

The PRESIDENT. Any objection? *(Silence.)*
There being none, the motion is approved.

SUSPENSION OF THE SESSION

Senator TOLENTINO. Mr. President, I move

that we suspend the session until eleven o'clock this morning.

The PRESIDENT. Any objection? *(Silence.)*
The Chair hears none. The session is suspended until eleven o'clock this morning.

It was 1:12 a.m.



REPUBLIC OF THE PHILIPPINES

Congressional Record

SENATE

(Entered at the Manila Post Office, Philippines, as second-class mail matter, on September 3, 1946.)

SIXTH CONGRESS, NINTH SPECIAL SESSION

Vol. IV

MANILA, PHILIPPINES

No. 10

MONDAY, JUNE 16, 1969.

OPENING OF THE SESSION

At 5:59 p.m. the President Pro Tempore of the Senate, Hon. Jose J. Roy, called the Senate to order.

The PRESIDENT PRO TEMPORE. The Senate will please come to order and the Secretary will please call the roll.

ROLL CALL DISPENSED WITH

Senator TOLENTINO. Mr. President, I move that we dispense with the roll call.

The PRESIDENT PRO TEMPORE. Is there any objection? (Silence.) There being none, the motion is carried.

The Secretary will now please read the minutes of the preceding session.

APPROVAL OF THE MINUTES

Senator TOLENTINO. Mr. President, I move that we dispense with the reading of the minutes of the preceding session and consider the same

as approved.

The PRESIDENT PRO TEMPORE. Is there any objection? (Silence.) There being none, the motion is carried.

REFERENCE OF BUSINESS

The SECRETARY:

MESSAGES OF THE HOUSE OF REPRESENTATIVES

MANILA, May 22, 1969

Mr. President:

I have been directed to inform your honorable Body that the House of Representatives on May 22, 1969, agreed to the amendments of the Senate to House Bill No. 16844, entitled:

AN ACT GRANTING T. P. MARCELO & CO., INC. A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN AN ICE PLANT AND COLD STORAGE IN THE MUNICIPALITY OF NAVOTAS, PROVINCE OF RIZAL, AND TO SELL AND TO SUPPLY COLD STORAGE WITHIN THE SAID PROVINCE OF RIZAL AND THE CITY OF MA-

NILA AND SUBURBS.

Very respectfully,

(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT PRO TEMPORE. To the Archives.

The SECRETARY:

MANILA, May 22, 1969

Mr. President:

I have been directed to inform your honorable Body that on May 22, 1969, the House of Representatives agreed to the Report of the Committee of Conference on the disagreeing votes of the two Houses regarding House Bill No. 17676, entitled:

AN ACT MAKING THE PRESIDENT OF THE UNIVERSITY OF THE PHILIPPINES ALUMNI ASSOCIATION A MEMBER OF THE BOARD OF REGENTS THEREOF, FURTHER AMENDING FOR THIS PURPOSE, ACT NUMBERED EIGHTEEN HUNDRED SEVENTY, AS AMENDED,

and Senate Bill No. 809, entitled:

AN ACT MAKING THE PRESIDENT OF THE UNIVERSITY OF THE PHILIPPINES ALUMNI ASSOCIATION A MEMBER OF THE BOARD OF REGENTS THEREOF, FURTHER AMENDING FOR THIS PURPOSE, ACT NUMBERED EIGHTEEN HUNDRED SEVENTY, AS AMENDED.

Very respectfully,

(Sgd.) I. B. PAREJA
Secretary

The Honorable
The President of the Senate
Manila

The PRESIDENT PRO TEMPORE. To the Archives.

The SECRETARY:

APPROVAL OF CONFERENCE REPORTS

Senator TOLENTINO. Mr. President, I would like to submit some conference committee reports for approval.

Mr. President, the conference committee on the disagreeing provisions of Senate Bill No. 1095 and House Bill No. 18740, regulating the organization and operation of financing companies, has submitted its report signed by all the conferees on the part of the Senate and on the part of the House. I move for the approval of the conference committee report.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is carried and the conference committee report is approved.

[Full text of the Conference Committee Report on Senate Bill No. 1095 and House Bill No. 18740 as approved.]

CONFERENCE REPORT

The Conference Committee on the disagreeing provisions of the two measures, viz:

Senate Bill No. 1095, entitled:

AN ACT REGULATING THE ORGANIZATION AND OPERATION OF FINANCING COMPANIES.

and House Bill No. 18740, entitled:

AN ACT REGULATING THE ORGANIZATION AND OPERATION OF FINANCING COMPANIES.

after having met and fully discussed the subject matter in the conference, has come to an agreement, and the conferees hereby recommend to their respective Houses the following:

. That S. B. No. 1095, taking into consideration H. B. 18740, be adopted with the following amendments:

On Page 1:

Line 1, change the word *Financing* to *Financing*.

On Page 2:

Line 22, change the word *purchase* to *purchased*.

Line 24, change the word *inclusive* to *exclusive*.

Line 25, change the word *discounts* to *interest*.

Line 31, insert the word *Purchase* between the words *on* and *Discount*, place a comma between the words *Discount* and *Fees*, delete the period after the word *Fees* and place a comma in lieu thereof, and add the words *Service* and *Other Charges*.

On Page 3:

Line 3, delete the phrase beginning with the word *collection* up to the word *installment* before the comma on line 4 and insert in lieu thereof the phrase *interest and other charges*.

Line 8, change the words *fraction thereof* to the word *less*, and after the comma, add the following: *and to one and one-sixth (1 1/6%) per cent for each additional month or fraction thereof in excess of twelve months*,

Between lines 10 and 11 insert the following paragraph:

"In the case of assignment of credit or the buying of installment papers, accounts receivable and other evidence of indebtedness pertaining to appliances, furniture, and office equipment, the purchase discount, exclusive of interest charges, shall be limited to eighteen (18%) per cent of the value at maturity of the credit assigned or receivable purchased, based on a period of twelve months or less, and to one and one-half (1 1/2%) per cent for each additional month or fraction thereof in excess of twelve months, regardless of the terms and conditions of the assignment or purchase."

Line 12, delete the phrase beginning with the word *for* up to the word *year* on line 13.

Line 13, put a comma after the word *charged* and add the following phrase: *exclusive of interest and other charges*.

Between lines 17 and 18 insert the following paragraph:

"The Securities and Exchange Commission, in consultation with the financing companies, shall prescribe reasonable limitations on fees, service and other charges which shall be uniform for all financing companies, taking into consideration the nature of the transaction or service and the costs thereof to the financing companies."

On Page 4:

Line 28, delete the words *a majority* and substitute in lieu thereof the word *two-thirds*.

SENATE CONFEREES:

HON. LORENZO TEVES

HON. DOMINADOR AYTONA

HON. AMBROSIO PADILLA

HOUSE CONFEREES:

HON. PABLO ROMAN

HON. SIMEON VALDEZ

HON. BENJAMIN TABIOS

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing provisions of Senate Bill No. 1123 and House Bill No. 18817, amending the Charter of Pasay City, has submitted its report signed by all the conferees on the part of the Senate and on the part of the House. I move for the approval of the conference committee report.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence*.) There being none, the motion is carried and the conference committee report is approved.

[Full text of the Conference Committee Report on Senate Bill No. 1123 and House Bill No. 18817 as approved.]

CONFERENCE REPORT

The Conference Committee on the disagreeing provisions of the two measures, viz:

Senate Bill No. 1123, entitled:

AN ACT AMENDING SECTIONS TWENTY-FIVE AND TWENTY-SIX OF REPUBLIC ACT NUMBERED ONE HUNDRED EIGHTY-THREE.

OTHERWISE KNOWN AS THE CHARTER OF PASAY CITY, AS AMENDED,

and House Bill No. 18817, entitled:

AN ACT AMENDING SECTIONS TWENTY-FIVE AND TWENTY-SIX OF REPUBLIC ACT NUMBERED ONE HUNDRED EIGHTY-THREE, KNOWN AS THE CHARTER OF PASAY CITY, AS AMENDED,

after having met and fully discussed the subject matter in the conference, has come to an agreement, and the conferees hereby recommend to their respective Houses the following:

THAT SENATE BILL NO. 1123 BE ADOPTED TAKING INTO CONSIDERATION HOUSE BILL NO. 18817.

Conferees on the Part of the Senate:

LEONARDO B. PEREZ
EMMANUEL PELAEZ
TECLA SAN ANDRES ZIGA

Conferees on the Part of the House:

ARTEMIO E. MATE
FRISCO F. SAN JUAN
EDGAR U. ILARDE

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing provisions of Senate Bill No. 1042 and House Bill No. 16229, increasing the number of assistant provincial fiscals in La Union, has submitted its report signed by all the conferees on the part of the Senate and on the part of the House. I move for the approval of the conference committee report.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is carried and the conference committee report is approved.

(*Full text of the Conference Committee Report on Senate Bill No. 1042 and House Bill No. 16229 as approved.*)

CONFERENCE REPORT

The Conference Committee on the disagreeing provisions of the two measures, viz:

Senate Bill No. 1042, entitled:

AN ACT PROVIDING FOR ADDITIONAL ASSISTANT PROVINCIAL FISCALS FOR THE PROVINCE OF LA UNION, AMENDING FOR THE PURPOSE SECTION SIXTEEN HUNDRED SEVENTY-FOUR OF THE ADMINISTRATIVE CODE, AS AMENDED.

and House Bill No. 16229, entitled:

AN ACT INCREASING THE NUMBER OF ASSISTANT PROVINCIAL FISCALS FOR THE PROVINCE OF LA UNION, AMENDING FOR THE PURPOSE SECTION SIXTEEN HUNDRED SEVENTY-FOUR OF THE ADMINISTRATIVE CODE, AS AMENDED,

after having met and fully discussed the subject matter in the conference, has come to an agreement, and the conferees hereby recommend to their respective Houses the following:

THAT SENATE BILL NO. 1042, AS PER ATTACHED COPY, BE ADOPTED AND APPROVED.

Senate Conferees:

SALVADOR H. LAUREL
Chairman
MAGNOLIA ANTONINO
Member
JUAN R. LIWAG
Member

House Conferees:

ALBERTO Q. UBAY
Chairman
JACK SORIANO
Member
MELANIO SINGSON
Member

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing provisions of House Bill No. 17927 and Senate Bill No. 950, es-

establishing the Medicare Commission, has already submitted its report signed by all the conferees on the part of the Senate and on the part of the Senate and the part of the House. I move for the approval of the conference committee report.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is carried and the conference committee report is approved.

(Full text of the Conference Committee Report on House Bill No. 17927 and Senate Bill No. 950 as approved.)

CONFERENCE REPORT

The Conference Committee on the disagreeing provisions of the two measures, viz:

House Bill No. 17927, entitled:

AN ACT ESTABLISHING THE PHILIPPINE MEDICAL CARE PLAN AND CREATING THE PHILIPPINE MEDICAL CARE COMMISSION, PRESCRIBING ITS DUTIES, POWERS AND FUNCTIONS, AND APPROPRIATING FUNDS THEREFOR,

and Senate Bill No. 950, entitled:

AN ACT ESTABLISHING THE PHILIPPINE MEDICAL CARE PLAN AND CREATING THE PHILIPPINE MEDICAL CARE COMMISSION, PRESCRIBING ITS DUTIES, POWERS AND FUNCTIONS, AND RECOMMENDING THE APPROPRIATION OF FUNDS THEREFOR,

after having met and fully discussed the subject matter in the conference, has come to an agreement, and the conferees hereby recommend to their respective Houses the following:

That S. B. No. 950, taking into consideration H. B. No. 17927, be adopted with further amendments as per attached copy.

Conferees on the Part of the Senate:

HON. RODOLFO T. GANZON
HON. WENCESLAO R. LAGUMBAY
HON. TECLA SAN ANDRES ZIGA

Conferees on the Part of the House:

HON. JOSE D. MORENO
HON. GREGORIO P. MURILLO
HON. OLEGARIO B. CANTOS

(CONFERENCE REPORT AMENDMENTS TO S. B. 950 ATTACHED TO THE CONFERENCE REPORT)

1. On page 2, line 9, between the words "The" and "duly"; insert the following: "PRESIDENT OR THE";
2. On same page, line 10, between the words "The" and "duly", insert the following: "PRESIDENT OR THE";
3. On same page, lines 11 and 12, delete the phrase "The Director of the Bureau of Medical Services" and in lieu thereof insert the following: "THE SECRETARY OF HEALTH OR THE DIRECTOR OF MEDICAL SERVICES IF DESIGNATED BY THE FORMER";
4. On same page, line 12, between the words "members" and "representing", insert a comma (,) and the following: "ONE OF WHOM SHALL PREFERABLY BE A DULY REGISTERED PHYSICIAN WITH AT LEAST TEN YEARS PRIVATE PRACTICE";
5. On same page, line 14, delete the comma (,) after the word, "Administrator" and the phrase following it including lines 15 and 16, including the comma (,), after the word "Association";
6. On line 16, change the word, "That" to "THE";
7. On page 3, line 5, after the semicolon (;), add the following: "PROVIDED, FURTHER, THAT THE RESPECTIVE COMMUNITY HEALTH FUNDS OF THE PROVINCES, CITIES AND MUNICIPALITIES SHALL NOT BE USED FOR PAYMENT OF SALARIES OF THE EMPLOYEES OF THE COMMISSION";
8. On same page, lines 23 and 24, delete the phrase "and those with justifiable reasons";
9. On page 4, line 3, between the word "Chairman" and the period (.), insert the following: "OR AT THE WRITTEN REQUEST OF THE MAJORITY OF THE MEMBERS OF THE COMMISSION";

10. On same page, between lines 10 and 11, insert a new section to read as follows:

"SECTION 6-A. — *THE CHAIRMAN OF THE COMMISSION.* — THE CHAIRMAN SHALL BE A REPUTABLE MEMBER OF THE MEDICAL PROFESSION WITH AT LEAST TWELVE YEARS OF EXPERIENCE IN MEDICAL PRACTICE AND WITH PROVEN EXECUTIVE ABILITY IN BUSINESS OR MEDICAL UNDERTAKINGS. HE SHALL HOLD OFFICE ON A FULL TIME BASIS AND SHALL RECEIVE A COMPENSATION OF AT LEAST THIRTY THOUSAND PESOS PER ANNUM. HE SHALL BE ENTITLED TO COMMUTABLE TRAVELING AND REPRESENTATION EXPENSES NOT TO EXCEED SIX THOUSAND PESOS PER ANNUM. HE SHALL PRESIDE AT ALL MEETINGS OF THE COMMISSION AND SHALL EXERCISE SUCH OTHER DUTIES AS WILL ACHIEVE THE PURPOSES AND OBJECTIVES OF THIS ACT,";

11. On page 4, line 15, delete the word "person" and in lieu thereof, insert "DULY REGISTERED PHYSICIAN WITH AT LEAST TEN YEARS EXPERIENCE IN PRACTICE.";
12. On same page, line 20, add the following sentences after the period (.): "ALL TRAVEL AND OTHER REPRESENTATION EXPENSES SHALL NOT BE MORE THAN SIX THOUSAND PESOS PER ANNUM. NO OTHER ALLOWANCES AND/OR REPRESENTATION EXPENSES UNDER ANY DENOMINATION SHALL BE ALLOWED.";
13. On page 5, line 14, change the figure "18" to "33";
14. On page 6, at the end of line 31, change the period (.) to colon (:) and add the following: "PROVIDED, FINALLY, THAT SPECIALISTS WHO ARE PROPERLY CERTIFIED BY THE PHILIPPINE MEDICAL ASSOCIATION SHALL BE ENTITLED TO COLLECT TEN PESOS FOR EACH DAILY VISIT.";
15. On page 7, line 4, change the colon (:) to period (.) and delete the whole proviso from line 4 up to and including the word "engaged" on line 6;
16. On same page, line 26, change the word "two" to "THREE";
17. On page 8, line 2, change the word "six" to "TWELVE";
18. On page 9, lines 8 and 9, delete the whole of subparagraph (a) and redesignate the succeeding subparagraphs accordingly;
19. On same page, line 11, delete the words "or surgery" and in lieu thereof insert the following: "EXCEPT MAJOR DENTAL SURGERY OR OPERATION WHICH NEEDS HOSPITALIZATION";
20. On page 10, lines 5 to 10, delete the whole of paragraph (b) and in lieu thereof insert the following:
- "(b) WITHIN SUCH TIME AND MANNER AS THE SSS OR GSIS MAY PRESCRIBE, BUT NOT BEYOND TWENTY DAYS FROM THE DATE DUE, THE EMPLOYER SHALL REMIT DIRECTLY TO THE GSIS OR THE SSS, AS THE CASE MAY BE, HIS CORRESPONDING CONTRIBUTIONS TOGETHER WITH THE EMPLOYEE'S CONTRIBUTIONS. NO EMPLOYER SHALL DEDUCT, DIRECTLY OR INDIRECTLY, FROM THE COMPENSATION OF THE COVERED EMPLOYEES OR OTHERWISE RECOVER FROM THEM HIS OWN CONTRIBUTIONS IN BEHALF OF SUCH EMPLOYEES: PROVIDED, THAT FAILURE OF THE EMPLOYER TO REMIT TO THE GSIS OR THE SSS THE CORRESPONDING EMPLOYEE'S AND EMPLOYER'S CONTRIBUTIONS SHALL NOT BE A REASON FOR DEPRIVING THE EMPLOYEE OF THE BENEFITS OF THIS ACT.";
21. On same page, line 25, change the colon (:) to period (.) and delete the whole proviso following it up to and including the word "laws" and the period (.) on line 29;
22. On page 11, line 17, delete the letter "a" and the phrase following it up to and including the word "beds" and the semicolon (;) and the letter "b" on line 18;
23. On same page, line 19, change the word "in" to "BY";
24. On same page, line 21, between the words "day" and "from", insert the following: "TO BE PAID BY THE MONTH NOT LATER THAN THE

- TENTH DAY OF THE FOLLOWING MONTH";
25. On same page, line 22, change the period (.) to semicolon (;) and add the following: "PROVIDED, THAT SAID SERVICE BEDS SHALL REMAIN SUCH ONLY WHEN PAYMENTS OF THESE MONTHLY SUBSIDIES DO NOT BECOME DELINQUENT FOR MORE THAN THREE CONSECUTIVE MONTHS.";
 26. On same page, line 22, delete the whole sentence beginning with the word "Income" on line 22 up to and including the word "taxes" and the period (.) on line 26;
 27. On same page, line 27, between the words "institution" and "at", insert the following: "ESPECIALLY IN THE RURAL AREAS WHERE THERE ARE NO EXISTING GOVERNMENT OR PRIVATE HOSPITALS";
 28. On page 12, line 5, between the word "card" and the period (.), insert the following: "UPON PAYMENT TO THE RESPECTIVE PROVINCIAL CITY OR MUNICIPAL TREASURER CONCERNED OF THE REQUIRED YEARLY ASSESSMENTS TO BE FIXED BY THE COMMISSION";
 29. On same page, line 9, change the period (.) to a comma (,) and add the following: "AS AGENTS OF THE LATTER.";
 30. On same page, line 17, before the semicolon (;) insert the following: "IF ANY, PREFERABLY A CHIEF OF A HOSPITAL";
 31. On same page, line 17, after the word "province" at the end of the line, add the following: ", ONE OF WHOM SHALL BE A DULY REGISTERED PHYSICIAN,";
 32. On same page, line 19, change the word "with" to "FOR";
 33. On page 13, line 8, delete the words "the duly designated representative" and in lieu thereof, insert the following: "A REPRESENTATIVE TO BE APPOINTED BY THE COMMISSION UPON THE RECOMMENDATION";
 34. On same page, line 9, between the words "Association" and "from" insert the following: "PREFERABLY";
 35. On same page, line 10, between the word "city" and the syllable "ap-", insert the following: ", ONE OF WHOM SHALL BE A DULY REGISTERED PHYSICIAN TO BE APPOINTED BY THE COMMISSION,";
 36. On same page, line 19, put a period (.) after the word "concerned" and delete the remaining words of the sentence up to and including the word "bill" on line 20;
 37. On same page, line 30, delete the words "a resident medical practitioner duly designated by" and in lieu thereof, insert the following: "THE DESIGNEE OF";
 38. On same page, line 31, between the word "Association" and the semicolon (;), insert the following: "PREFERABLY A RESIDENT MEDICAL PRACTITIONER";
 39. On page 14, line 3, after the word "municipality" insert the following: "ONE OF WHOM SHALL PREFERABLY BE A DULY REGISTERED PHYSICIAN,";
 40. On page 14, lines 28 to line 1 of page 15, delete all the words beginning with "Ten percent (10%)" on line 28 down to the word "it" on line 1 of page 15;
 41. On page 15, line 2, delete the words "The remaining ninety percent (90%)" and in lieu thereof, insert the following: "THE GROSS INCOME OF THE GOVERNMENT HOSPITALS";
 42. On same page, between lines 5 and 6, insert a new section to read as follows:

"SEC. 32-A. REPARATIONS ALLOCATION. — THE REPARATIONS COMMISSION SHALL ALLOCATE AND INCLUDE IN ACCORDANCE WITH THE REPARATIONS LAW, AS AMENDED, IN ITS ANNUAL SCHEDULE BEGINNING WITH THE FOURTEENTH UP TO THE TWENTIETH REPARATIONS YEAR THE PROCUREMENT OF MACHINERIES, EQUIPMENTS AND INSTRUMENTS WORTH AT LEAST \$1.5 MILLION ANNUALLY AS THE PHILIPPINE MEDICAL CARE COMMISSION MAY RECOMMEND. THE LATTER SHALL, WITH THE APPROVAL BY THE DEPARTMENT OF HEALTH, DISTRIBUTE SUCH MACHINERIES, EQUIPMENTS AND

SUPPLIES TO THE DIFFERENT GOVERNMENT HOSPITALS AND RURAL HEALTH UNITS. A SIMILAR ALLOCATION OF AT LEAST \$1.5 MILLION SHALL LIKEWISE BE MADE FOR THE PRIVATE HOSPITALS INVOLVED IN THIS PLAN PURSUANT TO THE PROVISIONS OF THIS ACT,";

43. On page 16, between lines 9 and 10, insert a new section to read as follows:

"SEC. 33-A. STUDY AND RESEARCH. — IMMEDIATELY UPON ITS ORGANIZATION, THE COMMISSION SHALL UNDERTAKE ACTUARIAL STUDIES FOR THE PURPOSE OF DETERMINING THE CONTRIBUTIONS NECESSARY IN ORDER TO INSURE ADEQUATE FINANCING AND DISBURSEMENT OF FUNDS TO ALL PARTICIPANTS OF THE PLAN AND THE EXTENT AND SCOPE OF BENEFITS OF THE BENEFICIARIES OF THE PLAN;

IMMEDIATELY UPON COMPLETION OF SUCH STUDY, THE COMMISSION SHALL SUBMIT TO CONGRESS A REPORT WITH THE RECOMMENDATIONS AS TO THE AMOUNT TO BE ASSESSED FROM EACH RESIDENT OR INHABITANT COVERED BY THE PLAN FOR PURPOSES OF LEGISLATION BY CONGRESS."

44. On page 17, delete the whole of Section 37 and renumber the succeeding sections accordingly;
45. On page 17, line 14, delete the words "recommended to be";
46. On page 17, line 14, between the words "appropriated" and "for", insert the following: "OUT OF ANY FUNDS IN THE NATIONAL TREASURY NOT OTHERWISE APPROPRIATED";
47. On same page, line 14, at the end of the line, change the word "organization" to "ORGANIZATIONAL".

APPROVED:

CONFEREES ON THE PART OF THE SENATE:

HON. RODOLFO T. GANZON

HON. WENCESLAO R. LAGUMBAY

HON. TECLA SAN ANDRES ZIGA

CONFEREES ON THE PART OF THE HOUSE:

HON. JOSE D. MORENO

HON. GREGORIO P. MURILLO

HON. OLEGARIO B. CANTOS

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing votes of the two Houses on the amendment of the Senate to House Bill No. 16671, a franchise for the Diplomat Sales Incorporated, has submitted its report signed by all the conferees on the part of the Senate and on the part of the House. I move for the approval of the conference committee report.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is carried and the conference committee report is approved.

(*Full text of the Conference Committee Report on House Bill No. 16671 as approved.*)

CONFERENCE REPORT

The Committee on Conference on the disagreeing votes of the two Houses on the amendment of the Senate to H. B. No. 16671, entitled:

AN ACT GRANTING DIPLOMAT SALES, INC., A FRANCHISE TO MAINTAIN AND OPERATE TAX-FREE STORES AT THE TRANSIT AND DEPARTURE AREAS OF THE MANILA INTERNATIONAL AIRPORT, PASAY CITY, AND OTHER ALTERNATE INTERNATIONAL AIRPORTS AND ALL PORTS OF ENTRY FOR SEA ROUTES IN THE PHILIPPINES,

having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

THAT HOUSE BILL NO. 16671, AS APPROVED BY THE HOUSE BE ADOPTED WITH THE FOLLOWING AMENDMENTS:

1. On page 1, line 7, delete the words "and other" and in lieu thereof insert the following: THE

MACTAN

2. On the same page, line 8, delete all the words beginning with the letter "s" from the word "airports" up to the word "for"
3. On page 2, line 1, delete the phrase "sea routes in the Philippines"
4. Amend the title of the bill to read as follows:

AN ACT GRANTING DIPLOMAT SALES, INC., A FRANCHISE TO MAINTAIN AND OPERATE TAX-FREE STORES AT THE TRANSIT AND DEPARTURE AREAS OF THE MANILA INTERNATIONAL AIRPORT, PASAY CITY AND THE MACTAN ALTERNATIVE INTERNATIONAL AIRPORT.

CONFEREES ON THE PART OF THE HOUSE:

FERMIN Z. CARAM, JR.
Congressman

ARTEMIO MATE
Congressman

FELIX AMANTE
Congressman

CONFEREES ON THE PART OF THE SENATE:

RODOLFO T. GANZON
Senator

LORENZO G. TEVES
Senator

BENIGNO AQUINO, JR.
Senator

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing votes of the two Houses on the amendment of the Senate to House Bill No. 18285 which establishes a school of nursing in Pototan has submitted its report signed by all the conferees on the part of the Senate and on the part of the House. I move for the approval of the report.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is carried and the conference committee re-

port is approved.

(*Full text of the Conference Committee Report on House Bill No. 18285 as approved.*)

CONFERENCE REPORT

The Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to H. B. No. 18285, entitled:

AN ACT TO ESTABLISH, OPERATE AND MAINTAIN A SCHOOL OF NURSING IN THE DOÑA TRINIDAD BOLIVAR MEMORIAL HOSPITAL IN THE MUNICIPALITY OF POTOTAN, PROVINCE OF ILOILO, AND APPROPRIATE FUNDS THEREFOR.

having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House version be adopted with the following amendments:

On page 1, line 7, delete the phrase "authorized to be".

CONFEREES ON THE PART OF THE SENATE:

HON. RODOLFO T. GANZON
HON. MAGNOLIA ANTONINO
HON. TECLA SAN ANDRES ZIGA

CONFEREES ON THE PART OF THE HOUSE:

HON. JOSE D. MORENO
HON. RICARDO Y. LADRINO
HON. OLEGARIO CANTOS

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing votes of the two Houses on the amendments of the Senate to House Bill No. 17637 which increases the number of judges of the Court of First Instance has submitted its report signed by all the conferees on the part of the Senate and on the part of the House. I move for the approval of the conference committee report.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the mo-

tion is carried and the conference committee report is approved.

(Full text of the Conference Committee Report House Bill No. 17637 as approved.)

CONFERENCE REPORT

The Committee of Conference on the disagreeing votes of the two House on the amendments of the Senate to House Bill No. 17637, entitled:

"AN ACT FURTHER AMENDING SECTIONS FORTY-NINE, FIFTY AND FIFTY-TWO OF THE JUDICIARY ACT OF 1948, FOR THE PURPOSE OF CREATING ADDITIONAL COURTS OF FIRST INSTANCE.

having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That H. B. No. 17637 as amended by the Senate be approved with the following modifications:

1. On page 1 of the Senate amendments — disregard all amendments on Section 42 of the Act, including the consequential amendments therefor:

2. On page 55 of the Senate amendments — delete the amendment in No. 3 under paragraph (m), and in lieu thereof, insert the following: "line 11: between the semicolon (;) and the word "THAT", insert the phrase "THAT OF THE THIRD BRANCH IN THE MUNICIPALITY OF LEMERY, SAME PROVINCE";

3. On page 6 of the Senate amendments — disregard the amendment making the effectivity to January 1, 1970 and retain the original provision of the bill on effectivity upon approval.

4. On page 6 of the Senate amendments — disregard the consequential amendments on the title and retain the original title of the House bill.

Senate Conferees:

SALVADOR H. LAUREL
JOSE W. DIOKNO
JUAN R. LIWAG

House Conferees:

ALBERTO Q. UBAY
FLORO S. CRISOLOGO
MELANIO T. SINGSON

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing provisions of House Bill No. 18940 and Senate Bill No. 1143, amending the Charter of the Philippine College of Commerce to expand its curricular offering, has submitted its report signed by all the conferees on the part of the Senate and on the part of the House. I move for the approval of the conference committee report.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is carried and the conference committee report is approved.

(Full text of the Conference Committee Report on House Bill No. 18340 and Senate Bill No. 1143 as approved.)

CONFERENCE REPORT

The Conference Committee on the disagreeing provisions of the two measures, viz:

House Bill No. 18340, entitled:

AN ACT AMENDING REPUBLIC ACT NUMBERED SEVEN HUNDRED SEVENTY-EIGHT FOR THE PURPOSE OF AUTHORIZING THE PHILIPPINE COLLEGE OF COMMERCE TO EXPAND ITS CURRICULAR OFFERINGS, TO CHANGE THE COMPOSITION OF ITS BOARD OF TRUSTEES, AND FOR OTHER PURPOSES.

and Senate Bill No. 1143, entitled:

AN ACT TO AMEND REPUBLIC ACT NUMBERED SEVEN HUNDRED SEVENTY-EIGHT FOR THE PURPOSE OF AUTHORIZING THE PHILIPPINE COLLEGE OF COMMERCE TO EXPAND ITS CURRICULAR OFFERINGS, TO CHANGE THE COMPOSITION OF ITS BOARD OF TRUSTEES, AND FOR OTHER PURPOSES.

after having met and fully discussed the subject matter in the conference, has come to an agreement, and the conferees hereby recommend to their respective Houses the following:

The Senate version of the measure consolidating House Bill No. 18940 and Senate Bill No. 1143, entitled "AN ACT TO AMEND REPUBLIC ACT NUMBERED SEVEN HUNDRED SEVENTY-EIGHT FOR THE PURPOSE OF AUTHORIZING THE PHILIPPINE COLLEGE OF COMMERCE TO EXPAND ITS CURRICULAR OFFERINGS, TO CHANGE THE COMPOSITION OF THE BOARD OF TRUSTEES, AND FOR OTHER PURPOSES," as per attached copy is hereby adopted with the following amendment:

On page 1, line 15, between the words "AUTHORIZED" and "BACCALAUREATE" insert the words "TO CONFER".

Senate Conferees:

EVA ESTRADA KALAW

Senator

LORENZO M. TAÑADA

Senator

TECLA SAN ANDRS ZIGA

Senator

House Conferees:

AGUEDO F. AGBAYANI

Congressman

MELANIO T. SINGSON

Congressman

ANDRES CLEMENTE, JR.

Congressman

(Full Text of Senate Bill No. 1143 consolidating House Bill No. 18940 attached to the Conference Report)

AN ACT TO AMEND REPUBLIC ACT NUMBERED SEVEN HUNDRED SEVENTY-EIGHT FOR THE PURPOSE OF AUTHORIZING THE PHILIPPINE COLLEGE OF COMMERCE TO EXPAND ITS CURRICULAR OFFERINGS, TO CHANGE THE COMPOSITION OF ITS BOARD OF TRUSTEES, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section One of Republic Act Numbered Seven hundred seventy-eight is hereby amended as follows:

"SECTION 1. The [present] Philippine [School] COLLEGE of Commerce, located in the City of Manila, Philippines, [is hereby] WHICH WAS granted full college status [and converted into the Philippine College of Commerce, which will offer not only its present one-year and two-year vocational commercial curricula, the latter leading to the title of Associate in Business Education and/or Associate in Commerce, but also four-year courses leading to the degrees of Bachelor of Science in Business Education and Bachelor of Science in Commerce, and five-year courses leading to the degrees of Master of Arts in Business Education and Master of Arts in Commerce, respectively.] ON JUNE 21, 1952, IS HEREBY AUTHORIZED TO OFFER COURSES LEADING TO BACCALAUREATE AND GRADUATE DEGREES."

SEC. 2. Section two of the same Act is amended to read as follows:

"SEC. 2. The purpose of the said College shall be to provide higher vocational, professional, and technical instruction and training in business education, [and] commerce [;] AND OTHER AREAS OF STUDY AS THE BOARD OF TRUSTEES MAY DECIDE; and for special purposes, to promote research, advance studies, and progressive leadership in the STATED fields of [business education and commerce,] STUDY. IN THE PURSUIT OF THESE OBJECTIVES THE SANCTITY OF THE COLLEGE AND ITS ACADEMIC FREEDOM SHALL BE DULY RESPECTED BY ALL GOVERNMENT AGENCIES."

SEC. 3. Section five of the same Act is amended to read as follows:

"SEC. 5. The Board of Trustees of the Philippine College of Commerce shall be composed of the Secretary of Education, who shall be *ex-officio* Chairman of the Board, the Chairman of the Committee on Education of the Senate, the Chairman of the Committee on Education of the House of Representatives, [the Director of Public Schools,] the President of the College, the President of the Philippine [School] COLLEGE of Commerce Alumni Association: [, and/ PROVIDED, THAT HE IS NOT IN THE EMPLOY OF THE COLLEGE IN ANY CAPACITY WHATSOEVER, the President of the Cham-

ber of Commerce of the Philippines, AND THE PRESIDENT OF THE SUPREME STUDENT COUNCIL OF THE COLLEGE. In the absence or the ability of the Board of Trustees, or in the event that there is no incumbent Secretary of Education, the Undersecretary of Education shall [act as the *ex-officio* Chairman] SIT AS A MEMBER of the Board of Trustees [. When both the Secretary and the undersecretary of Education are unable to exercise the powers of the Chairman of the Board of Trustees, or when these two positions are vacant,] AND the members [of the Board may] THEREOF SHALL elect among themselves a temporary chairman who shall act as Chairman of the Board of Trustees.

"Members of the Board shall serve without compensation, other than actual and necessary expenses incurred either in attendance upon meetings of the Board or upon other official business authorized by resolution of the Board."

SEC. 4. Subsections (a), (c), (d), (f) and (i) of Section six of the same Act are amended to read as follows:

"(a) To elect a temporary chairman in the absence of [both] the Secretary [and the Undersecretary] of Education;

"(c) To confer [the titles of Associate in Business Education and/or Associate in Commerce, and the degrees of Bachelor of Science in Business Education, Bachelor of Science in Commerce, Master of Arts in Business Education, and Master of Arts in Commerce] DEGREES IN THE GRADUATE AND UNDERGRADUATE COURSES to successful candidates for graduation;

.... "(d) To appoint, on the recommendation of the President of the College, professors, instructors, lecturers, AND OTHER MEMBERS OF THE FACULTY, and other OFFICIALS AND employees of the College; to fix their compensation, hours of service, and such other duties and conditions as it may deem proper ANY OTHER PROVISIONS OF THE LAW TO THE CONTRARY NOTWITHSTANDING; to grant to them, in its discretion, leave of absence under such regulations as it may promulgate, any other provisions of the law to the contrary notwithstanding, and to remove them for cause after an investigation and hearing shall have been had;

"(f) To fix the tuition fees required of students,

[as well as] matriculation fees, graduation fees [and] fees for laboratory courses, and all special fees, and to [remit the same in special cases.] DEPOSIT THE SAME IN SUCH BANK AS MAY BE DESIGNATED BY THE BOARD OF TRUSTEES, constituting a special trust fund of the College SUBJECT TO GOVERNMENT AUDIT;

"(i) To receive in trust legacies, gifts, and donations of real and personal property of all kinds and to administer the same for the benefit of the College, or of the department thereof, or for aid to any student or students, in accordance with the directions and instructions of the donor, and, in default thereof, in such manner as the Board of Trustees may in its discretion determine [:]. ALL SUCH DONATIONS SHALL BE EXEMPT FROM ALL TAXES AND TO BE CONSIDERED AS DEDUCTIBLE ITEMS FROM THE INCOME TAX OF THE DONORS; TO IMPORT DUTY-FREE COMMODITIES FOR EDUCATIONAL PURPOSES AS AN EXEMPTION TO EXISTING LAWS; AND"

SEC. 5. Section eight of the same Act is amended to read as follows:

"SEC. 8. On or before the fifteenth day of [June] SEPTEMBER of each year, the Board of Trustees shall file with the President of the Philippines a detailed report, setting forth the progress, conditions, and needs of the College."

SEC. 6. Section nine of the same Act is amended to read as follows:

"SEC. 9. There shall be a College Council, consisting of the President of the College and all instructors and professors of the College. The Council shall have the power to prescribe the curricula and rules or discipline, subject to the approval of the Board of Trustees. It shall fix the requirement [of] FOR admission to the College, as well as for graduation and the receiving of a title or degree. The Council alone shall have the power to recommend students or others to be recipients of titles or degrees. Through its President or committee, it shall have disciplinary power over the students within the limits prescribed by the rules of discipline approved by the Board of Trustees."

SEC. 7. Section ten of the same Act is amended to read as follows:

"SEC. 10. The body of instructors and professors of the College shall constitute the faculty of the College, with the President as the presiding officer. In the appointment of professors or instructors of the College, no religious OR POLITICAL test shall be applied, nor shall the religious [, opinions or affiliations] OR POLITICAL BELIEFS of the faculty of the College be made a matter of examination or inquiry: *Provided, however,* That no instructor or professor in the College shall inculcate sectarian tenets in any of the teachings, nor attempt either directly or indirectly, under penalty of dismissal by the Board of Trustees, to influence students or attendants of the College for or against any particular church, [or] religious [sect] OR POLITICAL BELIEFS."

SEC. 8. Section eleven of the same Act is amended to read as follows:

"SEC. 11. THE PRESIDENT, THE VICE PRESIDENTS, THE DEANS, THE professors, and [other regular instructors in] ALL MEMBERS OF THE FACULTY AND OTHER PERSONNEL OF the College shall be exempt [as such] from [any] civil service examinations or regulations as a requisite to appointment, AND FROM THE WAGE AND POSITION CLASSIFICATION OFFICE."

SEC. 9. Section thirteen of the same Act is amended to read as follows:

"SEC. 13. The President of the College, with the cooperation of the Superintendents of [City] Schools [of Manila], may use one more of the secondary schools in [the City of Manila,] THEIR RESPECTIVE DIVISIONS as training or laboratory schools of the College."

SEC. 10. Section fifteen of the same Act is amended to read as follows:

"SEC. 15. In order not to interrupt the smooth functioning of the present curricula of the Philippine [School] COLLEGE of Commerce, the faculty of the [School] COLLEGE, as well as [the] ALL other OFFICIALS AND personnel, shall be absorbed by the new College. Salaries of these personnel shall be adjusted [at the discretion of] BY the Board of Trustees within the amount available for appropriation [.] UPON THE RECOMMENDATION OF THE PRESIDENT OF THE COLLEGE."

SEC. 11. Section sixteen of the same Act is amended to read as follows:

"SEC. 16. The Treasurer of the Philippines shall be *ex-officio* Treasurer of the College OF ALL FUNDS APPROPRIATED BY CONGRESS FOR THE USE OF THE COLLEGE, and all accounts and expenses thereof shall be audited by the Auditor General or his duly authorized [representatives.] CORPORATE AUDITOR."

SEC. 12. Section seventeen of the same Act is amended to read as follows:

"SEC. 17. For carrying out the purposes and provisions of this Act, the sum of [four hundred fifty thousand] ONE MILLION pesos is hereby authorized to be appropriated from any funds in the National Treasury not otherwise appropriated: *Provided,* That all its present authorized appropriations shall be retained by the [School] COLLEGE. Thereafter, necessary funds shall be included in the annual General Appropriations Act."

SEC. 13. This Act shall take effect upon its approval.

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing provisions on House Bill No. 18632 and Senate Bill No. 1058, amending the law regulating the trade of Master plumber, has submitted its report signed by all the conferees on the part of the Senate and a majority member as well as a minority member on the part of the House. I move for the approval of the conference committee report.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is carried and the conference committee report is approved.

(*Full text of the Conference Committee Report on House Bill No. 18632 and Senate Bill No. 1058 as approved.*)

CONFERENCE REPORT

The Conference Committee on the disagreeing provisions of the two measures, viz:

House Bill No. 18632, entitled:

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED THIRTEEN HUNDRED SEVENTY-EIGHT, ENTITLED "AN ACT TO REGULATE THE TRADE OF MASTER PLUMBER."

and Senate Bill No. 1058, entitled:

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED THIRTEEN HUNDRED SEVENTY-EIGHT, ENTITLED "AN ACT TO REGULATE THE TRADE OF MASTER PLUMBER."

after having met and fully discussed the subject matter in the conference, has come to an agreement, and the conferees hereby recommend to their respective Houses the following: That Senate Bill No. 1058, as passed by the Senate be adopted, taking into account House Bill No. 18632 with the following amendments:

1. Page 6, line 10, (d), *DELETE* "AT LEAST A HIGH SCHOOL".
2. On the SAME page, line 11, after the word "ENGINEERING", change the SEMICOLON to a COMMA (,), and ADD: CIVIL, SANITARY, and MECHANICAL ENGINEERING: PROVIDED, HOWEVER, THAT UNTIL ALL THE MEMBERS OF THE BOARD OF EXAMINERS SHALL HAVE BEEN APPOINTED WITH THE QUALIFICATIONS PROVIDED IN THIS AMENDATORY ACT, IT SHALL BE SUFFICIENT THAT THE EXAMINEE BE AT LEAST A HIGH SCHOOL GRADUATE AND SHALL BE REGISTERED AS A MASTER PLUMBER."
3. Page 6, line 13 and 14 delete "a registered master plumber" and in lieu thereof insert: "AND DULY CERTIFIED UNDER OATH BY A PRACTICING PLUMBING ENGINEER."
4. Page 6, line 14, delete from "after" until "provided" in line 18.
5. Page 9, line 18, delete "the approval of this amendatory act" and in lieu thereof insert: "THE CONSTITUTION OF THE BOARD WITH PERSONS HAVING THE QUALIFICATIONS PROVIDED IN THIS AMENDATORY ACT."

Conferees on the part of the Senate:

JOSE W. DIOKNO

WENCESLAO RANCAP LAGUMBAY
JUAN LIWAG

Conferees on the part of the House:

RAMON M. DURANO
FIDEL A. SANTIAGO
MANUEL A. CONCORDIA

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing provisions of Senate Bill No. 1072 and House Bill No. 18769, increasing the salaries of the officers and employees of the Bureau of Posts, has submitted its report signed by all the conferees on the part of the Senate and on the part of the House. I move for the approval of the conference committee report.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is carried and the conference committee report is approved.

(*Full text of the Conference Committee Report on Senate Bill No. 1072 and House Bill No. 18769 as approved.*)

CONFERENCE REPORT

The Conference Committee on the disagreeing provisions of the two measures, viz:

Senate Bill No. 1072, entitled:

AN ACT INCREASING THE SALARIES OF OFFICIALS AND EMPLOYEES OF THE BUREAU OF POSTS,

and House Bill No. 18769, entitled:

AN ACT INCREASING THE SALARIES OF OFFICIALS AND EMPLOYEES OF THE BUREAU OF POSTS,

after having met and fully discussed the subject matter in the conference, has come to an agreement, and the conferees hereby recommend to their respective Houses the following:

That S. B. No. 1072 be adopted with the following further amendments:

1. That on Page 2, from line 6 to 19, amend the following positions to read as follows:

Assistant Mail Operation

Chief R-45 (5,376—6,552) [R-48] R-49 [6,240—7,608] (6,552—7,992)

Assistant Postal Fiscal

Service Chief R-45 (5,376—6,552) [R-48] R-49 [6,240—7,608] (6,552—7,992)

Postal Inspector R-47 (5,928—7,236) [R-50] R-55 [6,688—8,400] (8,832—10,776)

Assistant Postal

Inspection Chief R-51 (7,236—8,832) [R-54] R-56 [8,400—10,260] (9,288—11,326)

Mail Operation Chief R-51 (7,236—8,832) [R-54] R-56 [8,400—10,260] (9,288—11,328)

Postal Fiscal Service

Chief R-51 (7,236—8,832) [R-54] R-56 [8,400—10,260] (9,288—11,328)

Postmaster VII R-53 (7,992—9,756) [R-56] R-57 [9,288—11,320] (9,756—11,904)

Postal Inspection Chief R-55 (8,832—10,776) [R-58] R-60 [10,260—12,536] (11,328—13,824)

That on same Page 2, between Line 19 and 20, insert the following positions:

Cashier V R-47 (5,928—7,236) R-51 (7,236—8,832)

Internal Auditor R-49 (6,552—7,992) R-54 (8,400—10,260)

Postal Information Officer I R-42 (4,632—5,640) R-47 (5,928—7,236)

Budget Officer IV R-52 (7,608—9,288) R-57 (9,756—11,904)

Chief Accountant IV R-54 (8,400—10,260) R-58 (10,230—12,516)

Postal Savings Bank

Superintendent R-53 (7,992—9,766) R-58 (10,260—

12,516)

Postal Savings Bank

Asst. Superintendent R-47 (5,928—7,236) R-52 (7,608—9,288)

Postal Savings Bank

Chief Accountant R-52 (7,608—9,288) R-56 (9,288—11,328)

Postal Savings Bank

Budget Officer I R-42 (4,632—5,640) R-46 (5,640—6,888)

3. That on same Page 3, Lines 14 and 15, delete the words "subsequent fiscal years" and in lieu thereof, place the following: "THEREAFTER, SUCH SUMS AS ARE NECESSARY FOR THE PURPOSE SHALL BE INCLUDED IN THE ENSUING ANNUAL GENERAL APPROPRIATIONS ACT."

Respectfully submitted:

Conferees on the part of the House:

HON. RAFAEL B. LEGASPI

Congressman

HON. NATALIO B. CASTILLO

Congressman

HON. MAGDALENO M. PALACOL

Congressman

Conferees on the part of the Senate:

HON. LORENZO G. TEVES

Senator

HON. DOMINADOR R. AYTONA

Senator

HON. JOVITO R. SALONGA

Senator

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing provisions of Senate Bill No. 978 and House Bill No. 18601, amending Republic Act No. 1407, as amended, referring to the creation of maritime lien on vessels, has submitted its report signed by all the conferees on the part of the Senate and on the part of the House. I move for the approval of the conference committee report.

The PRESIDENT PRO TEMPORE. Is there any objection. (*Silence.*) There being none, the motion is carried and the conference committee report is approved.

(*Full text of the Conference Committee Report on Senate Bill No. 978 and House Bill No. 18601 as*

CONFERENCE REPORT

The Conference Committee on the disagreeing provisions of:

S. B. No. 978 entitled "AN ACT AMENDING REPUBLIC ACT NUMBERED ONE THOUSAND FOUR HUNDRED SEVEN, AS AMENDED, TO PRESCRIBE THE RULES FOR FINANCING THE ACQUISITION OR CONSTRUCTION OF VESSELS TO BE USED FOR OVERSEAS SHIPPING, TO ALLOW THE CREATION OF A MARITIME LIEN THEREON, AND FOR OTHER PURPOSES", and

H. B. No. 18601 entitled "AN ACT AMENDING REPUBLIC ACT NUMBERED ONE THOUSAND FOUR HUNDRED SEVEN, AS AMENDED, TO PRESCRIBE THE RULES FOR FINANCING THE ACQUISITION OR CONSTRUCTION OF VESSELS WEIGHING AT LEAST FIFTY THOUSAND DEADWEIGHT TONS TO BE USED FOR OVERSEAS SHIPPING TO ALLOW THE CREATION OF A MARITIME LIEN THEREON, AND FOR OTHER PURPOSES."

after having met and fully discussed the subject matter in the conference, has come to an agreement, and the conferees hereby recommend to their respective houses the following:

THAT S. B. NO. 978, AFTER CONSIDERATION OF H. B. NO. 18601, BE ADOPTED WITHOUT AMENDMENTS.

Senate Conferees:

HON. MAGNOLIA W. ANTONINO
Chairman

HON. HELENA Z. BENITEZ
Member

HON. TECLA S. ZIGA
Member

House Conferees:

HON. PABLO R. ROMAN
Chairman

HON. SIMEON M. VALDEZ
Member

HON. BENJAMIN N. TABIOS
Member

Senator TOLENTINO. Mr. President, the conference committee on the disagreeing votes on the amendments of the Senate to House Bill No. 18105, a franchise in favor of Mr. Ernesto Magboo, has submitted its report signed by all the conferees on the part of the Senate and on the part of the House. I move for the approval of the conference committee report.

The PRESIDENT PRO TEMPORE. Is there any objection? (*Silence.*) There being none, the motion is carried and the conference committee report is approved.

(*Full text of the Conference Committee Report on House Bill No. 18105 as approved.*)

CONFERENCE REPORT

The Conference Committee on the disagreeing votes of the two Houses on the amendments of the Senate to House Bill No. 18105, entitled:

AN ACT GRANTING ERNESTO S. MAGBOO A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN AN ICE PLANT AND COLD STORAGE IN MANILA AND TO SELL ICE AND SUPPLY COLD STORAGE THEREIN AND SUBURBS,

after having met and fully discussed the subject matter in the conference, has come to an agreement, and the conferees hereby recommend to their respective houses the following:

THAT HOUSE BILL NO. 18105, AS PASSED BY THE HOUSE BE ADOPTED WITHOUT FURTHER AMENDMENT.

CONFEREES ON THE PART OF THE SENATE]

HON. RODOLFO GANZON

HON. W. LAGUMBAY

HON. T. ZIGA