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At 5:05 p.m., the Speaker, Honorable Jose B. Laurel, Jr., called the House to order.

The SPEAKER. Everyone will please rise to observe one minute of silent prayer and/or meditation.

(Everyone rose to observe one minute of silent prayer and/or meditation.)

THE ROLL CALL WAS DISPENSED WITH

Mr. TOLENTINO. Mr. Speaker, I move that the roll call be dispensed with.

The SPEAKER. Is there any objection? *(After a pause.)* The Chair does not hear any. The roll call is dispensed with.

There is quorum.

APPROVAL OF THE JOURNAL

Mr. TOLENTINO. Mr. Speaker, I move that the reading of the Journal of the proceedings of the last session be dispensed with and that the Journal be considered approved.

The SPEAKER. Is there any objection? *(After a pause.)* The Chair does not hear any. The reading of the Journal of the proceedings of the last session is dispensed with and the Journal stands approved.

The Secretary will read the Order of Business.

REFERENCE OF BUSINESS

The SECRETARY, *reading:*

RESOLUTION

By Congressman Gonzales (H. R. No. 167), entitled:

Resolution instructing the Committee on Education to investigate the degree on non-compliance with the constitutional mandate regarding free public primary education and to study the best means to implement fully the said mandate.

The SPEAKER. To the Committee on Rules.

MESSAGE FROM THE SENATE

Communication informing that the Senate on July 11, 1956, approved the Report of the Conference Committee on the disagreeing votes of the two Houses to the amendments of the Senate to House Bill No. 5809, entitled:

An Act to amend certain sections of Title V of Commonwealth Act Numbered Four hundred sixty-six, otherwise known as the National Internal Revenue Code, as amended, and for other purposes.

The SPEAKER. To the Archives.

COMMUNICATION

Communication from the Assistant Executive Secretary, Office of the President of the Philippines, informing that House Bill No. 5325 was approved on July 11, 1956, by the President, except certain items which he vetoed. This

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Mr. CORTEZ. I think the gentleman is misinterpreting my stand. If this humble Member of the House did not air before these incidents on the floor, it was because they were not brought to my attention. Probably, the Mayor of Angeles did not want to cause any rift between the Clark Field officials and those of Angeles, and he wanted to preserve as much as possible the friendly relations that existed between the Clark Field people and the people of Angeles. That is the real reason.

Mr. MACIAS. I am asking the gentleman this question because I understand from the newspapers that a resolution regarding the American bases in this country filed by our Floor Leader will be discussed very soon on the floor. And we are supposed to discuss the resolution merely on the merit of the issue involved and consistent with our national honor and dignity. And from the reading of the papers, I gathered that these complaints that the gentleman is airing now on the floor would not have been aired here, if not for the fact that Angeles is losing a big lot of revenue, because it has been declared off-limits. And to my way of thinking, there seems to be more emphasis laid by people who have discussed this matter in the papers on the loss of income of Angeles than on the dignity and the sovereignty of the Filipino people involved in this controversy in Angeles, so much so that I think both Congressmen from Pampanga have seen already the American officials to lift the off-limits order in Clark Field. I am troubled by that, because I wish that this question would be discussed not only on the basis of monetary loss that the people in Angeles will suffer, but also on the basis that the people will continue to suffer like this, if things will be allowed to pass unnoticed.

Mr. CORTEZ. The gentleman can rest assured that if these complaints are brought here now on the floor of Congress, it is precisely because we want to inform the Members of Congress who will soon deliberate on the PI-US relations. Now, if we are not going to be informed of the real facts that took place, and we shall depend only on newspaper information which many times or sometimes are incorrect, then our actuations may be biased or unbiased, depending on how we will look upon the situation in Angeles.

Mr. MACIAS. Will the gentleman continue to maintain this attitude regarding the protection of the dignity of the Filipino people and the Philippine sovereignty, even if the off-limits order is cancelled by the Air Force authority in Clark Field?

Mr. CORTEZ. Of course, yes. The gentleman has seen me, probably, many times on the floor defend-

ing the cause of the masses. I like the Americans, but I love the Filipino people and I want our dignity and honor to be preserved. That is why my stand on the matter is unequivocal.

Mr. MACIAS. Thank you. At least, I am convinced that the gentleman is speaking from his heart. And the loss of revenue is not the most important thing, or that there is such an off-limits order to the American soldiers to go to Angeles in the Province of Pampanga, but the most important and paramount thing here is the dignity and honor of the Filipino people.

Mr. CORTEZ. Mr. Speaker, Angeles has a revenue of about ₱500,000 monthly that comes from Clark Field. I know all the people in Pampanga, and the Filipino people must know that if this strained relation between Clark Field and the Government of the Philippines exists now, because of this incident that took place in Angeles, I know positively that all the Filipino people are going to stand on their dignity and honor. And if I speak now on this question, it is not that I want to throw gasoline on the already inflamed strained relation. My intention is only to bring to the attention of the Members of the House and also to the people that our people in Angeles are only trying to do their best in order to uphold the dignity and honor of our race and also the sovereignty of our country.

I thank you, Mr. Speaker, and gentlemen of the House.

Mr. TOLENTINO. Mr. Speaker, I move that we calendar for tomorrow the report on the Military Bases Agreement of 1947 between the Philippines and the United States submitted by the Special Committee to reexamine Philippine-American Relations and Agreements, as well as House Resolution No. 166.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The motion is approved.

TARIFF CODE

Mr. TOLENTINO. Mr. Speaker, I move for the immediate consideration of House Bill No. 5513.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The motion is approved.

The consideration of House Bill No. 5513 is now in order. With the permission of the House, the Secretary will read only the title of the bill, without prejudice to inserting in the Record the whole text thereof.

The SECRETARY, *reading*:

An Act to revise and codify the tariff and customs laws of the Philippines.

(The text of the bill is not inserted in the Record because of its length.)

The SPEAKER. The sponsor of the measure may have the floor.

Mr. MARCOS. Mr. Speaker, for a parliamentary inquiry. Will the debate on this monumental Tariff and Customs Code be governed by the one-hour rule, or shall we be allowed to speak on it as long as we wish to? This involves many questions of law and questions of facts.

The SPEAKER. The House will proceed in accordance with its Rules, subject to certain modifications which will be agreed upon in the course of the proceedings.

Mr. MARCOS. Thank you, Mr. Speaker.

REMARKS OF THE SPONSOR, MR. RAMOS

Mr. RAMOS. Mr. Speaker, it is the burden of my task to urge the approval, without delay I hope, of this House Bill No. 5513, and before doing so or before attempting to establish the necessity and the urgency of approving this measure, it seems to me that it is a fact, more to be admitted than denied, that the Tariff Act of 1909 which governs the Tariff Law of this country is not only the making of the United States Congress—the fact that it was legislated for the Philippines in 1909—but also it sets a pattern of economy tailored to fit the economy of the United States even at the expense of the economic growth of this country.

Mr. ZOSA. Mr. Speaker, for a parliamentary inquiry. I should like to inquire from the Chair if this Body will not merely be losing time discussing this measure when we have been reliably informed, both from conversations and from published reports, to the effect that the Senate absolutely will not take up this bill during this special session. Are we just having here what we may call intellectual calisthenics which will accomplish nothing at all? I should like the Chair to please inform the House.

The SPEAKER. The House has already agreed to consider this measure, and the gentleman from Aklan is now sponsoring it. The time allotted to the gentleman from Aklan is one hour. If the gentleman from Cebu desires to interpellate the gentleman from Aklan on this particular point, he may do so.

Mr. ZOSA. Mr. Speaker, will the gentleman from Aklan, therefore, yield to some preliminary questions?

The SPEAKER. The gentleman may yield, if he so desires.

Mr. RAMOS. Very willingly.

Mr. ZOSA. I understand that the gentleman from Aklan has made a very thorough study of the matter, so much so that he and his Committee were able to produce a very voluminous Tariff Code. May I know from the gentleman from Aklan if the Members of this House will not only be wasting their time during the remaining nine days of session, discussing this bill when, as a matter of fact, the Senate will not take this up even at gun point?

Mr. RAMOS. I cannot presume to speak for the Senate, but I know for a fact that the Senate, time permitting, will consider this bill when it is elevated to that Chamber, if it is approved by the House with or without amendments.

Mr. ZOSA. The gentleman is an avid reader of the dailies which report the proceedings in caucuses and agreements in breakfast conferences. Has not the gentleman come across the news item which says that the Senate is not going to take up this bill, at least, in order to approve it? It may hold only public hearings, which means that the objective sought by the gentleman from Aklan and his Committee, which is to raise revenue during the last semester of this year, will not be accomplished, because the Senate is not going to take up this bill even if we approve it in the House.

Mr. RAMOS. Maybe one or two Members of the Senate made that statement, but certainly they do not compose the Senate. My official information is, in view of the fact that I was present in the conference, that the Members of the Senate will be willing to take up this bill, time permitting, just as soon as the House is ready to endorse the bill to the Upper Chamber.

Mr. ZOSA. Is the gentleman in a position to assure us that the Senate is going to act on this bill?

Mr. RAMOS. As I have said, I cannot speak for the Senate and, therefore, I cannot assure the House. Suffice it to say that it is the duty of the House to pass these measures because of the need and wisdom of acting on it, regardless of how the Senate will act on it. We have no control as to the proceedings in the Senate. We can only control our own actions in the House.

Mr. ZOSA. I understand that. That is too elementary to be ignored by the Members of the House. But the question is this. Is the Administration's leadership capable of making the Senate act on this bill, so that the Members of the House will not be wasting their time and efforts?

Mr. RAMOS. That was the agreement reached between the Senate and House leaders in Malacañang. I assume that that agreement will hold unless violated for one reason or another.

Mr. ZOSA. That they would take up this measure?

Mr. RAMOS. That is so.

Mr. ZOSA. And this is an Administration measure which the Members of the Senate belonging to the party have committed themselves to act upon. Is that correct?

Mr. RAMOS. That is the extent of my understanding. However, I cannot bind one, two or three or four Members of the Senate, and I do not think that any Member of this House can bind any Member of the Senate.

Mr. ZOSA. Thank you.

Mr. RAMOS. (*Continuing.*) To continue, Mr. Speaker, I would say that there have been several attempts in the past to revise or otherwise amend the Tariff Act of 1909. Foremost of them was the attempt in 1930, which did not even reach the Committee. A similar attempt was made in 1932 which only succeeded as far as making piecemeal amendments. There was a repeated attempt in 1934, and that failed because of lack of time. We have in the recent past authorized the President of this country under Republic Act 1196, an Act authorizing delegation of power, to increase and decrease the rates of tariff by not more than ninety per cent and not less than sixty per cent. But conditions in this country now justify an immediate consideration of the tariff revision. It is necessary not only to raise revenue but also to accomplish the objectives which are outlined in the explanatory note, and for purposes of the Record, I should like to read the said explanatory note, and I ask that it be made a part of my sponsorship speech.

(*The following is the Explanatory Note of House Bill No. 5513*)

EXPLANATORY NOTE

The present tariff law of the Philippines is the Tariff Act of August 5, 1909 passed by the Congress of the United States primarily for the purpose of raising revenue. The Act also permitted the duty-free entry of articles from the United States into the Philippines in exchange for similar free entry of Philippine articles into the United States as provided for in a companion legislation enacted at the same time by the Congress of the United States, thereby establishing free trade between the two countries. Since its passage, the Philippine Tariff Act of 1909 has undergone numerous changes in classification, rates of duty and administrative provisions. In addition to the various Acts of the Congress of the United States amending, modifying, or repealing certain sections of the Philippine Tariff Law, thirty-seven (37) Acts were passed by the Philippine Legislature, the National Assembly, and the Congress of the Philippines effecting a considerable number of changes in, and clarifying the meaning of, the provisions of the

existing tariff law. However, the changes approved by the Philippine Legislature, except in one amendatory Act (No. 4053), were effected through what is termed as "piecemeal legislation."

The free entry into the Philippines of articles from the United States, the control of Philippine foreign and domestic trade by alien businessmen, the presence of conflicting Philippine and American economic interests in the Philippines, and the requirement that the tariff laws passed by the Philippine Legislature must be approved by the President of the United States before they become effective, rendered difficult the early passage of an overall revision law while the Philippines was still a possession of the United States.

The first attempt to revise the Philippine Tariff Act of 1909 was made in 1930 with the creation of a Special Committee on Taxation composed of three senators and five representatives. Although the report of the committee did not propose a complete revision of the tariff law, it covered most of the articles of importation.

The second attempt at general revision of the Tariff Act took place in 1932 with the creation of another Special Committee on Taxation composed of Members of both Houses of the Legislature. However, for lack of time, only a partial revision was accomplished with the passage of Act No. 4053 on February 24, 1933.

The third attempt to revise the Philippine Tariff Act of 1909 was undertaken in 1934 by a Special Committee, created by the Governor-General of the Philippines, composed of legislators, businessmen and advisers of the Chief Executive. Although a bill (H. No. 1855) covering the proposed revision was presented in the House of Representatives, it was not enacted into law.

When the Philippines became independent, Republic Act No. 3 was approved on July 19, 1946, providing that the Philippine Tariff Act of 1909, as amended, shall continue in force and effect on and after July 4, 1946, until the Congress of the Philippines shall provide otherwise.

While there might have been reasons for preserving the title and form of the old tariff law and for continuing with its provisions, there is no longer any justification for keeping it indefinitely in our statute books. A citation of some of the provisions of the existing tariff law showing vestiges of colonial legislation will suffice to show the need for a general revision of the law. For example, the enacting clause states that the tariff law was enacted by the United States Congress; the rates of duty are stated in United States currency; the payment of duty should be made in Philippine currency or its equivalent in money of the United States; a consular invoice is required of every regular importation valued over \$100; articles from the United States are entitled to free entry while goods from other foreign countries are subject to duty; assimilated rates of import duty levied on sugar and tobacco are the same as those imposed from time to time upon sugar and tobacco in like forms when imported into the United States; and the rules and regulations governing imports may be prescribed by the "Insular Collector of Customs" which is no longer the title of the head of the Bureau of Customs. Furthermore, since January 1, 1956, United States articles have been subject to duty.

After the grant of independence in 1946, the need for a complete revision of the tariff law became imperative to make it responsive to the diversifying needs of Philippine

economy. Since then several tariff bills seeking substantial revisions were presented in Congress. In 1953, H. No. 3595, which sought to eliminate obsolete provisions of the existing tariff law, to modernize tariff classifications, to revise tariff rates and to simplify administrative provisions, was introduced in Congress. The bill never went farther than the House Committee on Ways and Means which actually conducted public hearings thereon. However, during the same session of the Congress, the long-sought revision of the present tariff system appeared certain with the enactment of Republic Act No. 911, entitled "An Act creating a Tariff Commission, defining its powers, and for other purposes," Section 18 of which provides:

The Commission shall make a thorough study of the tariff system of the Philippines, and not later than one and one-half years from the date of assumption of office of its members, shall submit its recommendations for a revision of the tariff system together with a draft of a bill embodying a revised tariff law.

On the basis of the recommendations of the Tariff Commission, embodied in its draft of a bill, this proposed measure has been prepared by your Special Committee charged with the function to revise and codify all tax laws including tariff and customs. There are two main problems involved in the proposed revision of the tariff system, namely, modernization of the tariff classification and revision of the rates of duty; and, simplification of administrative provisions.

In the revision of the tariff classification, this proposed measure adopted the system of classification of the Brussels Nomenclature, a system of tariff classification embodied in the Convention on Nomenclature for the Classification of Goods in Customs Tariffs, signed at Brussels, Belgium, by a group of representatives of various European countries in December, 1950.

There are several important advantages derived from the adoption of the Nomenclature. Being the most comprehensive, most scientific and the most modern system of tariff classification, it is the answer to the need for a modern and systematic method of tariff classification. It also provides a common "tariff language" in the promotion of foreign trade with countries which have already adopted, are in the process of adopting, or may in the future adopt, the Brussels Nomenclature. Finally, it will enable the compilation of more detailed and accurate foreign trade statistics essential in the analysis of Philippine foreign trade and will also facilitate comparative studies of the import and export structures of the Philippines with those of other countries using the same Nomenclature.

In the revision of the rates of duty and administrative provisions, your Committee has been guided by the following proposed tariff policies or objectives:

1. *To raise the standard of living and increase real income as against money income.*—Your Committee recommends low or medium rates of duty on essential consumer goods which are not produced locally or unlikely to be produced in adequate quantities in the foreseeable future, in order to place them within the reach of the low-income group which constitutes the greater bulk of the population and thereby raise their standard of living. Examples of the articles thus treated include milk and milk products, canned salmon and sardines, cotton goods, and medicines.

2. *To promote the establishment and healthy growth of new industries in the country and to protect the same,*

and to insure continued existence of established industries.—As industrialization is one of the main objectives of the economic development program of the government, your Committee recommends the imposition of low rates on, or exemption from the payment of duty of, raw materials and other capital goods which are needed by local factories and are not available locally or available only in limited quantities. The imposition of low or medium rates of import duty is proposed on semi-finished articles needed by local industries, which are either not available locally or the local supply of which is inadequate to meet the demand. It is likewise proposed to impose low or medium rates of import duty on parts of finished articles for assembly purposes, such as parts and accessories of trucks and tractors.

Your Committee recommends the imposition of protective rates of duty on imported articles competing with those locally produced. For further protection of local industries against foreign competition, your Committee recommends the imposition of countervailing duty on imported articles which are granted bounty, subsidy or subvention in the country of origin or of exportation. The anti-dumping law, now embodied in Republic Act No. 32, has likewise been revised and incorporated herein.

3. *To enhance and propagate culture and to conserve health and morals.*—In accordance with these objectives the imposition of low rates of duty or duty-free entry of educational, cultural or scientific articles is recommended. The articles affected thereby include printed books, newspapers and magazines, radio-active elements, compounds and isotopes, precision apparatus, electron microscopes and prepared culture media for development of micro-organisms. The prohibition against the entry of books, pamphlets and articles that are of obscene, indecent, or immoral character or subversive of public order, and the importation of narcotics such as alkaloids and their salts of opium, unless licensed by the proper authorities, is provided in this bill. For prepared drugs and medicines, antibiotics, vitamins, and sulfa drugs, which are indispensable for the maintenance of the health of the people, the imposition of low or medium rates of duty is proposed.

4. *To raise government revenue and to conserve foreign exchange.*—For this purpose the imposition of rates of duty that will yield the maximum amount of revenue is proposed on luxuries and non-essential articles.

An innovation has been made by the introduction of the decimal system of numbering sections in this bill. Every title is allotted a maximum of 100 possible sections although the number of sections actually under each title never exceeds ten. The advantage of this system is that it provides ample room for future insertions by means of subsequent amendatory Acts without the necessity of having whole numbers with fractions thereof or accompanying letters to indicate said insertions. This system is widely used in the framing of long statutes in the United States.

Your Committee hopes to achieve through this system of tariff, the gradual elimination of economic controls. Although your Committee realizes that outright or abrupt elimination of such economic restrictions is impracticable at this state of the country's industrial development, it cannot but recognize the fact that controls must sooner or later be relaxed and totally eliminated, especially when better remedies can be found, as this tariff bill seeks to achieve, to replace them when conditions warrant. A comprehensive, scientific and modern tariff system is considered

by your Committee as the best approach to the solution of the national economic problems. For, while this tariff system grinds slow in its process, the results are sure and effective.

With the passage of this Act, Congress hopes to create a favorable economic re-adjustment, which has been the objective of the transition period at the onset of the country's Commonwealth status to our independence. This tariff bill will in effect raise the standard of living and increase real income as against money income; it will promote the establishment and healthy growth of new industries in the country; it will enhance and propagate culture, conserve health and morals; and it aims to raise government revenue and conserve foreign exchange, an important factor in the maintenance of the country's position in the world market.

In view of the foregoing, approval of this bill is urgently recommended.

GODOFREDO P. RAMOS
Chairman

*Committee on Ways and Means
and the Special Committee to Revise
and Codify Tariff-Customs and
All Tax Laws*

Mr. MARCOS. Mr. Speaker, will the distinguished Chairman of the Committee on Ways and Means yield on the point of raising revenue from tariff?

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

Mr. RAMOS. I yield to the distinguished Member of the same Committee.

Mr. MARCOS. At the outset, may I say that I dissented from the Committee report.

Mr. RAMOS. I will collaborate with the gentleman from Ilocos Norte by saying that he dissented in part only.

Mr. MARCOS. Certainly.

Mr. RAMOS. Although it is his privilege to change his mind.

Mr. MARCOS. I dissented with regard to the objectionable parts of the Tariff Code and Customs Code, of which I think there are many, if not several.

Mr. RAMOS. And is the gentleman from Ilocos Norte prepared to name them?

Mr. MARCOS. I am willing to name them item by item, if the gentleman is willing to answer, but I am not going into that. I am merely questioning the policy of the present Administration in utilizing the tariff as a source of revenue for the maintenance of the ordinary operations of the government. Is that the purpose of the present Tariff Code?

Mr. RAMOS. For the maintenance of the operations of the government?

Mr. MARCOS. What I mean is, is it the purpose of the present Administration to impose a heavy

tax burden in the form of tariff to increase the revenue of the government in order to meet and cover the deficits that are expected in the present year in the normal operations of the government?

Mr. RAMOS. If the gentleman merely gave me two or three minutes more to finish the last statement that I was supposed to make, I would have given him to understand that the Tariff Code is geared not only for revenue raising but also to achieve and fulfill certain targets along the line of economy, and foremost of them is to raise the standard of living, to protect new and necessary industries, to raise revenue, to improve the cultural and educational standard of the people of this country.

Mr. MARCOS. Precisely, I was waiting for that kind of answer. The gentleman states that the Tariff Code, as it is now drafted, will raise the standard of living of the people. I presume that the distinguished Chairman of the Committee on Ways and Means, who is also a representative of the House of Representatives in the National Economic Council which is our super-economic body in the government, means that there should be more available consumer goods for the ordinary citizens when he says to raise the standard of living, he includes within the meaning of standard of living the greater available consumer goods for the ordinary citizen.

Mr. RAMOS. And to place those goods within the reach of the low-income people, which objective is covered by the revision of the tariff.

Mr. MARCOS. I see. And yet the gentleman admits that the Tariff Code will mean an increase in collections of about ₱135,000,000 above.

Mr. RAMOS. Correct. That is the total collection, the estimated collection under the proposed code.

Mr. MARCOS. Will the distinguished Chairman of the Committee on Ways and Means reconcile these apparently incompatible positions of the Administration of, first, raising the tax impositions through tariff on all kinds of goods from the ordinary commodities to luxuries? Will he try to accommodate our interest in this position of the Administration of raising the tariff and at the same time availability of this Tariff Code will increase the availability of consumer goods to the ordinary citizen of this country? Is it not the natural consequence, the natural economic consequence of increased taxation to render unavailable to the ordinary citizen the consumer goods that are required to raise the standard of living of the people?

Mr. RAMOS. Yes, I will accommodate the gentleman.

Mr. MARCOS. Certainly, I will listen.

Mr. RAMOS. When it comes to the strictly essential goods or essential consumer commodities, the rate of duty has been decreased to a point along those provided for under the Tariff Act of 1909 and thereby accommodate the low-income group, but where the commodities in question are not considered essential, then the tax is increased, and there is where recovery is made, so as to increase in the long and overall summation the revenues that can be expected from the operation of this proposed code.

Mr. MARCOS. Now, may I know if there has not been, an increase in, say, the tariff on building materials?

Mr. RAMOS. On building materials, we have made a discriminating study on that subject and I am sure the gentleman from Ilocos Norte will recall that he was present in those deliberations.

Mr. MARCOS. Yes, I was present, I admit.

Mr. RAMOS. The gentleman from Ilocos Norte proposed these rates to which the gentlemen of the Majority did not object but rather yielded, considering that the point taken by the gentleman from Ilocos Norte was fully justified.

Mr. MARCOS. Certainly, I proposed some rates which I think are reasonable, but I am talking of prime commodities, the primary necessities of men—food, clothing and shelter. I believe there has been a misinterpretation here of the data and statistics available.

Mr. RAMOS. I will clarify that. Where building materials are or could be manufactured in this country by the so-called new and necessary industries, then the rates are high, but where items of construction cannot or could never be manufactured in such quantity as to meet the actual demands of the people, the rates are low.

Mr. MARCOS. Now, if that is so, the gentleman then admits that there is a conflict between two interests, first, the tendency to protect local industries, and secondly, the wish and the hope to lower the prices especially of prime commodities. The distinguished Chairman then admits the conflict of these two policies.

Mr. RAMOS. We protect the necessary industries first.

Mr. MARCOS. I was precisely coming to that. In the mind of the majority members of the Committee, especially the Chairman, which is more important and which has been implemented to a greater degree, is it the present policy to protect

local industries or the policy to lower prices as much as possible, especially the prime commodities?

Mr. RAMOS. As I said, there are two factors involved in the same question and therefore it can be answered in two ways; one, where there are commodities considered essential that are needed by the low-income people and they cannot be produced locally, then the rates are also governed by what appears in the proposed code; where they can be manufactured, then the rates are high in order to protect such industries against extraneous competition.

Mr. MARCOS. Well, I will go down to details later. I am merely awaiting a clarification of the stand of the Committee. Now, I should like to know whether the distinguished Chairman has a breakdown of all the available possible increases in revenue, first, from prime commodities, broken down into food, clothing and shelter, and possible increases in revenue from items classified as luxuries and semi-luxuries.

Mr. RAMOS. At this point, Mr. Speaker, I should like to interrupt this discussion with the permission of the gentleman from Ilocos Norte, in order to make a motion to allow the staff members of the Tariff Commission to join us on the floor to give us the desired data for the satisfaction of the Members of the House.

Mr. MARCOS. I have no objection, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) There being no objection, the motion is carried.

Mr. RAMOS. Mr. Speaker, I call upon Miss Marcos, Miss Belarmino, Mrs. Herasco, and Mr. Santos. And I should like to announce also, at this juncture, that Congressmen Roy, Bengzon and Ableda are joint sponsors of this measure and I will call upon them to share the time allotted to this humble gentleman from Aklan.

Mr. VILLAREAL. Point of information, Mr. Speaker. I should like to find out whether my dissent has been recorded in the bill—partial dissent jointly with Congressman Marcos.

Mr. RAMOS. The dissent is not recorded, Mr. Speaker, because, honestly, I could not recall whether my colleague from Capiz and Aklan signified his intention, although on second thought he did so after this proposed code had been sent to the Bureau of Printing. But I join him in his desire to register a partial dissent, if he so wishes.

Mr. VILLAREAL. I remember that before the bill was coursed here I requested Congressman Marcos that I would dissent jointly with him partially;

that is why I want to make that of record that I have given Congressman Marcos authority to register my dissent jointly with him, partially with respect to this bill.

The SPEAKER. Let it be so recorded.

Mr. VILLAREAL. Mr. Speaker, I should like a word from Congressman Marcos, if he remembers.

Mr. MARCOS. Yes, Mr. Speaker, it is an honor to have represented the President of my party and my colleague in the House, the distinguished gentleman from Aklan and Capiz, the leader of our group, in dissenting in part from this Committee Report, and the distinguished Chairman, I think, will honor us by accommodating both of us in opposition to this measure.

Mr. RAMOS. I will honor them, Mr. Speaker, by seconding the motion to have the partial dissent of my colleague from Aklan and Capiz duly recorded.

Mr. VILLAREAL. Thank you, Mr. Speaker, and thank you, Congressman Marcos.

Mr. RAMOS. Mr. Speaker, I think we are partially ready to satisfy the gentleman from Ilocos Norte.

Mr. MARCOS. Mr. Speaker, before I proceed with the question on data and statistics, may I inquire from the distinguished Chairman why my humble name was deleted as one of the authors of the measure seeking to amend the Tariff Act of 1954 and 1955?

Mr. RAMOS. 1954 and 1955? I think that bill was filed in 1953, if I remember right.

Mr. MARCOS. It was filed in 1953 and refiled in 1954 and 1955.

Mr. RAMOS. My answer to that question is, why did not the gentleman from Ilocos Norte call the attention of the Committee, since he is a Member, to the fact that such bill was filed by him? But just the same, Mr. Speaker, in the same way that this humble gentleman from Aklan has accommodated the gentleman from Aklan and Capiz, I should like also to register the name of the gentleman from Ilocos Norte as co-author of this code.

Mr. MARCOS. Not as co-author, but as co-author of some of the provisions. I thank the gentleman, the distinguished Chairman of the Committee on Ways and Means, and the gentleman from Capiz. Now, may I be informed as to the increase in tariffs and estimated increase in revenue, first, from prime commodities broken down into the several items and materials, and, secondly, from semi-luxuries, and, thirdly, from luxuries.

Mr. RAMOS. If the gentleman from Ilocos Norte desires that by referring to breakdown he means

item by item, that is quite difficult to do although we can give him the records for his private study.

Mr. MARCOS. I do not demand such a detailed explanation. I merely seek a general statement even in percentages alone of this ₱135 million expected increase in revenue.

Mr. ZOSA. Mr. Speaker, for a privileged motion.

Mr. MARCOS. May I continue my sentence. It is estimated that ₱135 million is the expected increase in revenue from the proposed Tariff Code. Out of this ₱135,000,000 how much will come from the new impositions on prime commodities, how much will come from the imposition on semi-luxuries, how much will come from the imposition on luxuries? That is all I ask. I do not demand that every article be mentioned here.

Mr. RAMOS. In which case we can agree.

Mr. ZOSA. Mr. Speaker, for a privileged motion.

The SPEAKER. Gentleman from Cebu.

Mr. ZOSA. Mr. Speaker, the bill is composed of more than 500 pages.

Mr. RAMOS. It is only 495 pages.

Mr. ZOSA. I stand corrected, but just the same, there are many pages. Mr. Speaker, this was not included among the bills to be taken up during the special session in the proclamation of His Excellency, the President. It was only recently, about two or three days ago, that it was decided to include this bill. It appears from the report that even the co-authors were not included in the enumeration of the authors of the bill; likewise, the dissenting votes were not recorded in the Committee report. Most of us have not studied the bill thoroughly. This is a very important piece of legislation that cannot be taken up hurriedly. In fact, the President was opposed to the taking up of this bill during the special session, and the Chair has refused consistently to take this bill up during the special session, and, likewise, there is no assurance even from the gentleman from Aklan that the Senate will take this up. I therefore move, Mr. Speaker, to postpone the consideration of this measure until the next regular session.

The SPEAKER. The Chair desires to inform the gentleman from Cebu that the measure under consideration is included in the message of the President, dated 13th July this year. And the House, upon motion presented by the Majority Floor Leader, has agreed to have this discussed. That is why the gentleman from Aklan is sponsoring it. Besides, under the Rules no Member who has the floor may be deprived of it except on a point of order. It is up, therefore, to the gentleman from Aklan whether to allow the House or not to enter-

tain the motion presented by the gentleman from Cebu. If the gentleman from Cebu desires to present the motion he may do so after the gentleman from Aklan has consumed the one hour, unless at this time the gentleman from Aklan is willing to entertain the motion of the gentleman from Cebu.

Mr. ZOSA. Mr. Speaker, I do not expect the gentleman from Aklan to entertain my motion, but that is just an announcement of the desire of many of the Members of this House to seek the postponement of the consideration of this measure.

Mr. NUYDA. Mr. Speaker, the Chair has given the distinguished sponsor, the gentleman from Aklan, a chance to decide whether he will be willing or not to entertain the motion of the gentleman from Cebu.

Mr. ZOSA. Mr. Speaker, I reserve my right to present the motion if the gentleman refuses to entertain it at this time.

Mr. RAMOS. My humble understanding of the proceedings of this House is that the Majority Floor Leader before the commencement of the sponsorship speech made a motion which was approved, to consider this bill for discussion. If the gentleman from Cebu desires to have this postponed, his motion, I think, will be in order. If it is merely a motion to reconsider the action taken by the House earlier for the reason that this was not included by the President in his proclamation, I beg to differ with him because the announcement stated that in addition to the 20-point agenda of the special session there was a reservation that the President might include other important national measures.

Mr. ZOSA. But this was not included specifically.

Mr. RAMOS. It is included now. I should like to answer the gentleman from Cebu, and I hope he was present here when no less than a leader of the Opposition charged this Government for its failure to consider this proposed Tariff Code. This is now the answer of this Administration to the charge of the Minority that this Administration cannot and will not consider an important legislation during the special session. Now, what I should like to know is whether the gentleman from Cebu is with the Majority. If so, he will side with us in the consideration of this measure. If not, then he is not also altogether with the gentleman of the Minority which argues that this bill must be and should be taken up during this special session.

The SPEAKER. The Chair assumes that the gentleman from Aklan desires to continue sponsoring the measure. He may consume the full hour.

Mr. ZOSA. Mr. Speaker, I should just like to insert into the Record a statement in answer to the observation of the gentleman from Aklan because the gentleman said that this was the answer of the Majority to the charge of the Minority to take up this measure. My answer is, the Majority, Mr. Speaker and gentlemen of the House, should have had a definite program of legislation before agreeing to the convening of a special session. The Majority is not right in simply waiting for a challenge from the Minority before taking up an important piece of legislation. It never happens that the Majority has itself guided by a mere challenge from the Minority in order to think of pieces of legislation that should be taken up either in the regular or special session. I have always been with the Majority although I was elected almost as a Minority man because I was a rebel candidate of the Majority. But notwithstanding that, I am submitting myself to the discipline of the Majority.

The SPEAKER. Does the gentleman from Aklan desire to allow the gentleman from Cebu to interpellate him?

Mr. ZOSA. Mr. Speaker, I am through with my observation.

Mr. MARCOS. Mr. Speaker, I should like to know if I still have the honor of interpellating the distinguished Chairman of the Committee on Ways and Means.

Mr. RAMOS. The gentleman from Ilocos Norte has still the honor to interpellate me and I have the equal honor to answer his interpellations.

Mr. MARCOS. After the fulmination of the distinguished gentleman from Cebu I feel almost tempted to withdraw from the debate and leave the Majority to quarrel about the policies of the Administration. But, Mr. Speaker, unfortunately, my question seeks to elicit some important data and statistics on the matter. So, will the distinguished Chairman inform us as to the percentages of the expected revenue from prime commodities, semi-luxuries and luxuries?

Mr. RAMOS. The gentleman from Ilocos Norte has asked previously for an overall figure of the increase in revenue on the non-essentials as well as the essentials. In the first place, there is no increase on essentials because as I pointed out in the beginning, the Committee even recommended a reduced rate of duty as based on the Tariff Act of 1909. So it stands to reason that there can be no increase but that there shall be reduced revenues as far as essential commodities are concerned. With respect to non-essentials, it also

stands to reason that there is an expected increase in revenues. The total revenues sought to be collected from the operation of this proposed code if approved would be from ₱125,000,000 to ₱135,000,000. If there is any such increase over and above the collection from the Tariff Act of 1909, then such increase can be reflected by the collection of revenues from the non-essentials and luxury items.

Mr. MARCOS. If that is true, may I know if there are no increases on such items like the following: cereals, flour, bread, pastry, cocoa, cocoa preparations, and other similar products? Is it not true that there has been an increase on these products from the Tariff Act of 1909 to the present proposed law?

Mr. RAMOS. The Committee has been persuaded that cocoa can be grown in the Philippines particularly in Batangas. As a matter of fact, the Administration has given all the incentives and encouragements to establish plants in order to encourage the growth of cereals in this country and thereby limit our importation and at the same time save our dollar position from going down deeper and deeper.

Mr. MARCOS. Now, since the gentleman specified the subject of cocoa, may I know what the policy is with respect to this product? Is it a policy of protection or a policy of revenue raising?

Mr. RAMOS. Revenue raising.

Mr. MARCOS. If it is a policy of revenue raising, then why is it that cocoa cereals and cocoa paste and such items only have 20 per cent? Of course cocoa butter is 70 per cent and cocoa powder is 50 per cent. If it is revenue raising and not protection of the local industry, Mr. Speaker, then is it not possible that these increases may make it harder for the common people, especially those who drink cocoa instead of coffee, so that this particular commodity, which may be considered a prime commodity to a certain segment of our population, will be more difficult to procure in the future.

Mr. RAMOS. We have it on good authority that the majority of our people do not drink cocoa but coffee, and coffee is grown in great quantities in Batangas and all over the country.

Mr. MARCOS. That is precisely why I said a certain segment of our population. I did not say majority. I said a certain segment of the population, and I refer to this only as an example of the policy embodied in this Tariff Code. If the purpose is to raise revenue, we have here the perfect example of the Administration trying to

foist upon the cocoa-drinking public added impositions in the form of tariff in order to finance an already gargantuan organization like the Government of the Republic of the Philippines. Is it the position of the gentleman that the Administration believes that cocoa drinkers should increase their taxes further in order to support this Government?

Mr. RAMOS. Yes, because as I said, the government also encourages and provides incentives for the establishment of plants in order to plant cocoa here and thereby discourage importation which uses dollars. And the second reason is the fact that, after all, that small segment of cocoa-drinking people is small compared to the great majority, that if the small segment insists on what the majority do not consume, then certainly it must be prepared to pay a higher, inclement tax.

Mr. MARCOS. That is very interesting. What I should like to know is, has the distinguished chairman, therefore, made a comparison between cocoa and coffee in this proposed tax code?

Mr. RAMOS. I think the committee has made that study.

Mr. MARCOS. Does not the gentleman agree with me that there is discrimination in approach with respect to cocoa and coffee because the tax on cocoa seems to be higher than the tax on coffee? Will the gentleman correct me if I am wrong?

Mr. RAMOS. Yes.

Mr. MARCOS. For instance, cocoa beans, 50 per cent, cocoa butter, 70 per cent, cocoa powder, 50 per cent, coffee extracts, essence, concentrates, and similar preparations, liquid or dry, 25 per cent ad valorem. The gentleman speaks of protection of local industries and yet on this question of coffee, which is an industry that is highly developed, the tariff is very much lower than the tariff on cocoa or other similar products produced in the country. Does not the gentleman agree with me that on this particular subject the proposed tariff code seems to have a wrong approach?

Mr. RAMOS. In the mind of the gentleman from Ilocos Norte.

Mr. MARCOS. From the point of view of the Opposition.

Mr. RAMOS. I have a good reply to that. While the coffee industry is getting to be big in this country, it has not yet been so big as to supply the entire consuming public. Therefore, the intention of the Committee is to adjust such a period of time until this country can sufficiently meet the requirements of the people in the matter of the consumption of coffee. Not only that, but also as I pointed

out to the gentleman earlier, the policy adopted under this proposed Tariff Code is such that where products cannot be manufactured in this country, then we impose a comparatively lower rate of tariff, and where it can be produced to such an extent that the demands of the consuming public can be met, then the rate of duty is increased. All those factors are taken into consideration so as not to make it unduly burdensome upon the people and at the same time provide them with their essential needs.

Mr. MARCOS. Therefore the distinguished chairman admits that this Tariff Code does not protect the coffee industry in the Philippines.

Mr. RAMOS. It does not. But insofar as the point is concerned, I may also advance the statement that we have provided a flexible clause in this tariff so that if conditions change, let us say, in two or three months, or six months, when Congress is not in session, then certainly it is the President who can, by that delegation of power under this Code, either increase or decrease rates in order to protect this industry.

Mr. MARCOS. In short, this proposed Tariff Code, Mr. Speaker and gentlemen of the House, is a confession of vacillation on the part of the Congressmen, it is a confession of the weakness and incapacity to protect local industries it is an admission by the Members of Congress that we must wait for executive action, and we cannot, on our own, extend the protective mantle of legislative power to local industries. Must we wait for executive action? I believe that the protection being granted must be extended by the policy-making body of this Government, and that is, the Congress of the Philippines. May I know what is the urgent reason for waiting for executive action? If in principle we admit that the coffee industry is entitled to protection, then there is no need for this tardiness. There is no need to wait for executive action, and ergo, there is no need for a flexible clause. There must be a policy stated definitely and specifically by the Congress of the Philippines. The Congress cannot abandon its duty which is to establish a principal economic policy, and that is, protection of local industries.

Mr. RAMOS. The policy is enunciated, the policy is determined, the policy is incorporated in this proposed code, but it requires implementation in order to make more effective that policy, and that grant of certain power to the President is not abnormal as that is a condition recognized by all nations in the world.

Mr. MARCOS. On the contrary, this is the only country in the world with such an unusual flexible clause, without limitation and without conditions. But the Philippines will be the only country in the world, because of its unusual grant and delegation of legislative power to the Executive, if we approve this bill in its present form.

Mr. RAMOS. My answer to the gentlemen is because we have an unusually good President in the Philippines today. So much so that even my colleague from Ilocos Norte has come out also in support of the one and only unusual President of this country.

Mr. MARCOS. As usual, the Opposition is maltreated in this manner. I did not come out to support President Magsaysay. Let me clarify once and for all this question. In a radio broadcast, I was asked, "If the Liberal Party has no candidate and there is some other candidate who does not belong to the Liberal Party opposing the President, whom will you support?" My answer was, "I will support the President, because I know he is the only candidate and I do not know who will oppose the President. But I maintain that the Liberal Party has to put up a candidate; and if it intends to put a candidate, all the members of the party, especially its officers who seek leadership in the party, are in duty bound to support the opposition candidate against the candidate of the present administration."

Mr. RAMOS. I will say this much, that if the gentleman happens to be elected President, I will still insist on this flexible clause, because he will be an unusually good President of the country.

Mr. MARCOS. I noticed the tongue was in the check of the gentleman when he said that, but I am willing to concede the validity of the argument with respect to the goodness of a President who comes from the Opposition. But, however, let me go back to the original subject which is the issue. I maintain, Mr. Speaker, as I have always maintained, that emergency does not create power. On the contrary, emergency merely creates the occasion for the exercise of an already existing power, as power does not exist with the President. Now, the existence of an emergency cannot create the power to be utilized to meet such emergency, because all powers must emanate from the Constitution, and which are limited by the same fundamental law. That fundamental law says that we can create such power under certain limitations, and I submit to all the Members of the House that this flexible clause violates that particular provi-

sion of the Constitution when it does not delimit, when it does not impose conditions and restrictions on the flexible clause. However, Mr. Speaker, for the meaty part of the argument, I merely wish to go into the economic policies embodied in the present Tariff Code. The distinguished chairman has already admitted that the tariff on coffee production, especially coffee beans, does not seem to protect the local industry.

Mr. RAMOS. I did not admit that, Mr. Speaker.

Mr. MARCOS. That was my impression and also the impression of some of the Members of the House.

Mr. RAMOS. Of course, the gentleman from Ilocos Norte has always been used to his own impressions.

Mr. MARCOS. May I ask the distinguished Chairman whether he believes that 25 per cent ad valorem is a proper protection for local industries?

Mr. RAMOS. I believe that it is sufficient; however, I will yield to the pressure of the House. After all, we shall go to the period of amendments, and I do not claim monopoly of the knowledge on the Tariff Code.

Mr. MARCOS. I am glad to hear the broad mindedness of the distinguished Chairman of the Committee which is the only road and channel towards a more perfected bill.

Mr. RAMOS. The feeling is mutual.

Mr. MARCOS. Before we fall on our shoulders and indulge in mutual admiration, may I proceed to another item. May I know the policy of the Tariff Code with respect to grains and cereals?

Mr. RAMOS. Whenever grains can be produced in this country, then we can increase the tariff duty.

Mr. MARCOS. Is it not true that in this particular Tariff Code everybody can import cereals.

Mr. RAMOS. Subject to limitation also, as far as dollar allocations are concerned by the Central Bank.

Mr. MARCOS. But is it not true that with this policy embodied now in the Tariff Code of allowing the importation of cereals including rice, by anyone and with that policy established in Republic Act 1410 which is known as the barter or no dollar law allowing the importation on no dollar basis of almost any article, and because of the policy of allowing the barter of such items, like logs and minerals, and even sugar, we may discourage the rice industry in the Philippines.

Mr. RAMOS. This Code speaks merely of tariff. The policy is insofar as rates are concerned. Certainly, if there is any oversight, it must have to go to the major legislation on the subject.

Mr. MARCOS. Precisely, that is why I was going to raise the question of double subjects of this bill.

Mr. RAMOS. And the gentleman need not raise that.

Mr. MARCOS. Going back to rice, the gentleman will admit that under subsection 1 of the Constitution, Article VI, it says that a bill must have only one subject-matter, and that subject-matter must be embodied in the title. And yet we have here a bill that has the subject of the Tariff Code and the Customs Code. Does not the gentleman admit that this is a violation of the Constitution?

Mr. RAMOS. I do not think so. As a matter of fact, we threshed that point in the committee meetings, and the gentleman was willing to yield that point. The reason why we had the Chairmen of the two Committees, of Codification of Laws and Revision of Laws, was that they could also contribute their share representing their Committees in the preparation of this Code. And that, after all, the resolution which created the Special Committee to study the revision amendment and codification of this Code includes that power. After all, we are not only treating the proposed Tariff Code as a Tariff Code only, but a combination and codification of the tariffs and customs. And it is ordinary and normal in all other countries, where it is recognized, that customs is a part of tariff and tariff is a part of customs, or vice versa. That subject was thoroughly discussed during the committee meetings, and the gentleman from Ilocos Norte yielded that point in favor of codifying the Tariff Code with the Customs Code for purposes of simplicity.

Mr. MARCOS. In fact, I was for the submission of several bills on the matter. However, the gentleman will remember that not only one bill but also several bills amending the many laws are involved here.

Mr. RAMOS. And which was decided after due consultation with the legal minds of this House that it is in order to do so, and we proceeded on that understanding.

Mr. MARCOS. And because of this, may I, therefore, inquire what relation the maritime administration has with tariff?

Mr. RAMOS. As I said, it is merely to incorporate the Customs Code and the Tariff Code into one book, so that the people will not have a hard time in knowing the customs duties affecting importation; because it is a matter of public know-

ledge that not only students but even professors, not only the majority of the people but also businessmen are in a quandary when they want to find out what provisions of law they are going to follow. So, it was thought that it is feasible to codify the customs laws with the tariff laws because they involve the same subject-matter which concerns administration and jurisdiction over imported products.

Mr. MARCOS. For instance, on page 327 of this bill, there is Title 3 which deals with vessels and air craft in foreign trade. May I know what air craft has to do with duty?

Mr. RAMOS. That is merely a part of the customs law, and as I announced earlier, I am yielding the floor to the gentleman from Occidental Mindoro, the minority representative in the Committee who has agreed to handle the matter of the sponsorship of the subject. I confess that, in fairness I want to give him the credit, because he knows more of customs laws than I do.

Mr. MARCOS. I have no quarrel with the gentleman from Occidental Mindoro who is one of our leaders in our rejuvenated and strong opposition. However, may I say that I have no opposition or objection to the inclusion of all matters pertaining to the customs laws in one code, but certainly, to mix both tariff and customs laws is unusual and may be provocative of a constitutional controversy.

Mr. RAMOS. Sometimes it is necessary even to mix Liberals and Nacionalistas in order to arrive at a good understanding for the good of the government and the people.

Mr. MARCOS. That mixture is something that has been envisioned by all-knowing and Almighty God, but this mixture here is dedicated alone by a human whim and reason—no, let us not call it whim—by a human reason which is fallible, and because of its fallibility, it is subject to question and, therefore, subject to correction. That is why I call the attention of the distinguished Chairman, to this point. Will not the distinguished Chairman, in order to facilitate the passage of this Code, be willing to split this bill into two, one pertaining to the tariff and the other pertaining to customs?

Mr. RAMOS. I would ask the gentleman to direct his interpellations to my colleague in the Minority, the gentleman from Occidental Mindoro.

Mr. MARCOS. Public discussion between Liberals is not a habit in our Party.

Mr. RAMOS. Let it be done for a change and for improvement.

Mr. MARCOS. We will leave, Mr. Speaker, recriminations in government affairs to the administration men. We will maintain a unity of purpose

and singleness of objective in our Party, because of which I will not further interpellate the gentleman on that subject but I will return to the original position of controversy, and that is this Tariff Code.

Mr. RAMOS. Welcome.

Mr. MARCOS. Now, is it not true that in this particular Tariff Code you encourage the importation of cereals.

Mr. RAMOS. To what extent?

Mr. MARCOS. To the extent of, let us say—will the gentleman kindly tell me the page on cereals?

Mr. RAMOS. If the gentleman will single out the item on cereals, because that matter is too broad. I think it is page 15.

Mr. MARCOS. That is tariff. There is a provision pertaining to cereals. There is a general administrative provision pertaining to importation by either the NARIC or the NAMARCO. May I know if there has been a change of policy in this Tariff Code? I remember going through that phase very well at the Committee meetings.

Mr. RAMOS. There has been no change in the policy.

Mr. MARCOS. I was made to understand by the technical assistants that there has been some kind of change.

Mr. RAMOS. Insofar as rice importation is concerned?

Mr. MARCOS. Yes.

Mr. RAMOS. There is no such thing. That is beyond the province of Tariff Code.

Mr. MARCOS. While I am looking for that provision, will the gentleman tell me why is it that in this particular bill glutinous and non-glutinous rice is taxed at P10 and P12, respectively, per hundred kilograms. If the purpose is really to lower the price of rice available to the poor people, if the intention of the Administration is to increase the standard of living by making prime commodities available to the wage earners, to the laborers, to the unemployed, why is it that we have to increase the tariff duty on rice. Why do we not completely eliminate this tariff duty on rice.

Mr. RAMOS. As a matter of fact, the gentleman from Ilocos Norte is aware of the fact that there is no duty on rice if it is imported by the NARIC or by a government entity.

Mr. MARCOS. Precisely.

Mr. RAMOS. And it is also to protect the rice-eating people, the ninety-nine per cent of Filipinos constituting that bulk.

Mr. MARCOS. May I know what law prohibits a person from importing rice.

Mr. RAMOS. There is no such law, but it becomes prohibitive. If a private person imports rice, then the tax is paid.

Mr. MARCOS. That is what I am driving at. In short, there has been a legislation by executive action and not by any policy established by Congress. In short, by the adoption of this Tariff Code, we are confirming and ratifying an existing policy which in the first place, was adopted without legislative approval.

Mr. RAMOS. Precisely, that is one of the policies I have announced that is aimed to be accomplished by the Tariff Code in order to enable the low-income group of people to buy prime commodities at a low level of prices. So protection must exist in this Tariff Code, and it can be attained only if the importation of rice, which is so important and essential to the population of the country, is exclusively handled by government agencies, in order to stop, prohibit and discourage altogether the making of profits at the expense of the people.

Mr. MARCOS. That was what we said in 1954, that was what we said in 1955, and that was what we said in 1956, but just the same, the prices continued to soar. Now, why is not the legislative policy to allow the importation of rice by any person, if the purpose is to lower the price of rice? Why not allow the importation through the elimination of the tariff on rice?

Mr. RAMOS. Because we have to protect the local rice industry. The gentleman from Ilocos Norte is aware of the fact that in the same way that this Administration has protected and is still protecting the tobacco industry, this Administration must equally and with more reason protect the rice industry, not only because we are a rice-eating people but also because the bulk of our population depend on agricultural labor and production.

Mr. MARCOS. That is all very good. It is very nice for the present Administration to say that we have to protect local industries, but it does not protect them through this Tariff Act. By the policy of this Administration, it is not protecting local industries. I want to go into this extensively, because we have held hearings in the Committee on Commerce and Industry and the Committee on Agriculture, and we have presented several bills for the protection of the rice industry, but they have not been implemented. The present Administration, I charge, has not done anything in the form of legislation in the alteration of policies in order to protect the rice industry of the Philippines. We say that we protect the rice industry, but by not allowing importation by private

persons, except by the NARIC, we cannot lower the price of rice. If indeed it is the intention to lower the price of rice, we should allow private industries to come in, and we should allow the economic law of supply and demand to seek its own level of prices, without the intervention of the middlemen. It is known, Mr. Speaker, that whenever the government intervenes, whether it is rice or in any other kind of industry, there is always an overhead which must be shouldered by the ultimate consumer, and in this particular case, the ultimate consumers, the Filipino people, shoulder the expenses of the government incurred by the NARIC.

Mr. RAMOS. The gentleman from Ilocos Norte is looking at the picture and seeing only one side of it.

Mr. MARCOS. I am precisely presenting the side of the consumers, the Filipino people. They demand a reasonable price of rice, they demand that their rice industry be protected. These are conflicting ideas. The Government must adopt one of them and the Government must take a bold and definite step with respect to rice. But until now, Mr. Speaker, no one in the Government, not even the present Administration, has adopted a definite policy with respect to rice. It is known, for instance, that in Pakistan and India in the year 1955, there was a surplus of rice because of the encouragement given to its planting; there was a surplus of about 300 thousand tons in the years 1954 and 1955. And that rice was never sold abroad, that rice deteriorated, that rice was lost to the Pakistani people and to the Indian people, all because of dislocation of policy. I am afraid, Mr. Speaker, that if we adopt this policy, if we adopt the policy embodied in Tariff Code, we may find ourselves in the same dilemma in which the Pakistani people and the Indian people found themselves. Or we can go to the extreme and say that we allow the importation by all people of all kinds of rice. This will, on the other hand, wreck the rice industry. Now, Mr. Speaker, we do not know exactly what the intention of the Government is. We do not have a definite policy. And by the passage of this Tariff Code, the legislature, the House of Representatives, is allowing itself to be a party to this lack of formulated ideology and policy with respect to the rice industry.

Mr. RAMOS. Mr. Speaker, I should just like to answer the observation of the gentleman from Ilocos Norte. The NARIC has been importing rice subject only to one condition; when there is a shortage or an expected shortage of rice, the NARIC imports rice for only one purpose; to

stabilize the price of rice in order not to permit the spiraling of the price or allow racketeering in rice at the expense of the consuming public. That is the main burden of the NARIC.

SUSPENSION OF THE SESSION

The SPEAKER. The time of the gentleman from Aklan has expired. The session is suspended for five minutes.

RESUMPTION OF THE SESSION

(The session was resumed with the Speaker Pro Tempore presiding.)

The SPEAKER PRO TEMPORE. The session is resumed.

Mr. TOLENTINO. Mr. Speaker, I move that we extend the time of the gentleman from Aklan by another hour.

The SPEAKER PRO TEMPORE. Is there any objection? *(After a pause.)* The Chair does not hear any. The motion is approved.

Mr. MARCOS. Mr. Speaker, may I continue with my interpellations of the distinguished gentleman from Aklan?

The SPEAKER PRO TEMPORE. The gentleman may proceed.

Mr. MARCOS. We were on the subject of cereals, Mr. Speaker, especially rice. The distinguished gentleman maintains that the Government is exempted from the payment of taxes and duties when it imports rice. Is that what the gentleman stated?

Mr. RAMOS. Under the present law, yes, it is exempted. However, there is a provision in this Tariff Code which does not totally exempt it, but permits, such an exemption from taxes: page 334.

Mr. MARCOS. I call the attention of the gentleman to Section 1205 of this new code.

Mr. RAMOS. I said page 334.

Mr. MARCOS. Yes; Section 1205 of this code. It says: "Except as otherwise specifically provided, all importations by the Government for its own use or that of its subordinate branches or instrumentalities, or corporations, agencies or instrumentalities owned or controlled by the Government, shall be subject to the duties, taxes, fees and other charges provided for in this Act." In short, therefore, the gentleman must admit that rice imported by the NARIC will have to pay ₱10 per 100 kilograms provided for in page 15 of this bill. If that is so, then the purpose of lowering the price of rice is not attained. I submit, therefore, that this bill is self-defeating.

Mr. RAMOS. I explained that, unless provided otherwise, the Government has to pay the tax. But the law is permissive; and if it provides ex-

emption, then rice is exempt from the tax, if imported by the Government.

Mr. MARCOS. What law exempts the NARIC?

Mr. RAMOS. I was made to understand that the NARIC does not pay the tax.

Mr. MARCOS. On the contrary, that argument has been completely decimated by the ruling of the Secretary of Justice and by the Auditor General on the Poncho case, of the Armed Forces of the Philippines. Mr. Speaker, in this case, when I had the honor of defeating the Chief of Staff of the Armed Forces of the Philippines, that great General Calixto Duque who, no matter what the press—American and Filipinos—may say, was principally responsible for the breaking of the back of the Huk movement . . .

Mr. RAMOS. Is he still alive?

Mr. MARCOS. Yes, he is still alive. Mr. Speaker, I should like to put on record the greatness and fame of this man who incidentally does not belong to any party. Now, Mr. Speaker, under this ruling, any agency of the Government, even the Government itself, when it imports any item must pay taxes and duties provided for by law. And that seems to be in accordance with Republic Act 104, which was originally House Bill No. 817 passed on June 2, 1947. This law provides that all corporations, agencies or instrumentalities owned or controlled by the Government shall pay such duties, taxes, fees and other charges upon their transaction, business, industry, sale or income as are imposed by law upon individuals, associations or corporations engaged in any taxable business, industry, or activity, except on goods or commodities imported or purchased and sold or distributed for relief purposes as may be determined by the President of the Philippines. In short, therefore, Mr. Speaker, only rice intended for relief purposes is exempt from the payment of duties and taxes as provided for under the existing law; and even this Republic Act 104 as amended by this Tariff Code proposed by the distinguished Committee.

Mr. RAMOS. The Committee would like to announce here that it will not object to any amendment that will tend to improve the proposed law and at the same time give advantage to the people. After all, we are legislating here not for ourselves but for the people.

Mr. MARCOS. Very enlightening is the answer of the gentleman.

Mr. RAMOS. We are always receptive to any amendment that will tend to improve the provisions of this proposed law.

Mr. MARCOS. I am very glad that we have our laws as part of the universal purpose of all legis-

lations. Now, if that is so, Mr. Speaker, will not the distinguished Chairman of the Committee on Ways and Means be willing to approve or to eliminate completely all tariff duties pertaining to rice and other cereals in order that importations, whether by the Government or by private individuals, may come in at such a low level of prices that shall be available to all the people, whether employed or unemployed, because under the present Administration there are so many unemployed that there is not enough money to buy rice?

Mr. RAMOS. Yes, I shall be very glad.

Mr. MARCOS. I am very glad also that the Chairman is broad-minded.

Mr. RAMOS. Like the gentleman from Ilocos Norte.

Mr. MARCOS. May I know why this Administration or rather this Committee was so ambitious that it even imposes taxes on armored vehicles? Does it protect the local industry and, if so, who is producing armored vehicles in this country?

Mr. RAMOS. Well, as a matter of fact, we feel that there might be no need for such armored vehicles unless some ambitious people pretend that there is such a need for them in order to protect their private interests.

Mr. MARCOS. Well, since that ambition seems to be nurtured by all those in the Administration now and which has been removed completely from the minds of the opposition Party for the time being until the elections in 1957 and 1961, may I say that if there would be any danger that such ambition might erupt into violence, that danger must be met by the Nacionalista Party.

Mr. RAMOS. If the ambition is only for purposes of security and protection as in the case of banks and big business firms established in this country, then I do not see why we should discourage the importation of armored cars as long as they pay the taxes.

Mr. MARCOS. Another thing. Armored vehicles, firearms, ammunitions, airplanes, ships, boats of all kinds, are imposed such a tariff that it may discourage the importation of these items. May I know why are we discouraging the importation of boats and ship?

Mr. RAMOS. We are not discouraging the importation of boats and ships. But we believe that those people who buy boats abroad can pay the tax. After all, we have to protect government enterprises, such as the so-called NASSCO. We are in a position to build ships, the smaller ones, and it needs

more encouragement, more protection, in order to expand the activities of such an organization.

Mr. MARCOS. I do not know about the ability of the NASSCO to build ships. I understand that in the last regular session, or the regular session before last, the amount of ₱20 million was set aside to buy ships and spare parts for ships, and yet this self-defeating tariff code imposes an obstacle and discouragement to the development of a maritime industry.

Mr. RAMOS. I merely said that we have to impose tax even on boats and vessels imported. But that does not mean that we have to increase the duties. As a matter of fact, we have increased the duty.

Mr. MARCOS. But you have not decreased enough.

Mr. RAMOS. I do not know what is enough in the mind of the gentleman.

Mr. MARCOS. I think it is enough for the time being. And in view of the stark answer of the gentleman that the flexible clause can be rectified or modified by the President, then this reduction should be to such an extent that importation would be allowed almost free. I say almost free because right now we are encouraging the growth of the maritime industry. If there is any obstacle to the exportation of sugar in the past years, and if there has been any dwindling in our dollar reserve, that has been caused by the lack of bottoms and due to the cartels that increased the rates. And so it is necessary that the Philippines should organize and encourage the maritime industry, both interisland and overseas shipping, and I am surprised that we will impose any tariff duty. It was the colonial technique of discouraging ownership in the Philippines, ownership of boats by Filipino citizens, discouraging the industrialization in the Philippines, discouraging everything that tended to improve our economy. And this colonial setup and pattern of importation found in the Tariff Act of 1909 should be completely rejected and modified by the present Administration, so that we shall go down in history as a modern and progressive Congress. I beseech the gentleman to lead this crusade, in view of the fact that he is the leader of the all-powerful Committee on Ways and Means, which in the United States is the most powerful Committee in the entire legislative branch of the Government. I am surprised why in this Congress he permits this Committee to take a second classification or a backseat in favor of the Committee on Appropriatives, and I ask all the Members of this House

to bear me, witness, the Committee on Ways and Means is the most powerful Committee in that Chamber, and I ask the Chairman of the powerful Committee on Ways and Means to demand recognition of that powerful Committee.

Mr. RAMOS. Mr. Speaker, I compliment the gentleman for asserting the right of the Committee on Ways and Means, of which he is a Member, but I believe, as the Scriptures say, that humility is not only a virtue on the side of God but also is a virtue of the speaker.

Mr. MARCOS. Modesty has its limitations.

Mr. RAMOS. Besides, Mr. Speaker, going to the serious question of boats and vessels, the Committee on Ways and Means has not been recreant to its duty of fulfilling the ardent desire of the people and what is good for the government when we consider the fact that the present rate of tax on vessels is twenty-six per cent and we have reduced that to fifteen per cent but exclusive of other discriminations in favor of other types of vessels which are needed in this country at present in order to permit interisland trade and to enable the small fishermen to acquire boats without paying the tax. I need only to call attention to the provision of the proposed Code contained in Chapter 89 on page 219, which is under boats and floating structures which for the purpose of satisfying the gentleman I shall read. Section 89.01 under Chapter 89 says: "Ships, boats and other vessels not falling within the following headings of this Chapter:

A. Coming under the vessel's own steam, sail, or other motive power	Free
B. Other:	
1. Not exceeding 3,000 gross registered tons	<i>ad val.</i> 25%
2. Over 3,000 gross registered tons....	<i>ad val.</i> 15%
89.02 Tugs:	
A. Coming under the vessel's own steam, sail, or other motive power	Free
B. Other	<i>ad val.</i> 25%
89.03 Light vessels, fire-floats, dredgers of all kinds, floating cranes, and similar special purpose vessels; floating docks....	<i>ad val.</i> 15%
89.04 Ships, boats and other vessels for breaking up	Free
89.05 Floating structures other than vessels (e. g., pontoons and cofferdams, landing stages, buoys and beacons)	<i>ad val.</i> 25%

The Committee has not only imposed a general duty on boats and vessels without discrimination or taking into consideration certain factors which will either control the behavior insofar as fishing and transportation are concerned, but also it has religiously followed a guiding principle along this line.

Mr. MARCOS. Well, that is quite true. The gentleman read the bill as it is.

Mr. RAMOS. I could not read any other bill.

Mr. MARCOS. As I have said, the gentleman read the bill as it is, defective as it is, and I think that a mere cursory reading of that bill will convince the gentleman that it should be amended.

Mr. RAMOS. Mr. Speaker, in an ordinary court trial, I will object to that statement as a statement of conclusion of the objecting party, but the best evidence is the document.

Mr. MARCOS. Let us go to the question of "not exceeding 3,000 gross registered tons." Why impose 25 per cent *ad valorem* duty?

Mr. RAMOS. On what page is that?

Mr. MARCOS. Page 219, Item 89.01, B-1, lines 29 and 30.

Mr. RAMOS. What is the question of the gentleman from Ilocos Norte?

Mr. MARCOS. Well, as I have said, on boats not exceeding 3,000 gross registered tons, the bill imposes a tax of twenty-five per cent. Are these not the boats used for interisland shipping?

Mr. RAMOS. Those are the boats that can be constructed or built by the NASSCO, and we have an official statement to that effect.

Mr. MARCOS. But when is it going to build these boats? Is it going to build them in some hazy future or in the fertile imagination of our economic planners? Right now, the only thing that the NASSCO is doing is extending the lengths of boats. The gentleman knows about that.

Mr. RAMOS. The gentleman asks me when, and I ask, when are we going to approve this Code which will give the Government ₱135,000,000 a year?

Mr. MARCOS. That is not certain, because we have the statement of the powerful Chairman of the powerful Committee on Ways and Means that this ₱135,000,000 will be utilized for deficits in appropriating for the ordinary operations of the government. If that is so, if we accept that statement, as we must accept it because of the honor and dignity, name and fame of the man from which it emanated, then we must admit that there will be no money available for economic development. This is one of the bases for our opposition.

Mr. RAMOS. The gentleman from Ilocos Norte has overlooked the fact that this Code is not going to be in operation for just one year but for many years. The gentleman asks when we are going to build the boats, and I say that when

this Code is approved and is operating, we will have more than ₱135,000,000 every year, and as the volume of imports continues to increase, because this Code will be a mere basis for what the government will have, not only for this year but also for the years to come, the amount will also increase.

Mr. MARCOS. Will the gentleman be willing to include here a provision that the fund that will be raised from this Tariff Code or any increase from the available collection shall be utilized for economic development which shall not include electioneering?

Mr. RAMOS. Yes, I will agree to that.

Mr. MARCOS. Very good. We shall by this, therefore, create a special development fund which shall be utilized for special things, like, primarily, the purchase of leaf tobacco.

Mr. RAMOS. May I know where the gentleman comes from and whether his province produces tobacco.

Mr. MARCOS. Certainly. We do not only produce tobacco but also we produce the best tobacco in the Philippines. What I am driving at is the serious matter of a definite economic development fund. The two distinguished gentlemen who are members of the National Economic Council, specially the other expert, the gentleman from Tarlac, I believe, will support me in this matter of an economic development fund, a special fund that shall not be touched for the ordinary expenditures of the government but shall be utilized for the progressive industrialization of the country, the mechanization of agriculture, the increase of production and the decrease of unemployment among our people. If it is true that this Administration is intending to solve the economic problems of this country, then it must seriously consider the establishment of a special fund for economic development purposes. I am surprised that until now the thinking of the Administration has run along one single channel, and that is, the floating of bonds for economic development. The unfortunate, the sad aspect of all these is that even the money raised from the sale of bonds is used for uneconomic development. Now will the gentleman agree with me, as he stated he agrees with me.

Mr. RAMOS. Against electioneering.

Mr. MARCOS. . . that we have to establish a special fund for economic development for the money raised from this Tariff Code?

Mr. RAMOS. The gentleman is aware that the revenue collected, either from customs or internal

revenue, must go to the general fund of the government.

Mr. MARCOS. That is where the gentleman is mistaken. Does the gentleman remember the special fund on ports and wharves? That is a collection from matters germane and connected to customs.

Mr. RAMOS. That is a special fund.

Mr. MARCOS. It was intended to build wharves and ports in the country and yet it was used for economic development. If that could be done by the Philippine Legislature as far back as 1916, I do not see why this progressive, this modern, this intelligent, this wise House of Representatives, composed of men of the highest caliber, including the gentleman from Aklan and Capiz of whose Committee I am a humble member.

Mr. RAMOS. I have not reached the mental stature and gigantic size of the gentleman from Ilocos Norte.

Mr. MARCOS. I do not see why this House cannot approve such a law. We can and we should. It is legal, it is constitutional, it is wise, and it is reasonable; it is timely, it is necessary.

Mr. RAMOS. Well, it is just probably because I cannot see the wisdom of the proposal of the gentleman from Ilocos Norte in the same way that he sees it.

Mr. MARCOS. Well, the thing is, Aklan and Capiz cannot hear the cock crow in Formosa which we can in the early morning. So it is now necessary, Mr. Speaker, in order to combat the communism that may come from the North, that we must improve our economy, we must decrease unemployment. Does the gentleman deny that there is unemployment here?

Mr. RAMOS. Who can deny that?

Mr. MARCOS. Good, the gentleman does not deny that. There are 2,500,000 unemployed and about 2,000,000 underemployed. Does not the gentleman believe that that is the principal problem of the government right now?

Mr. RAMOS. Which one, the 2,000,000?

Mr. MARCOS. The 2,500,000. If all these band together and vote against you in 1957, you are out.

Mr. RAMOS. They will not, because they are decreasing in number.

Mr. MARCOS. That is what the gentleman says, but as I said, I am also a protector of the Administration, and the majority because unfortunately whatever ailments are suffered by this country are not suffered by the Nacionalistas alone.

Mr. RAMOS. Who suffers?

Mr. MARCOS. The whole country suffers, including the Liberals most of all.

Mr. RAMOS. I think the Liberals have suffered more from defeat.

Mr. MARCOS. Mr. Speaker, in our kind of democracy, unfortunately, the Opposition and the Minority are the most miserable in our kind of setup. So, in order to improve the country we must now improve our economy, and I think this ₱135 million that we are going to raise here should be utilized for economic development and should not be wasted for ordinary expenditures of the government.

Mr. RAMOS. This will be used for every kind of development.

Mr. MARCOS. That is what the gentleman says, but the trouble is that it does not say so here. I take the gentleman's word for it, I believe the gentleman, but I say, unfortunately, unless it is written here and unless the gentleman accepts my amendments on this matter, it shall be nothing but a promise written in water, as we say in the native tongue. Nothing but promises of the Administration, according to the press gallery. It is necessary that we state in this bill that all the money that is raised here shall go to a special economic development fund. The gentleman from Aklan nods his head but says nothing in the way of most Nacionalistas.

Mr. RAMOS. Silence is the most effective, insofar as answering that question is concerned.

Mr. MARCOS. I get it therefore that the gentleman does not agree with me on this matter. I will propose the amendment anyway. But let us go back to the different items in the Tariff Act. However, I notice that the distinguished *torero* from Cebu is very eager to interpellate the gentleman from Aklan. Does he want to take a turn against the gentleman from Aklan for say, one-half hour and subsequently abandon the floor to me? I am quite willing.

Mr. ZOSA. Mr. Speaker, I really want to interpellate the gentleman from Aklan.

Mr. MARCOS. Well, Mr. Speaker, in view of the rotation of the post or duty on guard, may I be relieved temporarily of my guard duty for at least 20 minutes. Mr. Speaker, I yield the floor that was temporarily yielded to me by the gentleman from Aklan, to the distinguished lawyer, constitutionalist, debater, orator—the gentleman from Cebu.

Mr. ZOSA. Mr. Speaker, I would request the gentleman from Ilocos Norte to stop the necrological services.

Mr. MARCOS. Mr. Speaker, I did not mean to demean the gentleman from Cebu.

Mr. ZOSA. Mr. Speaker, suppose the gentleman from Ilocos Norte goes to brass tacks.

Mr. MARCOS. May I say, Mr. Speaker, that the praise was well deserved and sincere.

Mr. ZOSA. Mr. Speaker, will the sponsor yield?

The SPEAKER PRO TEMPORE. The gentleman may yield if he so desires.

Mr. RAMOS. I have already yielded, Mr. Speaker.

Mr. ZOSA. The gentleman will remember that the distinguished gentleman from Quezon, the Honorable Manuel Enverga, called the attention of the Members of this House to the fact that there were and there are still what he considers illegal collections of customs duties on goods imported into the Philippines after the approval of the Laurel-Langley Agreement. Is that not correct?

Mr. RAMOS. I am not aware of that officially. I am only concerned about the Tariff bill now under discussion.

Mr. ZOSA. Precisely, I am asking that question as a premise to the questions I am going to direct to the gentleman, because if the gentleman was present during that time when the Honorable Enverga, the distinguished gentleman from Quezon, delivered a privileged speech here, a well prepared, well documented and a well argued speech—if the gentleman from Capiz did not ignore the existence of the distinguished gentleman from Quezon—I think he will remember.

Mr. RAMOS. The gentleman from Capiz is not here now.

Mr. ZOSA. I mean the gentleman from Aklan. I do not know to what province the gentleman belongs now, at least, he was elected to represent Capiz.

Mr. RAMOS. It is still a better province now.

Mr. ZOSA. I think the gentleman was elected to represent Capiz. The division does not matter insofar as your colleague is concerned. Now, I want to go back to my question, because this question is a premise to my question on Section 205 found on page 269. This is a fundamental question because I know that one of the purposes for the approval of this bill is to legalize, at least, to throw a mantle of validity over the collections made which although, in the opinion of those that made the collections, were not illegal, at least they are doubtful, after the gentleman from Quezon argued against the validity. I should just like to ask the gentleman from Aklan if he remembers the speech of the gentleman from Quezon.

Mr. RAMOS. That was a very long speech.

Mr. ZOSA. Yes, at least the gentleman remembers that his contention was that the customs collections made then did not have any law justifying them.

Mr. RAMOS. I did not agree to the stand of the gentleman from Quezon.

Mr. ZOSA. Whether the gentleman agrees or not I am asking whether he remembers that speech.

Mr. RAMOS. Suppose I remember.

Mr. ZOSA. Then I shall have the premise for my next question.

Mr. RAMOS. Let us assume.

Mr. ZOSA. I am not cross-examining a hostile witness. I am only laying the premise for my question. We are not arguing here as lawyers. I am just laying my premise in order to intelligently discuss a public matter.

Mr. RAMOS. I said the speech was very long. But if the gentleman from Cebu will point out the specific point in the speech that he wants to make as his premise to his next question, then we can intelligently discuss that portion of the speech of the gentleman from Quezon.

Mr. ZOSA. Does the gentleman remember that the speech of the gentleman from Quezon, Hon. Manuel Enverga, dealt on what he believes to be illegal collection made by the customs authorities in the Philippines on certain goods imported from the United States after the approval or ratification of the Laurel-Langley Agreement?

Mr. RAMOS. As I said, I remember that portion but not all of the speech.

Mr. ZOSA. That his contention was that the collections were not valid and legal.

Mr. RAMOS. Yes, I remember now.

Mr. ZOSA. And, precisely, there was that debate between the gentleman and the gentleman from Quezon.

Mr. RAMOS. It was a debate to the extent of whether the bill was initiated by the House or by the Senate in the course of which I read the proceedings of the House to establish the fact that the bill originated from the House.

Mr. ZOSA. But the gentleman remembers that his thesis was that the collections made by the Customs were illegal and invalid—at least without the gentleman subscribing to the opinion of the gentleman from Quezon.

Mr. RAMOS. That was the gist of the speech.

Mr. ZOSA. We are now agreed on that point. Now, will the gentleman elucidate to the Members of the House the import and extent of Section 205 found on page 269.

Mr. DURANO. Mr. Speaker, for a parliamentary inquiry. May I know if this is a session of Congressmen or of tariff experts, because the way I see it, there are more tariff experts than Congressmen attending the session.

The SPEAKER PRO TEMPORE. This is a regular session of the House of Representatives.

Mr. ZOSA. Now, I am calling the attention of the gentleman from Capiz to Section 205, on page 269 of the bill. I should like to read that section to the gentleman from Aklan because after reading it he will realize that this has some bearing on the speech of the gentleman from Quezon. It reads as follows: "*Effective date of rates of import duty.*—On and after the day when this Code shall go into effect all articles previously imported, for which no entry has been made, and all articles previously entered without payment of duty and under bond for warehousing, transportation, or any other purpose, for which no permit of delivery to the importer or his agent has been issued, shall be subject to the rates of duty imposed by this Code and to no other duty upon the entry or withdrawal thereof for consumption." Now, I ask the gentleman from Aklan who is the distinguished Chairman of the Committee on Ways and Means and under whose leadership this proposed Code was approved by the Committee and now submitted to the House, what is the meaning and import of this section, what matters are deemed to be covered by it and what is the purpose of the inclusion of this section?

Mr. RAMOS. It is a recognized rule of customs practice that all goods imported even if landed, if not withdrawn or delivered to the consignees or importer as the case may be, are for purposes of customs duties not paid and therefore may be subject to the operation of this proposed Code if approved.

Mr. ZOSA. Now, may I ask the gentleman from Aklan if this section was included precisely in order to validate those collections?

Mr. RAMOS. It does not purport to validate or invalidate any of the articles which were made the subject of the speech of the gentleman from Quezon because, as a matter of fact, all those commodities subject of payment of customs duty were already paid for and therefore cannot be made a subject of the interpellation by the gentleman from Cebu.

Mr. ZOSA. Now, can the gentleman from Aklan cite any importation made with regard to which no entry was made in the customs office or on which no levy was made pending delivery to the importer or withdrawal by the importer?

Mr. RAMOS. Just for the satisfaction of the gentleman from Cebu, it happens that there is a Member of the Committee who is an expert in the administrative provisions of this Code, the gen-

tleman from Occidental Mindoro, a Minority Member at that.

Mr. ABELEDA. Mr. Speaker, the question of the gentleman from Cebu refers to customs practice.

Mr. ZOSA. In that case, Mr. Speaker, inasmuch as the gentleman from Occidental Mindoro, I think, will be more categorical in his answer to me, being less foxy or less slippery, than the gentleman from Aklan, I would repeat the question I asked, expecting a different answer, because I think being in the Minority, he should be more honest in his answer because the Minority has nothing at stake in this bill.

Mr. ABELEDA. Please go ahead.

Mr. ZOSA. Will the gentleman confirm the fact that precisely this section here is intended at least to erase any doubt as to the validity or legality of the collections made by the Customs authorities on goods imported after the ratification or approval of the Laurel-Langley Agreement?

Mr. ABELEDA. This section mentioned by the gentleman from Cebu refers to customs practice. The gentleman will understand that goods coming into the Philippines are either entered in the Bureau of Customs under orders called Consumption Entry or Warehousing Entry. This particular provision refers to warehousing entry when the goods are entered in the Bureau of Customs. They are not for purposes of importation but merely for purposes of warehousing. This particular provision refers only to the case where an importer desires to land a particular commodity in the Philippines. That is for warehousing, but he will pay the tariff duty as of the time of delivery to him. It does not refer to the effectivity of the proposed code.

Mr. ZOSA. Does not this refer to the effectivity of the proposed code?

Mr. ABELEDA. No; it does not.

Mr. ZOSA. Therefore, the Committee on Ways and Means, in recommending the approval of this Code, thought all along, and is still thinking and holding, that the collections made by the Customs authorities on goods imported after the approval of the Laurel-Langley Agreement are valid. So, no provision regarding the validity or the validation of such collections is made in this code.

Mr. ABELEDA. The gentleman will remember that the President of the Philippines issued what is known now as Executive Order No. 150 precisely for the imposition of duties effective as of January 1, 1956, and that takes care of the claims by certain parties that the collection of duties effective January 1, 1956 is invalid and contrary

to the provision of the Constitution. But I think that the position taken by the Government is that Executive Order No. 150 is valid because we have previously granted the power to the President, under Republic Act 1196, to impose tariff duties, and increase or decrease tariff duties. The validity is clear under Executive Order No. 150.

Mr. ZOSA. I am asking a categorical question to which I expect a categorical answer. So there is no provision in this proposed tariff code that validates or throws the mantle of validity over the collections that are now questioned before our courts of justice as illegal.

Mr. ABELEDA. The position of the Committee is this: this proposed code will become valid and effective upon approval, and what is collected between January 1, 1956 until the time of the approval of this code is a matter to be decided by the courts if any party questions the validity of Executive Order No. 150.

Mr. ZOSA. So the gentleman, who is now speaking for the Committee, with authority from the Chairman, maintains that the position of the Committee is as follows: that the collections made are and were valid, and that no provision validating such collections has been made in this code.

Mr. ABELEDA. The gentleman is a brilliant lawyer . . .

Mr. ZOSA. I thank the gentleman. Precisely, I am not as brilliant as the gentleman, not as well acquainted with customs practice as he is. I am asking that question so that there will be a guide for the public to act on.

Mr. ABELEDA. If it were true as claimed by certain parties that the imposition of duties effective January 1 or upon the approval of the Laurel-Langley Agreement was against the Constitution, no amount of law, even if we pass this Code would make valid the collections made before the effectivity of this proposed code.

Mr. ZOSA. Is it not the position of the Committee that invalid collection may be validated by a subsequent enactment?

Mr. ABELEDA. That is not the position of the Committee. What is invalid is invalid. You cannot validate a collection by merely passing a law later on because that will be an *ex post facto* law.

Mr. ZOSA. But that is not punishing an act as a crime later on although that act was not a crime at the time it was committed. Precisely, this is a civil liability, and I maintain that if the Committee really wants to safeguard public interest, and to retain in the coffers of the Government what had been collected, the Committee should

have taken into account the doubts expressed by the distinguished Members of the House who made a study of the question regarding the lack of validity of the collections made. Does not the gentleman believe that this Congress can validate by subsequent legislation what otherwise are unauthorized collections because of lack of law authorizing such collections? That will not fall under the category of *ex post facto* law. *Ex post facto* law refers only to criminal law.

Mr. ABELEDA. But the gentleman knows that the Government cannot collect taxes unless authorized by law. Even if a party does not claim for the refund of the illegal collection, still the Government has the duty to return the duties collected illegally. So that if the question of the gentleman refers to the stand of the Committee, I could say this, as a member of the Committee: That the purpose of this law is not to validate what is illegal during the time of its collection.

Mr. ZOSA. So my question to the gentleman is: Will not this proposed code, if enacted by this Congress and signed by the President, be invoked by the Government as the validation of what they term as the illegal collections made by the Bureau of Customs?

Mr. ABELEDA. That is a possibility. The Government may invoke this.

Mr. ZOSA. Under what section?

Mr. ABELEDA. Well, I do not know.

Mr. ZOSA. The members of the Committee should know.

Mr. ABELEDA. I have told the gentleman the position of the Committee. The Committee does not propose to validate what is invalid.

Mr. ZOSA. Is that the reason the Committee did not include any provision validating such collections? I want the position of the Committee to be clear. I do not want the Committee to be evasive on this question because it is the desire of every Member of the House to enable the Government to retain those collections already made. Because if this bill has no provision to that effect, the Committee may entertain amendments in order to throw the mantle of validity over such collections.

Mr. ABELEDA. If we insert a provision, as suggested by the gentleman, we will be making the position of the Committee queer, because we will assume that Executive Order No. 150 is illegal and invalid. The position of the Committee is that that Executive Order No. 150 is valid and that the proposed Tariff Code will be effective only upon approval by the President.

Mr. ZOSA. Is it not the position of the Committee to block all loopholes that may be utilized by those importers who question the validity of the collections, so that a law should be passed to make those collections valid?

Mr. ABELEDA. That is not the position of the Committee. Personally, I have told the gentleman that it will be a queer position, because we cannot validate an invalid collection of taxes.

Mr. ZOSA. No. Because as long as the collections have been made, a validating act may be approved by Congress. And, precisely, it is for that purpose—it is for the purpose of inserting a provision validating those exactions or collections that I am making this question. Because my position is, if the position of the Government with respect to such collections is doubtful, we must make such position valid and solid by inserting a provision validating such collections, because there is nothing in the Constitution that takes away from this Congress or prohibits this Congress from enacting a validating law with respect to such collections.

Mr. ABELEDA. It is very apparent that the gentleman and I differ, because the position of the Committee is that Executive Order No. 150 is valid.

Mr. ZOSA. And, therefore, no validating clause has to be included?

Mr. ABELEDA. It is not necessary to insert a validating clause.

Mr. ZOSA. In order to throw the mantle of validity to such collections.

Mr. ABELEDA. It may.

Mr. ZOSA. What provision?

Mr. ABELEDA. Precisely, that is in relation to our position that Executive Order No. 150 is valid.

Mr. MARCOS. Mr. Speaker, is the gentleman from Cebu through with his tour of duty?

The SPEAKER PRO TEMPORE. It is very apparent that the gentleman from Cebu is through, in view of the fact that he sat down.

Mr. MARCOS. Mr. Speaker, may I resume further interpellations tomorrow at five o'clock?

The SPEAKER PRO TEMPORE. The gentleman may resume his interpellation now if he so desires.

Mr. MARCOS. Mr. Speaker, will the distinguished gentleman from Aklan yield to some questions?

The SPEAKER PRO TEMPORE. The gentleman from Aklan may yield, if he so desires.

Mr. RAMOS. With pleasure.

Mr. MARCOS. Mr. Speaker, may I know from the distinguished Chairman of the Committee on

Ways and Means the effect this Tariff Code has on special laws limiting importation, like the barter act and Republic Acts Nos. 1410, 1194 and 1296—all laws limiting importations in specific products, like tobacco, garlic, onions, cabbages, potatoes, and on barter on no-dollar importation—are they affected or not?

Mr. RAMOS. They are not affected by this proposed Code.

Mr. MARCOS. I am glad. In short, therefore, this general provision, whether it pertains to the tariff laws or to the customs laws, does not in any manner amend, alter, or repeal the special laws limiting importations in specific products.

Mr. RAMOS. It does not.

Mr. MARCOS. I am glad to hear that. But is it not necessary to include such a statement in this Tariff Code or Customs Code?

Mr. RAMOS. It is not necessary, because such matter is not covered by the existing laws, and that can be covered by other separate legislation.

Mr. MARCOS. As the distinguished gentleman will remember, there are administrative provisions which we pointed out, for instance, the provision pertaining to importation by the Government, importation of articles, and the provision pertaining to forfeiture. And I call special attention to forfeiture, because some provisions of the Administrative Code pertaining to forfeiture have been amended by Republic Acts Nos. 1296 and 1194, but until now the Bureau of Customs refuses or fails to implement Republic Act 1296 in the sense that articles imported in violation of Republic Act 1296 shall not be the subject of redemption, and cannot be sold at public auction. Now, will the distinguished Chairman explain to me why garlic that was brought in illegally was sold allegedly at public auction in violation of Republic Act 1296?

Mr. RAMOS. I would say that that is a matter of administrative exercise of authority. The Tariff Code has nothing to do with it.

Mr. MARCOS. No. There are provisions in the Customs Code which are taken from the Administrative Code on forfeiture, and I want to clarify this point because this is very important for the protection of our local industries. Is it going to be disregarded, especially the Anti-Dumping Act so that forfeited articles can be redeemed after payment of the fine equal to the value of the goods? This is known as the special duty. Is this provided for in the Customs Code?

Mr. RAMOS. We have it here.

Mr. MARCOS. Is it adopted?

Mr. RAMOS. The provision says that any law inconsistent with this Code is declared repealed.

Mr. MARCOS. This is a later law. It will be subsequent to Republic Act 1296. If this is so, since this is a more recent law, it is a codification, it embraces the same subject-matter as Republic Act 1296 pertaining to forfeiture, then it is possible that this latter law might amend Republic Act 1296 and therefore, a complete violation of the policy established by the Legislature embodied in the special law.

Mr. RAMOS. It is a general law. When a law requires that something be not done, and the government official entrusted with such duty does something contrary to law, he can be the subject of proceedings before the court.

Mr. MARCOS. It is a provision that should be the subject of our scrutiny.

Mr. RAMOS. The gentleman is referring to Republic Act 1296, Section 1, which provides: "It shall be unlawful for any person, association or corporation to import into any point in the Philippines onions, potatoes, garlic and cabbages: *Provided, however,* That for seedling purposes potatoes and garlic may be imported: *And provided, further,* That should there be an existing or imminent shortage in the local production of the above-mentioned commodities, the President may, upon the recommendation of a board to be composed of the Secretary of Agriculture and Natural Resources as chairman, and the Secretary of Commerce and Industry and the Administrator of the Agricultural Cooperative Credit and Financing Administration (ACCFA) as members, authorize the Price Stabilization Corporation (PRISCO) to import as much of these commodities as may be necessary to meet the local demand for them, stabilize their price, and insure a steady, normal supply of the same."

This is a separate legislation under Republic Act 1296. This is merely included here as an appendix to the Code.

Mr. MARCOS. Let me call the gentleman's attention to this provision which says: "*Provided, finally,* That commodities imported in violation of this Act shall be subject to forfeiture in accordance with the procedure established in the Revised Administrative Code, the proceedings to terminate within thirty days after the importation and under no circumstances or conditions may such goods be released to the importer without the previous approval of the President."

Mr. RAMOS. This is a special law, as I pointed out which has not been amended by the Committee on Codification.

Mr. MARCOS. I am willing to take the gentleman's word. However, there is this general provision that has been adopted on forfeiture in the Customs Code.

Mr. RAMOS. Correct.

Mr. MARCOS. How do these two incompatible provisions continue in effect and validity? Does the gentleman mean to tell me that the general provision, being general in character, cannot amend the special law, Republic Act 1296?

Mr. RAMOS. That is my stand.

Mr. MARCOS. I am glad to hear that. I suppose, therefore, that the gentleman is willing to put that in the form of an amendment.

Mr. RAMOS. To what effect?

Mr. MARCOS. To the effect that it shall not amend any provision of law pertaining to forfeiture. That is a very simple matter.

Mr. RAMOS. If the gentleman will only look at page 465, he will see the final provision.

Mr. MARCOS. About the repeal?

Mr. RAMOS. It says: "All acts, executive orders, rules and regulations or parts thereof in conflict with the provisions of this Code, are repealed."

Mr. MARCOS. That is what I am driving at. It says all acts, executive orders or parts thereof in conflict with the provisions of this Code are repealed. In short, it may repeal even Republic Act 1296.

Mr. RAMOS. I do not think so. It refers only to Acts on tariff.

Mr. MARCOS. But that is also an Act pertaining to customs. But I am talking of the conflict that exists, and I am worried about this. I pose this question in the name of the garlic and onion growers of Central Luzon, of Nueva Ecija, Pangasinan, Tarlac, up to Batanes and down to Mindoro. Now, from the viewpoint of the Committee, is there or is there no conflict?

Mr. RAMOS. There is no conflict, in the mind of the Committee.

Mr. MARCOS. It is, therefore, the legislative intention of the Committee on Ways and Means not to repeal Republic Act 1296 with respect to forfeiture and with respect to the provision that these goods that are forfeited cannot be redeemed by the importers except with the approval of the President.

Mr. RAMOS. That is correct. That is the stand of the Committee.

Mr. MARCOS. Very good. I thank the gentleman from Aklan. Now, is there any reorganization in the customs office, specially pertaining to the Commissioner of Customs and the Bureau of Customs, in the present proposed Customs Code?

Mr. RAMOS. Only in respect to compensation or remuneration.

The SPEAKER PRO TEMPORE. The time of the gentleman from Aklan has expired.

Mr. MARCOS. Mr. Speaker, may I ask for an extension of five minutes.

Mr. ZOSA. Objection, Mr. Speaker. I ask for postponement.

Mr. TOLENTINO. Mr. Speaker, I move that we suspend the consideration of this bill until tomorrow, without prejudice to any motion that may be presented on the matter.

Mr. ZOSA. I withdraw my objection, Mr. Speaker.

Mr. NUYDA. Mr. Speaker, just for a little correction. Our official clock goes very slowly. It is already 8:05 in my watch.

SUSPENSION OF THE SESSION

Mr. TOLENTINO. Mr. Speaker, I ask that we suspend the session for two minutes.

The SPEAKER PRO TEMPORE. The session is suspended for two minutes.

RESUMPTION OF THE SESSION

The SPEAKER PRO TEMPORE. The session is resumed.

POSTPONEMENT OF THE CONSIDERATION OF HOUSE BILL NO. 5513

Mr. TOLENTINO. Mr. Speaker, without prejudice to the continuation of the sponsorship tomorrow and to any motion to extend the time, I reiterate my motion that we postpone the consideration of this bill until tomorrow.

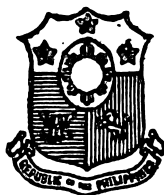
The SPEAKER PRO TEMPORE. Is there any objection? (*After a pause.*) The Chair does not hear any. The motion is carried.

ADJOURNMENT OF THE SESSION

Mr. TOLENTINO. Mr. Speaker, I move that we adjourn until ten o'clock tomorrow morning.

The SPEAKER PRO TEMPORE. Is there any objection. (*After a pause.*) The Chair does not hear any. The session is adjourned until tomorrow morning at ten o'clock.

It was 8:05 p.m.



REPUBLIC OF THE PHILIPPINES

Congressional Record

HOUSE OF REPRESENTATIVES

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MANILA, PHILIPPINES

No. 14

TUESDAY, JULY 17, 1956

At 10:15 a.m., the Speaker, Honorable Jose B. Laurel, Jr., called the House to order.

The SPEAKER. The Secretary will call the roll.

THE ROLL CALL WAS DISPENSED WITH

Mr. TOLENTINO. Mr. Speaker, I move that the roll call be dispensed with.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The roll call is dispensed with. There is quorum.

APPROVAL OF THE JOURNAL

Mr. TOLENTINO. Mr. Speaker, I move that the reading of the Journal of the proceedings of the last session be dispensed with and that the Journal be considered approved.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The reading of the Journal of the proceedings of the last session is dispensed with and the Journal stands approved.

The Secretary will read the Order of Business.

REFERENCE OF BUSINESS

The SECRETARY, *reading*:

BILLS ON FIRST READING

By Congressman Fornier (H. No. 5900), entitled:

An Act providing that the Government of the Republic of the Philippines shall be a member of the International Finance Corporation and appropriating funds for the pay-

ment of the subscription of the Government to the capital stock of said corporation.

The SPEAKER. To the Committee on Foreign Affairs.

By Congressman Aldeguer (H. No. 5901), entitled:

An Act to encourage agricultural production by making fertilizers available to farmers at reasonable prices.

The SPEAKER. To the Committee on Agriculture.

By Congressmen Cases, Paredes, Abad, Alonzo and Abogado (H. No. 5902), entitled:

An Act to amend Section IV of Republic Act No. 1435, "An Act to provide means for increasing the highway special funds," so as to give to the respective provinces a share of one centavo for every liter of fuel sold in their respective territories.

The SPEAKER. To the Committee on Ways and Means.

By Congressman Roces (H. No. 5903), entitled:

An Act exempting from the payment of the tariff duty articles imported by the government or any of its political subdivisions.

The SPEAKER. To the Committee on Ways and Means.

By Congressman Teves (H. No. 5904), entitled:

An Act exempting machinery and equipment, and spare parts thereof, raw materials, and supplies imported and directly utilized by newspapers and other publications of general and regular circulation, or by radio and/or tele-

vision broadcasting stations, from the payment of any import tax or duty whatsoever.

The SPEAKER. To the Committee on Ways and Means.

By Congressman Ramos (H. No. 5905), entitled:

An Act authorizing the President to modify the rates of import duty subject to certain limitations and restrictions.

The SPEAKER. To the Committee on Ways and Means.

RESOLUTION

By Congressmen Laurel, Roces and Tolentino (H. R. No. 168), entitled:

Resolution creating a special committee on National Minorities.

The SPEAKER. To the Committee on Rules.

SUSPENSION OF THE SESSION

The SPEAKER. The session is suspended for five minutes.

RESUMPTION OF THE SESSION

The SPEAKER. The session is resumed.

TARIFF CODE (Continuation)

Mr. TOLENTINO. Mr. Speaker, I ask that we resume the consideration of House Bill No. 5513.

The SPEAKER. The continuation of the consideration of House Bill No. 5513 is now in order. The Secretary will read the title of the bill.

The SECRETARY, *reading*:

An Act to revise and codify the Tariff and Customs Laws of the Philippines.

Mr. RAMOS. Mr. Speaker, this humble gentleman from Aklan who sponsored this bill last night has consumed the one hour allotted to him and also an extension of 30 minutes. However, I shall be glad and willing to answer any further questions provided my time is extended by the House.

Mr. MARCOS. Mr. Speaker, I move to extend the time of the distinguished Chairman of the Special Committee on Tariff and Customs by one hour.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The motion is approved.

Mr. MARCOS. Mr. Speaker, will the gentleman yield to a few clarifying questions?

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

Mr. RAMOS. Very willingly, Mr. Speaker.

Mr. MARCOS. I was at the point yesterday of clarifying the effect of the proposed Tariff Code on the special laws like Republic Acts Nos. 1194,

1296 and 1410. I should like to go over them one by one, because of the statement of the distinguished Chairman of the Committee on Ways and Means and the Special Committee on Tariff and Customs that the proposed Tariff Code does not amend these special laws. I think we can start from that.

Mr. RAMOS. It is a general rule. As a matter of fact, Mr. Speaker, a general law does not repeal nor amend a special law unless otherwise indicated. In this particular case, no such indications were made. Therefore, the tenor of my answer is that this proposed Tariff Code does not and cannot amend special laws.

Mr. MARCOS. I will therefore proceed to specify these tariff laws, Mr. Speaker. Is there any attempt here to amend the Anti-Dumping Act, otherwise known as Republic Act No. 32?

Mr. RAMOS. To the extent that, with reference to the article that falls under the provisions of the Anti-Dumping Act, otherwise known as Republic Act No. 32, the extraordinary duty shall thereupon be imposed because such duties no longer serve as ordinary duties.

Mr. MARCOS. But the principle embodied in the Anti-Dumping Act is to the effect that any item of importation that is brought into the country which competes with local products can be returned, and, of course, upon proper representation by the interested parties may be reshipped back to the port of origin.

Mr. RAMOS. Or otherwise, the Secretary of Finance, upon recommendation of the Commissioner of Customs may impose a special duty and under such circumstances, the importer or the exporter, as the case may be, may repossess or rather that the merchandise may be imported upon payment of such special duty.

Mr. MARCOS. Now, I should like to know, Mr. Speaker, exactly where this provision is which amends Republic Act No. 32.

Mr. RAMOS. Republic Act No. 32 is incorporated into this Code, Mr. Speaker.

Mr. MARCOS. In short, therefore, Republic Act No. 32 has not exactly been amended, but on the contrary, it has been incorporated into the Tariff and Customs Code?

Mr. RAMOS. And clarified as such.

Mr. MARCOS. May I know where it was incorporated, Mr. Speaker?

Mr. RAMOS. It is found on page 270, part 2, Special Duties, under Section 301, entitled "Dumping Duty."

Mr. MARCOS. I merely want to clarify this point.

Why are Sections 1 and 2 bracketed as if to mean that they are stricken off the law?

Mr. RAMOS. The whole text of the law is intended to be incorporated.

Mr. MARCOS. In short, therefore, this is for legislative purposes and for determination of legislative intents. These brackets do not mean anything.

Mr. RAMOS. No.

Mr. MARCOS. May I know why the Bureau of Printing included those brackets? Because I am certain that these brackets, in the ordinary signification of legislative work and intention, mean that the words that are included in the brackets are excluded from the law.

Mr. RAMOS. I will yield now to the expert on this provision, a member of the Committee who was deputized to perform extensive study and research on this matter, Congressman Abeleda.

Mr. MARCOS. Certainly. I think that my fellow Liberal can answer that question. I am surprised, though, that, as always, it requires a Liberal to clarify important policies of the Administration.

Mr. ABELEDA. Will the gentleman from Ilocos Norte please repeat the question?

Mr. MARCOS. What I want to know is, has Republic Act No. 32, otherwise known as the Anti-Dumping Act, been amended or repealed?

Mr. ABELEDA. The intention of the proposed code is to amend Republic Act No. 32, to make it clear, because experience shows that this Act has been mangled by the Department of Finance in its interpretation.

Mr. MARCOS. The gentleman said "mangled." I am glad to hear that. So, the original legislative intention has been distorted, mangled, destroyed and practically nullified by the existing Administration.

Mr. ABELEDA. By the Department of Finance.

Mr. MARCOS. Anyway, may I know exactly how this existing law is proposed to be amended by this new Tariff and Customs Code?

Mr. ABELEDA. But the original idea or purpose of Republic Act No. 32 is retained, that is, to protect local industries.

Mr. MARCOS. Yes. But in what manner has it been amended?

Mr. ABELEDA. If the gentleman will read the provision of the proposed amendment, I think he will understand it very well because the proposed amendment is very clear. If we will go into details it will take us a long time.

Mr. MARCOS. May I know exactly where that amendment is?

Mr. ABELEDA. Please refer to page 274, beginning with line 3 up to page 281, line 9. Republic Act No. 32 was rewritten into this proposed code.

Mr. MARCOS. I see. May I know if there is a right of redemption under the proposed Customs and Tariff Code?

Mr. ABELEDA. With regard to the violation of the Anti-Dumping Act?

Mr. MARCOS. Yes.

Mr. ABELEDA. There is none. The Secretary of Finance either imposes a special duty in order to equalize the price of imported articles in violation of the Anti-Dumping Law or re-export the same to the country of origin.

Mr. MARCOS. But the dumping duty, which is a special duty, I understand, is an initial step towards the redemption by the importer of the goods.

Mr. ABELEDA. No, the imposition of special duty is to equalize the price of imported articles in violation of the Anti-Dumping Act in order not to prejudice local industries.

Mr. MARCOS. But I go back to the initial point, whether there is a possibility of redemption by the importer of the imported articles. Can he recover possession and sell them?

Mr. ABELEDA. Even in Republic Act No. 32 there is that possibility.

Mr. MARCOS. As it is amended now?

Mr. ABELEDA. It is written there.

Mr. MARCOS. Do I understand that that particular aspect of Republic Act No. 32 has not been changed?

Mr. ABELEDA. Correct.

Mr. MARCOS. Is there any difference in the nature, extent, weight, and scale of the dumping duty that is imposed under this proposed code and the special duty embodied under Republic Act No. 32?

Mr. ABELEDA. The scale is the same.

Mr. MARCOS. What has been, therefore, the change?

Mr. ABELEDA. It was rewritten so that the provision of the proposed amendment will be clearer in order to obviate the possibility of misinterpretation by the Secretary of Finance as the official who is charged with the duty of rendering decisions on anti-dumping cases.

Mr. MARCOS. Is it not true that under the new provision the dumping duty is determined by the difference between the price of imported articles and the price of local articles?

Mr. ABELEDA. Correct.

Mr. MARCOS. But that is not followed under Republic Act No. 32. I understand that under Republic Act No. 32 the importer pays a fine of some sort in an amount equal to the value of the goods that are imported.

Mr. ABELEDA. The fine consists in the imposition of special duty on the goods imported supposedly in violation of Republic Act No. 32. The purpose there, is, in order that those imported goods will not compete adversely with goods locally manufactured.

Mr. MARCOS. I can see that. Will the distinguished Liberal please explain to me this ambiguity in the Nacionalista-drafted bill caused by the brackets which embrace all the sections under Section 301, special duty, page 370, all the way down? That is to me the biggest difference, with all due respect to the gentlemen in front of me.

Mr. ABELEDA. The idea was, instead of inserting amendments to the original law, it was deemed proper to delete the whole of Republic Act No. 32 and in lieu thereof provide a new law under the proposed code.

Mr. MARCOS. So, in short, now it is admitted by the expert on brackets that these brackets here actually mean the deletion of all those words, statements and provisions embraced within the brackets.

Mr. ABELEDA. That is exactly the meaning.

Mr. MARCOS. And in place of those eliminated are the new provisions embodied on page 274, down to the end.

Mr. ABELEDA. In capital letters.

Mr. MARCOS. Yes. To that extent, therefore, for the elimination of all those embraced within the brackets, there have been amendments.

Mr. ABELEDA. Correct.

Mr. MARCOS. Very good. May I know why the section numbers on page 273 are not consecutive? First, it is Section 3, 4, 5, and then Section 2. It looks to me like the Japanese kind of numbering. Instead of from top to bottom, it is from the bottom. Of course, I am used already to confusion under this Administration, but this particular confusion is, to me, unusual.

Mr. ABELEDA. I believe that the original Republic Act No. 32 was later amended so that that explains Section 2 at the bottom of page 273.

Mr. MARCOS. It was amended by a certain Act, No. 4035, of the Philippine Legislature, which is an Act before Republic Act No. 32.

Mr. ABELEDA. I think the last Act was Republic Act No. 32 which amends a previous Act.

Mr. MARCOS. No. 4035.

Mr. ABELEDA. Correct. And I think that explains why the gentleman finds Section 2 at the bottom of page 273.

Mr. MARCOS. Anyway, what I am driving at is, all of these, including this confusion in numbering, are excluded and eliminated from the present Customs Law.

Mr. ABELEDA. Correct.

Mr. MARCOS. From the present Customs Laws.

Mr. ABELEDA. From the present Anti-Dumping Law.

Mr. MARCOS. This is the Anti-Dumping Law.

Mr. ABELEDA. And incorporated, precisely, into the Tariff and Customs Code.

Mr. MARCOS. Well, it takes two Liberals to clarify this, and I am glad that we have come into an agreement. Now, I come to Republic Act No. 1194 which is known as the Tobacco Importation Limitation Law. It was stated by the distinguished Chairman of the Ways and Means Committee that the present Tariff and Customs Code would not affect the limitation provided for therein. I should like to know, because it is reiterated by the distinguished and learned expert of the Liberal Party on the Customs Code.

Mr. ABELEDA. I believe, gentleman from Ilocos Norte, that the proposed code does not affect Republic Act No. 1194, insofar as it prohibits the importation of foreign Virginia leaf tobacco. But the proposed Tariff Code affects Republic Act No. 1194 only insofar as the imposition of duties is concerned. I remember very well that it was proposed by the gentleman from Ilocos Norte that the proposed rate on the importation of Virginia leaf tobacco should cost ₱8 per pound plus . . .

Mr. MARCOS. Plus an *ad valorem* of 100 per cent.

Mr. ABELEDA. Correct.

Mr. MARCOS. For unstripped leaf tobacco.

Mr. ABELEDA. Correct. The gentleman knows better than I do.

Mr. MARCOS. Yes, since I come from the part of the country of industrious, able, and wise farmers engaged in the tobacco industry. As I said, and I repeat—I wish to put on record and in representation of all those coming from that area—we protect now and forever the tobacco industry, in the absence of Congressman Cases from La Union.

Mr. ABELEDA. I am with the gentleman.

Mr. MARCOS. I come now to that portion of Republic Act No. 1194 pertaining to the importation of other aromatic tobacco. I understand that the classification that has been adopted here is in accordance with the Brussels Nomenclature. May I know how aromatic tobacco is classified and under what item it falls?

Mr. ABELEDA. We will consult the experts.

Mr. MARCOS. Certainly. Thank you.

Mr. ABELEDA. According to the experts, this is found on page 36 of the proposed Tariff Code, paragraph 24.01, beginning with that.

Mr. MARCOS. No. But there is nothing here pertaining to aromatic tobacco. It says here: Leaf tobacco, unstripped, wrapper, etc." Does the gentleman mean to tell us, Virginia tobacco and all other kinds of aromatic tobacco? Let us take the case of Turkish tobacco. Of course, I am speaking of strange things, and to me, they are common matters. I should like to know further about all these things. White barley is needed for blending in the manufacture of cigarettes. Has that been adopted in this Tariff Code?

Mr. ABELEDA. Is the gentleman referring to unmanufactured tobacco?

Mr. MARCOS. Yes.

Mr. ABELEDA. It falls on 24.01 on page 36.

Mr. MARCOS. But under what item? It is not wrapper tobacco. I am certain about that.

Mr. ABELEDA. In the classification in paragraph (a) under 24.01, such leaf tobacco is unstripped.

Mr. MARCOS. Now, by wrapper tobacco, I mean usually Sumatra tobacco, wrapper tobacco and other kinds of tobacco utilized for wrapping cigars. Therefore, all other kinds of tobacco are classified under "or others".

Mr. ABELEDA. Yes, subsection 2.

Mr. MARCOS. Under that, that is unstripped tobacco. As the distinguished Chairman of the Committee on Ways and Means has said, and if we can patch up this here in the form of amendments or in the conference committee amendments, I am willing to pass over it, but we must determine the difference between the Virginia tobacco and the aromatic tobacco.

Mr. ABELEDA. I think that is a good suggestion.

Mr. MARCOS. Under Republic Act No. 1194, the importation of tobacco is limited.

Mr. ABELEDA. Yes.

Mr. MARCOS. Now, what will happen if tobacco is imported illegally and in violation of Republic Act No. 1194 under the provisions of the proposed Customs Code?

Mr. ABELEDA. Well, Republic Act No. 1194 will apply.

Mr. MARCOS. And subject to forfeiture?

Mr. ABELEDA. Correct.

Mr. MARCOS. And subject to the payment of special duty?

Mr. ABELEDA. No.

Mr. MARCOS. What is it then?

Mr. ABELEDA. What is the provision of Republic Act No. 1194?

Mr. MARCOS. Republic Act No. 1194 does not speak of anything pertaining to forfeiture. I will read to the gentleman Republic Act No. 1194. Republic Act No. 1194, Section 1 (e) says: "Any person, association or corporation which shall import Virginia-type leaf tobacco without the necessary licenses issued under this Act, and any officer or employee of the Central Bank who shall issue such license without the authorization of the President of the Philippines as provided in this Act, or who shall obstruct the grant of the loans needed by the ACCFA, or any person, association, corporation, official or employee in the Government who violates any provision of this Act, shall be punished by a fine of not less than one thousand pesos nor more than ten thousand pesos, and by imprisonment for not less than one year nor more than five years, in the discretion of the Court: *Provided*, That if the offense is committed by an association or corporation, the president, manager or administrator and the director or directors committing the offense shall be responsible thereof; and should the offender be an alien, he shall, after final conviction, be deported without further deportation proceedings: *Provided, further*, That the leaf tobacco involved in the offense shall be forfeited to the Government."

Now, what I should like to know is: Is this forfeiture specified under the existing provision of the Administrative Code?

Mr. ABELEDA. There is a proviso for forfeiture in the special law. The proposed Code does not intend to eliminate that proviso on forfeiture.

Mr. MARCOS. Very good. But it is also known that, under existing practices, by forfeiture is meant confiscation by the Government and redemption by the importer at a certain price.

Mr. ABELEDA. No. Forfeiture does not mean ordinary redemption by the party who imported the articles. When forfeiture is effected, the property becomes the property of the Government, and it can be sold only at public auction.

Mr. MARCOS. Under the Administrative Code?

Mr. ABELEDA. Under the Administrative Code, the party in a forfeiture proceeding may be allowed to redeem, but that is done before forfeiture is effected.

Mr. MARCOS. That is before forfeiture is executed.

Mr. ABELEDA. I am following the distinguished gentleman from Ilocos Norte. Under the provision of the Administrative Code, Section 1388, in

a seizure proceeding, the party may be allowed to redeem, that is, before forfeiture. Once forfeiture is decided, the property becomes the property of the Government and can only be disposed of at public auction.

Mr. MARCOS. Good. I come now to this particular portion. I found out that in actual practice, the result is prejudicial to the local production. Now let us take the case of garlic that was sold at public auction. I understand that the importer was willing to pay the necessary fines and penalties, and was willing to sell the garlic to the NAMARCO at the price of ₱2 per kilo, but the government, claiming that it needed the garlic in order to bring down the price of said commodity, sold it at public auction and now it is selling at ₱6 per kilo. Is that the proper approach to lower the price?

Mr. ABELEDA. That is a matter of implementation. If there was a mistake in the disposition of the garlic referred to, it was not the fault of the law but of the people called upon to implement the law.

Mr. MARCOS. I see. It is the fault of the people who are in office.

Mr. ABELEDA. Correct.

Mr. MARCOS. Who run the government.

Mr. ABELEDA. That is correct.

Mr. MARCOS. Of course, this is not only the point of view of a Liberal but also that of an expert, based on a dispassionate and objective study.

Mr. ABELEDA. That is the legal point of view.

Mr. MARCOS. Good. It is the legal point of view. Therefore, from the gentleman's point of view, there is no need to amend the law. Is that correct?

Mr. ABELEDA. There is no need to amend the law.

Mr. MARCOS. And the provision of Republic Act No. 1194 which forfeits the tobacco imported under Republic Act No. 1194 to the government is not amended or repealed by the proposed Customs Code?

Mr. ABELEDA. It is not.

Mr. MARCOS. Therefore, the effect of any tobacco imported in violation of Republic Act No. 1194 is that it becomes the property of the government and it can be sold at public auction.

Mr. ABELEDA. Correct.

Mr. MARCOS. Will that not defeat the very purpose of Republic Act No. 1194?

Mr. ABELEDA. That is the provision of Republic Act No. 1194. If the gentleman wants any change made, there is time to make it.

Mr. MARCOS. We cannot amend it by the passage of an amending Act to the Customs Code, because Republic Act No. 1194 is a special law and, therefore, should be amended by a special law. Well, that is good. In a way, I can see that the gentleman is indeed well versed in the Customs Law.

Mr. ABELEDA. It is not only good but also it is very good.

Mr. MARCOS. I am glad to put on record that the distinguished gentleman, who is a Liberal, seems to be the only Member of the Committee, with the exception of this humble Member, who understands the law.

Now, I come to Republic Act No. 1296. Republic Act No. 1296 is a law which prohibits the importation of onions, garlic, potatoes, and cabbage, except under certain circumstances. Under this law, we read: "Provided, finally, That commodities imported in violation of this Act shall be subject to forfeiture in accordance with the procedure established in the Revised Administrative Code, the proceedings to terminate within thirty days after the importation and under no circumstances or conditions may such goods be released to the importer without the previous approval of the President."

Is it the stand of the Committee and is it the legislative intention that this law shall remain unamended and unrepealed?

Mr. ABELEDA. That is the intention of the proposed Code.

Mr. MARCOS. So this provision, even with the passage of the Customs Code, will be in force.

Mr. ABELEDA. It will still be effective.

Mr. MARCOS. If it is still in force, notwithstanding the fact that it seems to conflict with the right of redemption under Section 1388 of the present Administration Code, which I presume has been embodied in the Customs Code, how will the gentleman reconcile these conflicting provisions?

Mr. ABELEDA. I believe there is no conflict, because Republic Act No. 1296 specifically provides how to dispose of the property imported in violation of the law. Section 1388 merely refers to the procedure and the redemption of the property under seizure when the importation is not in violation of an existing law, because the garlic, onion and cabbage mentioned in Republic Act No. 1296 are goods, the importation of which is specifically prohibited by law. In other words, the importation is prohibited *per accidens*.

Mr. MARCOS. Now, I come to the definition of the words "tariff" and "taxes" in relation to the Laurel-Langley Agreement. The gentleman will

remember that the Laurel-Langley Agreement embodies a scale of tariff duties on all American goods which come to this country and we must clarify the meaning of "taxes," "ordinary customs duties," "special customs duties," and other items that are embodied in the Agreement.

Mr. ABELEDA. On that point, I have to yield the floor to the Chairman of the Committee on Ways and Means.

Mr. MARCOS. In that case, Mr. Speaker, may I ask for a recess of two minutes.

Mr. RAMOS. Mr. Speaker, I am willing to accommodate the gentleman from Ilocos Norte now.

Mr. MARCOS. In view of the fact that the distinguished Chairman is willing, able and in fact anxious to explain this matter of the customs duty, may I proceed with my interpellations.

Mr. RAMOS. I am anxious to please the gentleman from Ilocos Norte.

Mr. MARCOS. If that is the case, then what does the gentleman say to postponing the consideration of this Tariff Code?

Mr. RAMOS. Well, I am anxious to please the gentleman by answering his interpellations, but not to postpone the consideration of this measure.

Mr. MARCOS. Thank you. I come now to the Laurel-Langley Agreement. In view of the fact that the gentleman is the Chairman of the Special Committee and was the representative of the Republic of the Philippines to the United States and a member of the panel that engaged in the negotiations for the Laurel-Langley Agreement, may I know exactly the meaning of the term "customs duty on United States articles" as embodied in this Agreement?

Mr. RAMOS. The Agreement itself defines the term. It is this provision: "With respect to United States articles imported into the Philippines, and with respect to Philippine articles imported into the United States, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles. As used in this Paragraph, the term 'duty' includes taxes, fees, charges, or exactions, imposed on or in connection with importation, but does not include internal taxes or ordinary customs duties."

Then here is another pertinent provision: "With respect to products of the United States which do not come within the definition of United States articles, imported into the Philippines, no duty

on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles which are the product of any other foreign country. As used in this Paragraph the term 'duty' includes taxes, fees, charges, or exactions, imposed on or in connection with importation, but does not include internal taxes."

Mr. MARCOS. Now, the distinguished Chairman will remember that under Paragraphs 1 and 2 of Article 1 of the Laurel-Langley Agreement, there is a scale for the payment of ordinary customs duties.

Mr. RAMOS. Yes, beginning January 1, 1956, the rate shall be twenty-five per cent until December 31, 1958; and thereafter, from January 1, 1959 to December 31, 1961, it shall be fifty per cent; and again, from January 1, 1964 to December 31, 1973, it shall be one hundred per cent.

Mr. MARCOS. Well, what I should like to know is, what is the meaning of paragraph 3 of the Laurel-Langley Agreement which reads: "Customs duties on United States articles and on Philippine articles, other than ordinary customs duties, shall be determined without regard to the provisions of Paragraphs 1 and 2 of Article, but shall be subject to the provisions of Paragraph 4 of this Article." And this Paragraph 4 says: "With respect to United States articles imported into the Philippines, and with respect to Philippine articles imported into the United States, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the products of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles. As used in this Paragraph, the term 'duty' includes taxes, fees, charges, or exactions, imposed on or in connection with importation, but does not include internal taxes or ordinary customs duties." Now may I know what are those unusual, extraordinary or special customs duties referred to in Paragraph 3 and Paragraph 4 of Article 1 of the Laurel-Langley Agreement as provided for in the proposed Tariff and Customs Code?

Mr. RAMOS. Well, that has reference to certain factors involved in the importation of commodities from the United States, such as specifically, for instance, when the United States articles entering

the Philippines are made or manufactured out of raw materials imported from countries other than the United States itself, the extent of such raw materials exceeding 20 per cent in value. That is intended to be covered by this exemption. And the idea is to apply it not only to the United States but also to the other countries. That is why the provision does not impose import duties higher than those imposed on other countries. In other words, it will discourage the United States from importing raw materials into the United States and manufacture such raw materials into products in excess of 20 per cent of the value.

Mr. MARCOS. Now, in more specific terms, what sections of the proposed Tariff and Customs Code provide for these special duties that are referred to in paragraphs 3 and 4?

Mr. RAMOS. That is not only covered by the proposed Tariff Code but also incorporated in the provision of the Laurel-Langley Agreement which specifies certain limitations or prohibitions against importation of products classified under that provision.

Mr. MARCOS. What are the extraordinary customs duties or special customs duties that are referred to, and what particular provisions embody these special duties?

Mr. RAMOS. Well, as I said, by general classification, products entering the Philippines by way of importation in violation of those laws or Acts I have mentioned; for instance, the violation of the Anti-Dumping Act.

Mr. MARCOS. What section is that? I merely want to be specific.

Mr. RAMOS. Also, in the case of countervailing duties. That is found on page 281 under Section 302. This is with respect to subsidies or grants I have mentioned. And this is in parallel with the case of Philippine goods entering the United States. The gentleman will note, for instance, that there is a provision in the Tariff Code of the United States prohibiting the importation of products coming from the Philippines which are manufactured, let us say, by labor convicts, or such products as are enjoying subsidies or grants or drawbacks from the Philippines. These are merely reciprocal measures intended to show that the Philippines is not only alive to the protection of its interest, but it makes those goods in conformity with existing goods of the world.

Mr. MARCOS. In short, therefore, to be specific, these duties are not classified as ordinary customs duties—the special duties referred to in part 2 of this Tariff Code, page 270 or forward. Is not that right?

Mr. RAMOS. That is right.

Mr. MARCOS. Including the dumping duty.

Mr. RAMOS. The countervailing duty.

Mr. MARCOS. The countervailing duty.

Mr. RAMOS. And the provisions of the Laurel-Langley Agreement.

Mr. MARCOS. On page 281. May I know why there was any necessity to amend Section 303, found on page 282, pertaining to the marking of imported articles and containers.

Mr. RAMOS. That is easy to explain. Under the existing law, while it is required and it is admitted that the marking or branding or stamping or labeling of goods entering the Philippines is subject to the regulation that they should be marked, however, it was found that that is partially discretionary on the part of the Customs Commissioner. We are trying to make it mandatory. Where there is such a violation and where that violation is discovered then such articles imported in violation of this law must and should be subject to an additional duty which is not part of the existing law.

Mr. MARCOS. Is it not true that under this code a permanent tariff commission will have to be created?

Mr. RAMOS. That is true, in the same way as all other countries have permanent tariff commissions.

Mr. MARCOS. I am certain, of course, that you will—I mean your administration, our administration.

Mr. RAMOS. That is the best way of putting it.

Mr. MARCOS. Our administration, but your responsibility, and your President.

Mr. RAMOS. Our president.

Mr. MARCOS. Yes, in a sense, he is the President of the Filipino people, although at times he does not seem to act for us, but merely acts for you.

Mr. RAMOS. It depends on whether what you tell him is right.

Mr. MARCOS. What I am driving at is that I am certain you will appoint the proper personnel.

Mr. RAMOS. That does not close the door to the gentleman from Ilocos Norte and prevent him from recommending persons who are qualified and fit for the positions.

Mr. MARCOS. And my recommendations, as usual under this Administration, will be thrown to the wastebasket.

Mr. RAMOS. No. It will have to be considered on the basis of its merits, as usual.

Mr. MARCOS. May I know the difference between the old tariff commission and the permanent commission to be created under this code? Because I see many amendments here; for instance, under

the old system there were three members of the commission; now there shall be a chief and assistant chief to be known as the commissioner and assistant commissioner, respectively, and only these two will constitute the commission, I presume.

Mr. RAMOS. They are mere designations; as a matter of fact, whether you call them assistant or deputy, it means the same thing. What concerns us is the discharge of their duties which should be efficient.

Mr. ZOSA. Parliamentary inquiry, Mr. Speaker. How much time is left of the gentleman from Aklan and Capiz?

The SPEAKER. The sponsor has 25 minutes still at his disposal.

Mr. MARCOS. Mr. Speaker, if the gentleman from Cebu is anxious to participate in this, shall we say, exchange of opinion on the Tariff Code, I am willing again to yield the floor to him.

Mr. ZOSA. No, Mr. Speaker, I do not want to be on tour of duty; I have it to the gentleman from Ilocos Norte. I just want to live up to my promise to ask for the postponement of the consideration of this measure when the time granted to the gentleman from Capiz expires.

Mr. MARCOS. But there is a *turno en contra*.

Mr. ZOSA. Yes, but after the gentleman from Aklan and Capiz is through, a motion to postpone is in order according to the Rules.

Mr. MARCOS. Well, no, not any time; it can be entertained only after the period of sponsorship is terminated.

Mr. ZOSA. That is what I say, after the gentleman from Aklan is through.

Mr. MARCOS. I see. The gentleman can reserve the right.

Mr. ZOSA. Precisely, that is the reason for my inquiry to find out how much time the gentleman from Aklan and Capiz has still left.

Mr. MARCOS. If the gentleman from Cebu can obtain postponement, I do not have to deliver a speech on this matter. But may I proceed to clarify this matter of the commission, Mr. Speaker? I was asking what were the specific changes in the Code on the old Tariff Commission created under special law.

Mr. RAMOS. Under Republic Act No. 911 we have a Commission of three members, one of which is the Chairman and two are members of the Commission. Under the proposed changes in the code, we have one Commissioner and two assistant Commissioners. After all they mean the same thing except for change in name.

Mr. MARCOS. May I ask to be enlightened on the powers of the Commission with respect to the execution of the Tariff Laws in the country now? I understand Sections 5 and 6 of Republic Act No. 911 . . .

Mr. RAMOS. Sections 5 and 6 under the proposed Code?

Mr. MARCOS. Yes, page 291. What I should like to know is, when the Committee says that the Commission shall investigate the effect of the Tariff Laws, does it mean that it shall have supervisory power over the Commissioner of Customs?

Mr. RAMOS. No, no. It does not, and it could not, because that is a separate office and under a separate official of the government.

Mr. MARCOS. Neither shall it have supervisory power over the Collector of Customs of any port?

Mr. RAMOS. Not at all.

Mr. MARCOS. Now where does the power to investigate end and where does the inherent power of tax collection begin?

Mr. RAMOS. The inherent power of tax collection begins with the Department of Finance through the Collector of Internal Revenue and the Commissioner and/or the Collector of the Bureau of Customs. The Tariff Commission shall limit its functions and its powers to investigate and research on such matters as are related to tariff.

Mr. MARCOS. So, in short, the power of the Tariff Commission will be limited to investigation, study and recommendation. Is that the idea?

Mr. RAMOS. Yes.

Mr. MARCOS. It shall not have anything to do with the administration of the Bureau of Customs.

Mr. RAMOS. Not at all, otherwise, it will only degenerate into conflict between the two offices.

Mr. MARCOS. Now, I call the attention of the distinguished Chairman to Section 507, page 292 which seems to be a duplication of the functions of the National Economic Council.

Mr. RAMOS. Will the gentleman specify that provision?

Mr. MARCOS. The question of ascertaining the conversion cost and cost of production in the manufacturing centers in the Philippines especially in San Fernando, La Union, the province of the distinguished gentleman (Mr. Ortega) right before me. For instance, in determining the cost of production of tobacco, now that the champions of tobacco from La Union are here, is that not the proper duty of the Bureau of Census and Statistics and the Bureau of Agricultural Extension,

and perhaps the National Economic Council, of which the distinguished Chairman is a Member?

Mr. RAMOS. It is only an added function of the Commission by way of cooperation and collaboration with the other offices of the Government. It is not exclusive of the Tariff Commission.

Mr. MARCOS. What I am driving at is this, that it is free to refer to data and statistics available in different offices and there will be no need to appoint agents or enumerators to proceed to investigate throughout the country, because certainly, this may become a power that can be abused. It may even entail added appropriations and other expenditures.

Mr. RAMOS. No, as a matter of fact, the items are well specified and itemized in the proposed Code. So it cannot go beyond what is provided for and it cannot appoint enumerators or agents outside of those itemized in the Code.

Mr. MARCOS. Now this question of reports. May I know if we cannot include a "report for the Opposition Party" in Section 508, page 293. Just like in the report about the expenditures of government funds and of the report of the Auditor General. It says, "Only the Committee on Ways and Means of the House and the Committee on Finance of the Senate," but the Committees are ruled by Members who belong to the Majority, and, probably the Opposition will never see those reports. Probably we shall never come to know exactly what happened.

Mr. RAMOS. As long as the Minority is represented in the Committee on Ways and Means as it is also represented in the Committee on Finance by the lone oppositionist, then the purpose is served.

Mr. MARCOS. Who is the oppositionist in the Senate? I do not know of any Member in the Senate who belongs to the Opposition. For all I know, he (Senator Tañada) may run under the Majority banner in the next general election.

Mr. RAMOS. Let us not discuss that. Even a report of a committee of which there is a bipartisan representative will serve the purpose.

Mr. MARCOS. I have no fear that as long as vigilant, able Members like the distinguished gentleman from Cebu, the distinguished gentleman from Occidental Mindoro are in that committee and also our leader in the Opposition, the distinguished gentleman from Capiz, are in the Committee, there is no fear that . . .

Mr. RAMOS. That is already deleted. "The Commission shall place at the disposal of the President, [of the Philippines, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, whenever requested]. . ." Those in brackets are deleted.

Mr. MARCOS. It says only "and the Congress of the Philippines."

Mr. RAMOS. Is not the gentleman from Ilocos Norte a Member of Congress?

Mr. MARCOS. I am now, yes, and because of that and, I think, also because of the membership of such gentlemen like the gentleman from Pampanga, the gentleman from Capiz, and the gentleman from Cebu, but we are thinking in terms of time when such capable and wise men, excluding your humble colleague, will no longer be there.

Mr. RAMOS. We can compromise on that point by amending this so as to state that two copies shall be provided to the Members of the Opposition in Congress in order to make up for their number.

Mr. MARCOS. On the contrary, all Members of Congress should be furnished. How does the gentleman know that there will be two Members who belong to the Opposition next time? For all you know, when we lick the Majority Party next time and the Majority will become the Opposition, probably there will be no more oppositionist in the House.

Mr. RAMOS. I like the use of the word "when."

Mr. MARCOS. Yes. I did not say "if," I said "when."

Mr. RAMOS. Of course, that can happen 50 or 100 years hence.

Mr. MARCOS. I am certain as the sun will rise tomorrow that it will happen soon, I hope.

Mr. RAMOS. Hoping is good enough, but prayer is better, for more things are wrought by prayers than this world thinks of.

Mr. MARCOS. And soon, I know and hope these people will realize the previous mistakes they committed in the last two elections and will rectify that error with the support of the platform and objectives of the Liberal Party, but I do not think that it has any connection with the Tariff Code.

Mr. RAMOS. Come to think of it, that has no connection with the code.

Mr. Speaker, for a point of information. May I know how much time I still have at my disposal?

The SPEAKER. The gentleman has 11 minutes.

Mr. MARCOS. May I know if the Commission has the power to call witnesses?

Mr. RAMOS. The Commission has that power as the court to investigate.

Mr. MARCOS. To take testimony under oath?

Mr. RAMOS. Yes.

Mr. MARCOS. Has the power to compel the attendance of witnesses?

Mr. RAMOS. Yes.

Mr. MARCOS. Has the power to punish for contempt?

Mr. RAMOS. No.

Mr. MARCOS. If it has no power to punish for contempt, how can it compel the attendance of witnesses or parties concerned?

Mr. RAMOS. Upon application to the court.

Mr. MARCOS. In short, we are therefore creating a semijudicial body.

Mr. RAMOS. In order to make effective the intention as well as the aims and objectives of the Commission then certainly it must also be equipped with certain powers, even limited as it may be. But just the same we have to go through and respect the processes of justice.

Mr. MARCOS. I have many questions, especially on the Customs Law, but the distinguished constitutionalist from Cebu has voluntarily sought participation in this debate. So I gladly yield to him the floor that has been voluntarily and temporarily granted me by the distinguished Chairman of the Committee on Ways and Means.

Mr. ZOSA. Mr. Speaker.

The SPEAKER. Gentleman from Cebu.

Mr. ZOSA. I am grateful to the gentleman from Ilocos Norte for his benevolence. Will the gentleman from Aklan yield?

The SPEAKER. The gentleman may yield, if he so desires.

Mr. RAMOS. Willingly.

Mr. ZOSA. Let us get down to brass tacks. Under Section 501, on page 289, there is a provision creating the positions of three commissioners, one called the "commissioner" and the other two, "assistants". What is the reason for the creation of these three positions?

Mr. RAMOS. As a matter of fact, even before it was amended by the Reorganization Act, there were already three commissioners: one was the chairman and the other two were members of the same commission. This is merely a carry-over of the same office that exists under Republic Act 911.

Mr. ZOSA. What is the reason of the Committee in carrying over the provision of that Act in this bill?

Mr. RAMOS. The Committee recognizes the fact that the Tariff Commission is a very important arm of the Government.

Mr. ZOSA. Yes, but cannot one commissioner discharge the duty and function provided for in this Act, inasmuch as the Commission is only charged with the duty of making studies and recommendations? It is not going to sit as a tribunal with the power to promulgate decisions.

Mr. RAMOS. It is charged with the duty not only of conducting investigations and research but also of making decisions.

Mr. ZOSA. On what matters?

Mr. RAMOS. On matters of tariff.

Mr. ZOSA. Conflicts between private individuals and the Government?

Mr. RAMOS. Including foreign countries.

Mr. ZOSA. For example?

Mr. RAMOS. For example, when it is discovered that the product entering the Philippines from United States is made of so much percentage of raw materials in excess of what is provided for, then the Tariff Commission shall also investigate the quality of the commodities imported from abroad. Suppose it is discovered, for instance, after sending it to a specialist, that there was undervaluation of products, such as hides exported to the Philippines.

Mr. ZOSA. Will not this function of the Tariff Commission overlap the function of the Bureau of Customs? Precisely, before I took the floor I asked the chief expert here, Mr. Tejam, if the provision of the Code, and also of the Customs Laws, referring to the power of the Bureau of Customs or of the Customs Commissioner to determine such questions had been repealed or are repealed in this bill. Because I understand that the functions sought to be given to the Tariff Commission in this bill may be exercised also by the customs authorities. For example, undervaluation—if goods are undervalued, that question comes under the jurisdiction of the Customs Commissioner as misdeclaration, or under the term "misdeclaration". Because that term "misdeclaration" may embrace not the real goods imported or if they are the real goods, the value is not correct. Now, where is the delineation between the jurisdiction of the Tariff Commission and that of the Commissioner of Customs in this particular matter?

Mr. RAMOS. The Tariff Commission after investigation, research and study recommends from time to time what tariff rate shall be imposed on commodities or articles imported into this country. When the tariff rate is fixed and determined, then the Commissioner of Customs implements and enforces what has been provided for.

Mr. ZOSA. Through that board in the Bureau of Customs that conducts the inquiry or the hearing, is that correct?

Mr. RAMOS. I beg your pardon? I did not get the point.

Mr. ZOSA. The customs authorities or the Commissioner of Customs implements the finding or recommendations of the Tariff Commission regarding the value of goods that are imported or are to be imported.

Mr. RAMOS. Not the value but the evaluation.

Mr. ZOSA. Let us use the gentleman's term, the evaluation of goods.

Mr. RAMOS. As a matter of fact there is that term, because the value is subject to evaluation.

Mr. ZOSA. But the actual ventilation of the case, the hearing of the case, is held before what body, the Tariff Commission or the board in the Bureau of Customs?

Mr. RAMOS. The Bureau of Customs also conducts its own investigation.

Mr. ZOSA. Now, what is the boundary line or the delineation between the function of the board in the Bureau of Customs and that of the Tariff Commission? What is the limit on jurisdiction? Because we do not want to create two bodies with the same jurisdiction and exercise the same function.

Mr. RAMOS. There is no overlapping because the Tariff Commission formulates, recommends and determines certain policies that should be adopted in one case or another, and the Bureau of Customs, after being satisfied that there is such violation, conducts investigation of its own and imposes the penalty appropriate in such case.

Mr. ZOSA. So the gentleman admits that the Tariff Commission cannot impose penalties.

Mr. RAMOS. It cannot impose penalties.

Mr. ZOSA. The Tariff Commission cannot also order seizure of goods.

Mr. RAMOS. It cannot.

Mr. ZOSA. The Tariff Commission merely conducts investigations.

Mr. RAMOS. In reference to foreign trade in this country, and particularly referring to tariff.

Mr. ZOSA. So under Section 506 found on page 291 of the bill the following are the functions of the tariff commission, and these functions are not even quasi-judicial in character. I will read the pertinent provision: "Section 506. *Functions of the Commission.*—The Commission shall investigate—

(a) the administration of and the fiscal and industrial effects of the Tariff Laws of this country now in force or which may hereafter be enacted;

(b) the relations between the rates of duty on raw materials and the finished or partly finished products;

(c) the effects of *ad valorem* and specific duties and of compound specific and *ad valorem* duties;

(d) all questions relative to the arrangement of schedules and classification of articles in the several schedules of the tariff law;

(e) the tariff relations between the Philippines and foreign countries, commercial treaties, prefer-

ential provisions, economic alliances, the effect of export bounties and preferential transportation rates;

(f) the volume of importations compared with domestic production and consumption;

(g) conditions, causes and effects relating to competition of foreign industries with those of the Philippines, including dumping and cost of production; and

(h) in general, to investigate the operation of customs and tariff laws, including their relation to the national revenues, their effect upon the industries and labor of the country, and to submit reports of its investigations as hereinafter provided."

Those are the functions of the Tariff Commission.

Mr. RAMOS. Unless the gentleman can propose other functions.

Mr. ZOSA. It is not my intention.

Mr. RAMOS. Those are the only functions.

The SPEAKER. The time of the gentleman from Aklan has expired.

Mr. RAMOS. Thank you, Mr. Speaker.

Mr. VELOSO (I.). Mr. Speaker, without prejudice to continuing the discussion of this bill . . .

Mr. ZOSA. Mr. Speaker, I am not yet through with my interpellation.

The SPEAKER. The time of the gentleman from Aklan has already expired.

Mr. VELOSO (I.). Mr. Speaker, I move that we postpone the consideration of this measure without prejudice to the continuation of the interpellations.

Mr. ZOSA. Mr. Speaker, before the motion is entertained, I should like to ask for the extension of the time of the gentleman from Capiz so that I would be able to finish my questions.

Mr. VELOSO (I.). Then, Mr. Speaker, I withdraw my motion.

SUSPENSION OF THE SESSION

The SPEAKER. The session is suspended for two minutes.

RESUMPTION OF THE SESSION

The SPEAKER. The session is resumed.

SUSPENSION OF THE CONSIDERATION OF HOUSE BILL NO. 5513

Mr. VELOSO (I.). Mr. Speaker, without prejudice to the extension of the time of the distinguished gentleman from Capiz in order to afford the opportunity to the distinguished gentleman from Cebu to continue his interpellation, I move that we postpone the consideration of this measure until five o'clock this afternoon.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The motion is approved.

Mr. ZOSA. Mr. Speaker, in that case, I should like to propose that we extend the time of the gentleman from Capiz by thirty minutes this afternoon when we resume the session.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The motion is approved.

Mr. MARCOS. Mr. Speaker, in view of all these, since my guest on the floor, the distinguished gentleman from Cebu, is still busy interpellating, lest I lose the right, I reserve a turn to speak against this Tariff Code, against those provisions which are objectionable, because I am in favor of some provisions.

The SPEAKER. Let it be so registered.

Mr. CASES. Mr. Speaker, I wish to register a turn to speak against this measure.

The SPEAKER. Let it be so registered.

SUSPENSION OF THE SESSION

Mr. VELOSO (I.). Mr. Speaker, I move that the session be suspended until five o'clock this afternoon.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The session is suspended until five o'clock this afternoon.

It was 12:00 noon.

RESUMPTION OF THE SESSION

(At 5:07 p.m., the session was resumed with the Speaker presiding.)

The SPEAKER. The session is resumed.

TARIFF CODE

(Continuation)

The SPEAKER. The continuation of the consideration of House Bill No. 5513 is now in order. The Secretary will read the title of the bill.

The SECRETARY, *reading:*

An Act to revise and codify the Tariff and Customs Laws of the Philippines.

The SPEAKER. Before the session was suspended this noon, the gentleman from Aklan, the sponsor of the bill under consideration, was given an extension of thirty minutes. The gentleman from Aklan may have the floor.

Mr. RAMOS. Mr. Speaker, this humble Member who is sponsoring the bill has no objection to any extension in order to clarify certain matters. As a matter of fact, I should like to put it on record

that my extension has already been one and a half hours over and above the time of one hour allotted by the Rules for any sponsorship.

Mr. ZOSA. Mr. Speaker, it was originally my intention to renounce my turn to interpellate the gentleman from Aklan, but on second thought I have decided to consume about five minutes of the time allotted to him as an extension.

Mr. RAMOS. I am willing to place myself at the disposal of the gentleman from Cebu.

Mr. ZOSA. Gentleman from Aklan, I read this morning that the functions of the Tariff Commission do not have the character of quasi-judicial functions, as read by me. Am I right?

Mr. RAMOS. I said that this morning and I say it again. It is true that the Tariff Commission does not have quasi-judicial functions, but the Tariff Commission may apply to the courts in order to implement and put into force and effect its power to subpoena such persons, firms or corporations as may be necessary in order to furnish the Commission with the data that may be needed for the implementation of its work and function.

Mr. ZOSA. If the functions of the Tariff Commission do not have a quasi-judicial character, even of judicial proceedings, why is it that under Section 510 found on page 294, there is a provision for deposition of witnesses? What is the reason for providing for deposition of witnesses even in nonquasi-judicial bodies?

Mr. RAMOS. That is on the assumption that the public is willing to cooperate and to give such data and information so as to enable the Commission to arrive at conclusions after the information is gathered by the Commission.

Mr. ZOSA. If the Tariff Commission, as constituted in the bill, is not going to exercise a quasi-judicial function, is not a simple sworn statement enough, because the gentleman, being a competent practicing lawyer, knows the purpose and the use of a deposition and the requisites thereof, because he understands that a deposition requires the presence of an adverse party and the examination is to be conducted according to the Rules of Court, if the term "deposition" is to be used in the sense it is understood in the Rules of Court?

Mr. RAMOS. The Committee foresees the necessity in such cases where the manager or the president of a corporation, firm or establishment may not be able to appear in person but may bear testimony of such significance or importance that the Commission will rely on such testimony, in which case a deposition may be necessary with-

out the necessity of attaching to it the penalties ordinarily or customarily imposed by the Rules of Court.

Mr. ZOSA. But the gentleman understands that the Rules of Court provide for requisites for the taking of depositions in order to make the depositions valid.

Mr. RAMOS. That is correct.

Mr. ZOSA. And depositions are used only in judicial, and rarely in quasi-judicial functions, where the rules of confrontation of witnesses are to be followed. Now, is not the gentleman willing to accept an amendment to the effect that a mere sworn statement of the witness is enough and no deposition will be required, because that will contradict the statement of the gentleman from Aklan that this is not even a quasi-judicial body? And what is the purpose of requiring the deposition of witnesses? I should like to add that a deposition is of a higher category than a mere sworn statement. Suppose we substitute a simple sworn statement for a deposition.

Mr. RAMOS. The Committee is willing to accept any amendment that is reasonable, fair and just, and it will not close the door to any such amendment as will appear to be reasonable and just, and for that matter, it will entertain amendments along those lines.

Mr. ZOSA. Thank you. Another question. The gentleman must be familiar, because he is a very diligent Chairman, with the provisions of Section 502 found on page 290, which reads: "*Qualifications.*—No person shall be eligible for appointment as Commissioner and as Assistant Commissioner unless he is a natural-born citizen of the Philippines and who by experience and training is possessed of qualifications requisite for developing expert knowledge of tariff problems." Now, I shall limit myself to that clause, "who by experience and training is possessed of qualifications requisite for developing expert knowledge of tariff problems." Is that clause not too broad and uncertain, because, what is the measure or what should be the measure of determining whether by training and experience he has the requisite knowledge of an expert on tariff problems? Why do we not require instead that he must have finished a certain course on economics or commerce? A person who has been employed for a long time in the Tariff Commission may have acquired knowledge or experience, but he may not measure up to the requisites of a really good and competent Tariff Commissioner. We must have to be more specific in the requisites for the qualifications of a Tariff Commissioner.

Mr. RAMOS. Well, this is merely a guide to the appointing power, in his exercise of discretion, to consider not only academic degrees as the basis of appointment but also the training, background and experience of the person to be appointed to fill the position. It is a fact known to all of us that we have many graduates academically prepared but we have a much smaller number of men whose training and experience are unlimited. Graduates number in terms of hundreds and thousands, but experience is limited to those who have grown from the ranks, and that accounts for the eligibility as well as the fitness and merit of the person who will occupy that position.

Mr. ZOSA. Is the gentleman willing to accept an amendment by inserting before the word "training," that is, between the words "and" and "training," the word "academic" so that the phrase shall read: "by experience and academic training," because if we ever provide for qualifications, we must be certain what qualifications they are?

Mr. RAMOS. I will have no objection if the term "academic" is included as part and parcel of the qualifications so that, in addition to training and experience, academic qualifications shall be included. That will even improve the qualifications proposed in this Code.

Mr. ZOSA. I also notice that Section 501 on page 289 provides for three Commissioners.

Mr. RAMOS. Two Commissioners, although the Committee proposes to make it three.

Mr. ZOSA. Yes, I think what the Committee proposes will be carried out. We are now discussing the Committee Report. We have eliminated the original bill providing for two Commissioners. I am considering this matter on the basis of the recommendation of the Committee. Now, the bill, as recommended by the Committee, provides for three Commissioners. Am I right?

Mr. RAMOS. Correct.

Mr. ZOSA. Will the Commission function as a body like any other commission where the vote of the majority prevails? Or will the assistants merely act as advisers to the Commissioners?

Mr. RAMOS. It will function as a body, in which the decision of two Commissioners will outvote the minority in that body.

Mr. ZOSA. Now, is it not better, that instead of providing for three Commissioners, we provide only for one, and the two should function only as experts or advisers to the Commissioner in order that there will be no conflict of opinion?

Mr. RAMOS. I am willing to submit that to the House for consideration and approval.

Mr. ZOSA. Thank you.

Mr. RAMOS. Mr. Speaker, unless there are further interpellations, I should like to close the sponsorship in behalf of the Committee in order to enable the gentleman of the Opposition to take turns against this measure.

Thank you, Mr. Speaker, ladies and gentlemen of the House.

The SPEAKER. *Turnos en contra.*

Mr. CASES. Mr. Speaker.

The SPEAKER. Gentleman from La Union.

SPEECH OF MR. CASES AGAINST
HOUSE BILL NO. 5513

Mr. CASES. Mr. Speaker, Ladies and Gentlemen of the House: I agree in principle to the need of enacting a tariff law or code. It is important for the protection of our industries. And I believe that without tariff, since our country is struggling for economic survival, that struggle for survival will not materialize. Unfortunately, the Tariff Code that we are trying to propose here does not attain that purpose. As a matter of fact, if we have any program at all of industrialization in this country, this does not answer the need of the industrial program of our country. Why? If we have only the time to go over the pages of this voluminous book, if only this is more systematic so that we can pinpoint the things that we want to pinpoint any time, I will prove to you that this is a bible of economic confusion and economic dislocation of our country. I am unhappy to read this book because as I see it, the more I read about it the more I begin to believe that the Committee that prepared this, the members of whom have always been for nationalism, have always been pounding our people for economic survival, did not embody such beautiful doctrine, such beautiful things that will happen to our country if only we will implement our true ideals of nationalism. Unfortunately, Mr. Speaker, ladies and gentlemen of the House, this book is a bible of economic destruction of our country, if we will approve it as it is.

The first thing that I noticed here, Mr. Speaker, is, while the first few pages here carry the names of the Members of the Cabinet, the Members of the Senate, the House of Representatives, the Ways and Means Committee, the Revision of Laws Committee, I do not find the most important part of any book, and that part is the table of contents, so that you and I will easily know what is inside this book. Why? Is it more important to know the names of the Members of the Cabinet? Is it more important to know the names of the

illustrious, distinguished and brilliant Members of the Committee on Ways and Means? Or, is it more important for you and me to know what is in this book? You know, this is a very short period of time to consider such a voluminous report. How many pages do we have here? Almost 500 or 495 pages. And with most of the terms here so technical, the layman may not know what we are talking about. I believe the time that is afforded to us is very little. We need more time to study it; we need more time to know the terms that are used here. Most of the words here are Greek to me and they have confused me. How can I vote intelligently on such a very important piece of legislation? Besides being confused, we have no time to know the technical terms. We do not have the time to read it very intelligently because it is so big and so thick that it is discouraging to read it, because every time you go from page to page you will find that our country is burning, you can see that our country is sinking into the quagmire of economic dislocation. I could not read it for ten minutes without being stopped by crushing thoughts as these. Have my friends from the Committee on Ways and Means finally given up our country on the altar of sacrifice to the vested interests, or have they taken the pains to think of the things that we are building in this country, that is, the development of our country's economy especially in the industrial field? Those are the things that are flooding my heart, and I could not read this book continuously for ten minutes without stopping and thinking more deeply along those lines.

Mr. ZOSA. Mr. Speaker, will the gentleman from La Union yield to a few questions?

The SPEAKER. The gentleman may yield, if he so desires.

Mr. CASES. With deep pleasure.

Mr. ZOSA. The charge made by the gentleman from La Union is rather serious, directed as it is to the Committee on Ways and Means, because he insinuated that in the drafting of this bill and in the deliberations of the Committee leading to the final report recommending its approval by the House, the Committee has given away our country to the vested interest. Now, may I know to what particular provision the gentleman from La Union, who is the champion of the tobacco industry, is referring? May I know what is that particular provision?

Mr. CASES. I will not be particular; I refer the gentleman to the whole book, if he wants to know.

Mr. ZOSA. That is the answer of one who has not gone over the book itself. May I know what particular provision or provisions in this bill he can cite which justify his assertion that the Committee has given away the country to the vested interests? I am asking this question because I am predisposed to vote in favor of this measure, but if the gentleman from La Union can point out any such provision, I will change my mind with respect to this bill. Because I want that any charge made here should be serious and should be substantiated. I want the citation of the particular provision or provisions.

Mr. CASES. Will the gentleman state under oath that if I can point to him one provision that is onerous, that will lead to the point I am driving at, he will vote against this bill?

Mr. ZOSA. Mr. Speaker, I am making the promise under my oath as Congressman which is more solemn than the oath of a mere witness before our courts.

Mr. CASES. That is very good, Mr. Speaker. My style of talking is that I proceed from the general to the specific, and I am going to the more specific, because, although it is not the time, nevertheless, I want to accommodate the gentleman from Cebu to get one vote against this bill. For example, we have the coffee industry. Under the provision of this bill the coffee industry will die. Why? Because the coffee that we will have to import into our country will be subject to such a very low rate of tariff that your coffee industry in Cebu, the coffee industry in Batangas, and the coffee industry in my province will certainly die, because 10 per cent *ad valorem* duty is no protection at all. That is mutilation of our industry.

Mr. ZOSA. How much is the present impost on coffee?

Mr. CASES. That I do not know, but the 10 per cent *ad valorem* is not in keeping with the duty of protecting our industry.

Mr. ZOSA. What is the present rate of tariff on coffee?

Mr. CASES. We should not even import coffee because we have enough coffee. We should not even import oranges because we have enough oranges. But here, American fruits are charged only 25 per cent *ad valorem*; that means 25 per cent of the value that appears in the bill of specifications. What is 25 per cent? No wonder, even our mangoes can not compete with American fruits in Quiapo, such as apples grapes and oranges. Is that not an unhappy state of affairs in our country? If the

gentleman is not yet convinced, I will tell him that he does not want to be convinced.

Mr. ZOSA. Let us not jump to conclusions; let us proceed step by step. The gentleman states that we have enough coffee in the Philippines. What is our production of coffee annually in the Philippines? For example, how much did we produce in 1953, how much in 1954, how much in 1955, and what is the expected production for 1956, taking into account what has already been produced?

Mr. CASES. I am going to answer that. If the gentleman knows his economic history . . .

Mr. ZOSA. Never mind economic history. History is too long to debate on. Let us go to figures; brass tacks is what we want.

Mr. CASES. The gentleman knows that when we lose our patience there will always be trouble. It would not be surprising to see the world engulfed in a war as a result of the loss of patience. Now, I am asking the gentleman to have patience for one or two minutes.

Does not the gentleman know that before the Americans came, one of our major export industries was the coffee industry, that we have been exporting coffee to all parts of the world, but when the Americans came here and they fed us with their beautiful coffee, what happened? Our coffee industry was relegated to the background. What happens to the Cafe Puro? The gentleman from Cebu may not want to drink Cafe Puro for fear that he may have a stomach poisoning.

Mr. ZOSA. Please do not make reference to your humble colleague from Cebu. Let us speak on the basis of figures. The gentleman says that we have enough coffee to supply the needs of our people.

Mr. CASES. That is not important.

Mr. ZOSA. In order that we will believe the gentleman please give us the figures. What is our annual consumption and production of coffee? If the gentleman can give these two figures and they can tally to give a surplus, that means the gentleman is correct. Let us not proceed by platitudes which are and figures. Here we have to deal with facts we will be convinced. Give us those facts and figures and sumption in 1953 as well as our production. Also in 1954, 1955 and 1956. Let us base our arguments on solid facts and figures. It is easy to deliver speeches against the Administration, that the Administration has sold the people down the river. There are many rivers, but the Administration has not found any of these rivers yet.

Mr. CASES. I am not even talking about the Administration. I am only talking about the Ways and Means Committee here. Now, if the gentleman from Cebu believes that I am not talking to a Plaza Miranda group I will tell him that the gentlemen in Plaza Miranda are just as intelligent as we are here, and they deserve more respect than what the gentleman thinks they deserve. Does the gentleman mean to tell me that we are superior to those in Plaza Miranda?

The SPEAKER. The gentlemen will please speak one at a time.

Mr. ZOSA. Mr. Speaker, I am asking the gentleman to speak on the basis of figures because the people to whom we speak at Plaza Miranda will not speak on figures because they have no right to interpellate.

Mr. CASES. If the gentleman will give me time I will answer him.

Mr. ZOSA. The people there have no choice but to listen. Here, a Member has no choice but to answer our questions when he gives way to interpellations.

Mr. CASES. I will answer the question of the gentleman. I know our production of coffee is not enough today for home consumption. But we can grow coffee, we can revive our coffee industry. How does the gentleman expect to develop our coffee industry by putting a provision here allowing coffee to come here almost free? That is *tontolization*; that is hypocrisy. How can you revive the coffee industry, at the same time allow foreign coffee to compete with that industry? That is the economic theory of *tontolized* gentlemen.

Mr. ZOSA. I will ask the gentleman from La Union this question. How long will it take to plant coffee, have it grow and produce seeds? How many years? Let us see if the gentleman knows our industry, our plants.

Mr. CASES. In three years' time the gentleman from Cebu will not need to buy Sanka coffee or Hills Bros. coffee, if he wants to use the Cafe Puro. If not, even if you flood the country with Cafe Puro, he will always ask for Sanka or Hills Bros. coffee which is not in line with the doctrine of nationalism. I am surprised to hear the gentleman say that the coffee industry is not entitled to protection.

Mr. ZOSA. I will tell the gentleman from La Union that like him his humble colleague is a *poorarian*, using the gentleman's own term. We both grew up in the farm, but maybe the gentleman is not acquainted with coffee because he grows tobacco. Now, how long does it take to plant coffee, let it grow, let it bear fruit; then harvest it, grind it and drink it?

Mr. CASES. You know, Mr. Speaker and gentlemen of the House, I will tell you. Four years ago

when we were fighting for the tobacco industry we were even called "tobacco". Manuel "Tobacco" Cases, because my middle name is "T". They say we are impairing the revenue of the government. But what is now the tobacco industry that we have developed in four years? It is giving the Government ₱130,000,000 a year.

Mr. ZOSA. Mr. Speaker, as the gentleman, I think, is not familiar with coffee plantation, how long can coffee produce a return. I give up. Now, what other provisions can the gentleman cite which will justify his assertion? I was not convinced by his first example. So I am now asking for another example.

Mr. CASES. The rubber. The Philippines is famous for its own rubber so much so that the rubber interests in America at one time or another during the time of the colonial period wanted to separate Mindanao from the Philippines because they wanted to develop Mindanao as the kingdom of rubber. But we have failed to develop rubber.

Mr. ZOSA. Why?

Mr. CASES. Because of our lack of economic nationalism which is being reflected again in this Code imposing only 25 per cent *ad valorem*. What is 25 per cent *ad valorem* based on the invoices?

Mr. ZOSA. How much would the gentleman impose?

Mr. CASES. If we are going to develop the rubber industry, especially now that Marcelo has already put up his plant for the production of rubber tires, we should charge at least 100 per cent or 200 per cent *ad valorem*. But here it is only 25 per cent.

Mr. ZOSA. Do we have enough rubber trees from which to get the raw materials for the production of rubber?

Mr. CASES. If there is a good price we will have plenty of rubber juices.

Mr. ZOSA. I am asking whether we have enough rubber trees ready to produce the needed raw material. I do not want the gentleman to answer that we will have to plant because I will ask this question, how long will it take to plant rubber trees before they can produce rubber during which time our people will have to wait?

Mr. CASES. If the gentleman will have patience to walk along Dewey Boulevard he will see there are several rubber trees as old as myself. There are rubber trees all over the country. There are millions of them in Mindanao waiting to be tapped.

Mr. ZOSA. Has the gentleman visited those places?

Mr. CASES. Yes. I have been to Kidapawan. I have visited the Mindanao Institute of Technology whose revenue comes chiefly from rubber trees.

Now, because of the provisions of this Tariff Code which we may pass tonight we may not develop at all any rubber industry. R.I.P. will be written on the grave of the rubber industry so that we will only be getting from abroad the things we need and nothing from our country in the form of labor. If we want to provide our people with employment, we must industrialize, and in order to industrialize we must protect our industry, we must improve our agriculture, and in order to improve our agriculture, we must protect that industry. But if the gentleman does not want to do it, we are only talking nonsense here.

Mr. ZOSA. Does the gentleman believe that once this is approved and enacted into law, it will be beyond the power of Congress to amend it? When the time comes that we shall have enough rubber trees from which rubber can be extracted, we can amend this to provide higher tariff rates so as to protect the rubber industry. But meanwhile when we need rubber—even Marcelo has been complaining, the rubber tire producers have been complaining that they do not have enough raw materials—so what shall we do? Are we not going to provide a lower rate until we will be self-supporting and self-sufficient in the supply of raw rubber?

Mr. CASES. If we will not begin to show that we are interested in protecting our infant industry, nobody will start it. And what the gentleman believes, that this can be amended sometime in the future when we shall have enough rubber, I want to say that we shall never come to the time when we shall have enough rubber, because we have never shown a definite policy of protecting our infant industry. Even if we decide to amend this in the future, can the gentleman assure us that it can be amended if the vested interests will show their ugly heads and tentacles? Does not the gentleman think that we shall be powerless?

Mr. ZOSA. Mr. Speaker, the Chairman of the Committee on Ways and Means wants to interpellate the gentleman from La Union. I yield the floor to him.

The SPEAKER. The gentleman from La Union may yield, if he so desires.

Mr. CASES. Willingly.

Mr. RAMOS. I should like merely to be a guest of the gentleman from Cebu in interpellating the gentleman from La Union.

Is the gentleman aware of the fact that four rubber companies have applied for license to operate a rubber plant industry in the Philippines, namely Goodrich, U.S. Rubber, International, and another company?

Mr. CASES. That is the trouble. We cannot stand on our feet.

Mr. RAMOS. My question is, is the gentleman aware of that fact?

Mr. CASES. Yes, I am aware of that, and I am afraid of that.

Mr. RAMOS. Now, is the gentleman aware of the total requirement of the Philippines on rubber tires alone?

Mr. CASES. I am aware of that.

Mr. RAMOS. How much is the requirement of the Philippines?

Mr. CASES. I know it is tremendous, but will the gentleman from Aklan, the distinguished Chairman of the Committee on Ways and Means, supply us that information so that it will be more authentic and more authoritative?

Mr. RAMOS. I shall be glad to supply the information. Three hundred to 3,000 units plus a year; and in the production of rubber tires, the Philippines can only supply 25 to 30 per cent of the raw materials. Necessarily 65 to 70 per cent will have to be imported. Suppose this Committee imposes a higher rate of duty on rubber raw materials, where will these four companies, which are trying to establish plants in this country, which will absorb 40,000 to 50,000 laborers and thereby reduce the number of unemployed Filipinos, get their raw materials?

Mr. CASES. Does the gentleman think that if those four companies believe that they will have no protection they will be willing to come here?

Mr. RAMOS. As a matter of fact, before the license was granted to them to establish rubber industry, it was made a condition that they will also maintain rubber plantations. It takes 7 years to grow rubber before they can produce, and in the meanwhile we have to tackle our labor and employment problem in this country. If at the same time we take care of the increased labor force in this country we also produce in this country not only cheaper rubber tires but also reduce the dollar allocation and thereby save our difficult international dollar in balance payments, then the report of this Committee, as far as tariff is concerned, is justified.

Mr. CASES. I do not see the justification because if the gentlemen of the rubber industry from countries abroad are willing to come in with very little protection, I think there will be greater inducement for them to come if they are protected. But as it is now they are not protected. But why do we have to keep on talking about foreign companies coming here? Are we not aware that when they are fully developed, they are going to exploit our country like

leeches sucking the blood of animals? They will suck the lifeblood of our country. I should like to see our own countrymen go into that industry so that our profits, if there are any, will not go abroad; and if our money will be kept here the anemic situation in our economy will become a thing of the past. If in the future the profits of those companies will be sent abroad, economy will no longer be as sound as we want it to be because it will gradually be drained by the outflow of dollars in the form of profits.

Mr. RAMOS. Now, speaking of that outflow of dollars, I believe the gentleman is aware of the fact that the value of the importation of rubber tires amounts to \$24,876,000 a year.

Mr. CASES. What is the relevancy of that?

Mr. RAMOS. Which means that if we produce the tires here, by encouraging production of tires, we save \$24,876,000, which dollars can be used for the importation of other essential and capital goods and machinery, including machinery for production of more cigars.

Mr. CASES. That is a disguised disadvantage. It looks beautiful, but in the long run it means nothing to us.

Mr. RAMOS. I was told that the "figure" is always beautiful, especially factual figure, unless the gentleman has a better figure to present.

Mr. CASES. I am not talking about figures. I am talking about economic policy which in the long run may shift our country into something stable or something that is not stable. That is my point. I am not concerned only with immediate advantages. Immediate advantages may not at all be good for our economy.

Mr. RAMOS. The gentleman considers employment as part of the economy of this country as of any other country.

Mr. CASES. That is true.

Mr. RAMOS. When we consider how much these industries will absorb employment and thereby solve our employment problem, cannot the gentleman see the reason and the philosophy behind the imposition of such tariff duty?

Mr. CASES. I doubt it, because if we do not protect our native industry, how can we have labor?

Mr. RAMOS. Will the gentleman inform this House of the percentage of production of rubber materials compared to the importation, in order to determine the requirement of the new and necessary industries in this country?

Mr. CASES. Why does not the gentleman give that information to the House?

Mr. RAMOS. I said at most 35 per cent. Therefore we need 65 per cent importation in order to satisfy the new and necessary industries, not only to absorb labor but also to earn the dollars that are used on what will be exported in excess of the normal requirements of this country for other products.

Mr. CASES. The moment that 65 per cent is absorbed by our people, it means additional outflow of dollars in the form of luxury expenses.

Mr. RAMOS. On the contrary . . .

Mr. CASES. Like those who own limousines, cars and trucks. We have fleets of transportation. We must admit that perhaps the whole country will suffer because it will drain our dollars. There is an unnecessary number of vehicles in our country.

Mr. RAMOS. That was precisely the point I was driving at, that in the next two or three years we will prevent our dollars from flowing abroad.

Mr. CASES. But it takes seven years to grow rubber, and during that period of 7 years there will be a continuous outflow of dollars.

Mr. RAMOS. But at the end of 7 years when our plantations of rubber will have produced all the necessary raw materials that will feed the industry dedicated to the production of rubber and rubber products, then we shall not import these raw materials; on the contrary, we will export complete units of rubber and rubber products that will not only save dollars, but also earn dollars for this country.

Mr. CASES. To import for seven years, continue importing for seven years! What can the gentleman see at the end of the seven years? We shall begin to export, as the gentleman said, by that time, I do not know whether the gentleman is still alive. Perhaps, we are all dead. But by that time, we have allowed the establishment in our country of gigantic organizations from abroad sucking the lifeblood of our people, exporting the capital of the Philippines and sending their profits abroad! Does the gentleman call that a rosy picture of the future? To me, that is very dark. It is a sign on the wall that, perhaps, in the future we shall be economic slaves of foreigners, and I do not like that to happen. But if the gentleman from Aklan would like to be an economic slave, that is his privilege. But I refuse to be an economic slave. I believe in the economic life of our people. I want to prevent that economic collapse now. Now, that there is time. I do not want to face it in the future.

Mr. RAMOS. I agree with the gentleman. My next question—I was willing to sit down—but the gentleman has mentioned something in the sense that dollars will only inure to the benefit of foreigners.

The gentleman is familiar with the terms under which license is granted to the rubber manufacturers of this country.

Mr. CASES. I would not care even to know that. That is immaterial.

Mr. RAMOS. It happens that under the licenses extended to these rubber manufacturers, it is made specific that no remittance of dollars abroad shall be made until and after they have produced enough dollars to pay in advance the dollars used for the importation of machinery that shall be used in manufacture of rubber tires made locally in the Philippines.

Mr. CASES. The gentleman knows that contract made today may be observed tomorrow. But seven years from now, certainly you cannot tell me whether that contract will still be binding between our Government and those manufacturers. There are many ways of making those people change their minds. The language of the dollar, that mighty dollar, will change anybody's mind. The dollar diplomacy abroad has been very strong. To tell me that we have a contract today, that is enforceable, until seven years from now, is like barking at the moon. That is telling us nothing; that is wistful thinking. The gentleman knows when vested interests work. They will not stop until the goal is attained. Look at the tobacco. How many millions of pesos have they spent just to destroy our own economy, the tobacco economy. Yes, there is a law prohibiting the importation of tobacco, yet they are bringing in tobacco even without licenses. Now, the gentleman is telling me that seven years from now they will comply with that contract. Mr. Speaker, I have known enough; I have learned enough. I do not take the word of anybody seven years from now. I am interested in what we are going to do today. I can be sure of what we are doing today, but tomorrow it is different—*mucha defelencia*.

Now, Mr. Speaker, let us not revive that rotten colonial mentality. Let us follow the nationalism of Mabini . . . (*deleted in compliance with a motion duly approved.*) We must play the Mabini way. And what is the Mabini way? The Mabini way calls for positive nationalism. It calls for the protection of everything that we have. And if the gentleman from Aklan does not believe in the Mabini way of thinking along economic lines, I am sorry to say that he does not belong to the group of men whom Mabini represented.

Mr. ZOSA. Mr. Speaker, I move that the gentleman's reference to a member of the press and a replica of Congressman Alonzo be stricken from the Record. Either way it may reflect on any one of them.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The motion is approved.

Mr. CASES. So, Mr. Speaker, I will say that if I have to go over this book from page to page and from one item to another, I cannot escape the conclusion that this proposed Tariff Code is nothing, but something that is in keeping with that rotten colonial mentality. It is not in keeping with the idea of Mabini's nationalism, because it does not protect the things that we want to protect in order to bring to our country a better way of life for our people. I believe also that this is not even the Rizal way. For the last two or three weeks we have been debating here in order to indoctrinate our boys and girls the Rizal way, but which is now the Tolentino way. I am very grateful to the gentleman from Manila, our distinguished Majority Floor Leader, for bringing in here the Rizal bill to remind us that our country is not doing well, because we are not conscious of our duty as Filipinos in protecting every-way I look at it calls for a better bill than this, one that will tell us that coffee, tobacco, rubber, onions, here, Mr. Speaker, I do not find the true spirit of Rizal. The Rizal who is telling us that this country, in order to be saved from economic disaster, the people must be more conscious of their functions and duties as a people to protect whatever they have. What is the use of being in a free country when we are tied to the economic apron strings of another foreign country? We better call back the Americans and say: "Well, friend Americans, we cannot get along without you after all. Brother Americans, you come back; you be our brothers who will guide us in our economic way. Feed us with your food. Give us your clothing. Give us your vehicles, so that we will live more happily." Is that the Rizal way? No, sir. The Rizal way says: "As long as you have something, make that thing strong; develop that and make it prosper and make it grow, and make it fruitful." That is the Rizal way as interpreted by our distinguished Floor Leader, Congressman Tolentino, the gentleman from Manila.

Mr. ZOSA. Mr. Speaker, will the gentleman yield? The SPEAKER. The gentleman may yield, if he so desires.

Mr. CASES. Willingly.

Mr. ZOSA. In what novel of Rizal is that passage found?

Mr. CASES. Well, Mr. Speaker, that is the spirit of Rizal's works. The gentleman cannot find that in any line, but behind the lines he can find the spirit

of loving what we have, loving everything Filipino, loving what our country has. Do not try to despise what we have because our country is poor. The poorer our country is, the more it should become sweeter to live in, and it should not be despised. The gentleman's job and my job is to see to it that our country is saved from economic disaster, and in order to save this country of ours from economic disaster, the people that we love, the people of this country, should be saved. So this bill should not be approved; otherwise, it would be written in the history of our people that in the past there was such a Committee on Ways and Means that welcomed everything foreign in order to destroy everything native and I do not want that said in the future.

Now I am really beginning to doubt whether our economic experts in this House have anything that will really give our people something new. I am beginning to doubt whether the economic experts of this House, from the gentleman from Aklan down to the Members of the different Committees that drafted this bill, have a plan to save our country from economic disaster. I doubt it. The bill, if approved, I am sure, whether it is constitutional or unconstitutional to me is immaterial, will lead to the destruction of our young and infant struggling industries.

Take the tanning industry—twenty-five per cent *ad valorem* on hides coming from America to this country. Twenty-five per cent of twenty-five per cent is how much? I mean that the Laurel-Langley Agreement is the governing law in our relations with America. Twenty-five per cent is what we will be suffering. Twenty-five per cent is what we will impose here in this bill. So, twenty-five per cent of twenty-five per cent is how much? Is it six per cent? Six per cent is mighty low. Very low, indeed. Now, what will happen to that beautiful town of Meycawayan, Bulacan, the beauty of which you can see even with your eyes closed? I would say this. Those people in Meycawayan will have to die of hunger because we have written in this proposed code that we will charge American leather coming here six per cent *ad valorem*. Now, what will happen to the people who are cutting *camachile*? Does the gentleman know what *camachile* is?

Mr. ZOSA. Mr. Speaker, will the gentleman yield to a few questions?

The SPEAKER. The gentleman may yield, if he so desires.

Mr. CASES. Gladly.

Mr. ZOSA. When was the tanning industry in Meycawayan established?

Mr. CASES. Well, it was established many many years ago.

Mr. ZOSA. It was established after 1909.

Mr. CASES. Yes.

Mr. ZOSA. Is the gentleman aware of the provision of the Tariff Act of 1909 which exempted importations from the United States from tariff duties?

Mr. CASES. What is the question?

Mr. ZOSA. Is the gentleman aware of the fact that under a provision of the Tariff Act of 1909 importations from America were free from tariff duties?

Mr. CASES. Yes.

Mr. ZOSA. And yet that tanning industry in Meycawayan was established and it flourished without any tariff protection.

Mr. CASES. Now, Mr. Speaker . . .

Mr. ZOSA. Please answer the question.

Mr. CASES. I will answer it. That is true. But do not forget that that industry did not prosper because of that law. Besides, we were not importing so much hides at that time because most of the shoes that we were wearing then were American shoes. Now we are manufacturing shoes in this country. At the time the Americans came here, the industry in Meycawayan was in existence and it was supplying *bakya*. Now, it is supplying shoes and slippers. We have Mr. Castañeda here who can give you a pair of shoes to prove how good it is. Now we are manufacturing shoes, and it is time to strengthen the tariff provisions by increasing the rate, not a rate of six per cent *ad valorem*.

Mr. ZOSA. What was the yearly importation of hides and leather from the following countries: Japan, the United States, Hongkong and Syria?

Mr. CASES. Suppose the gentleman reads his book there. It is there.

Mr. ZOSA. I am not reading my book. I am asking the gentleman questions. I am the questioner.

Mr. CASES. The answer is in the gentleman's book. Will the gentleman please read it?

Mr. ZOSA. Very well, what was the local production of hides and leather?

Mr. CASES. I believe it is the gentleman's borrowed book also.

(Continuing.) So, Mr. Speaker, our country in the future should be the workshop of Asia, and in order to make that a reality, we must introduce here new industries. I heard before of the workshops, such as the wood process and the coal process, but with this provision, Mr. Speaker, nobody will be interested to introduce here or to finance here the so-called wood process or the so-called coal process. Why? Because here we are importing many things that are free, the so-called by-products of our wood

process and our coal process, and our minerals. Even fertilizers are free. Why should fertilizers come into this country free of duty? We have the Maria Cristina which is intended to produce all the fertilizers that we need, and if that is not enough, we should establish additional units, and that means labor for our people. It means cheaper materials for our farmers, but if we are going to buy them from abroad, our industries in fertilizer-making will die and we will only be satisfied with the so-called buy-and-sell in our fertilizers. I am sorry, Mr. Speaker, I have no time to go over the whole book because it will consume the whole night to be telling the Members of the House, item by item, where the tariff should be higher, because I believe they are necessary to protect our industries, both agricultural and industrial. So I will make this conclusion; first, I am against this not because I do not like the bill; I like the bill if it will be amended in such a way that it will meet the objective of any sound economic policy. Our economic policy is to protect our native industries. Secondly, I do not like the bill because it seems to me that vested interests have dipped their fingers into the pot. Imagine 10 per cent *ad valorem* duty on coffee, 10 per cent *ad valorem* duty on cocoa. What is wrong with our cacao here? Twenty-five per cent *ad valorem* on our leather, 25 per cent *ad valorem* on many other things. And even if it is 100 per cent, that is not even sufficient. Because if you extract 25 per cent of 10 per cent, that is only 2 per cent; if you extract 25 per cent of 25 per cent, that is only 6 per cent. This is very low. It is bordering between economic genius and economic *tontolization*. I do not know which is which, but it is hard to tell a genius from a crazy individual. That is the research of our psychologists. To tell me that 25 per cent will protect our native industry, will not convince me, but to tell me that 10 per cent is enough to protect our industry—and 25 per cent of 10 per cent is 2 per cent—two per cent, anyway you look at it—I say it is no protection to our native industries. I believe that we are not manifesting the true concept of a true and genuine economic program of protecting our industries. So, Mr. Speaker, this should not be taken up this time, it should be studied further so that we can introduce better amendments that will improve it to the advantage of our people.

Mr. RAMOS. Mr. Speaker, while I am inclined to sit down and let pass that point on coffee which the gentleman claims is levied 25 per cent tariff duty, of which one-fourth is applicable as he stated, I should like merely to put this correction for purposes of straightening the records. The importation

of coffee from the United States is subject to full duty, not merely to 25 per cent, because the ingredients and the raw materials used in the manufacture of coffee imported into the Philippines from the United States come from foreign countries and are therefore subject to full duty, not merely to 25 per cent. On the other hand, this represents an increase of 2.5 per cent over the Tariff Act of 1909. I merely limit my correction to that point for purposes of straightening the records. Thank you, Mr. Speaker.

Mr. CASES. There is a difference between coffee and coffee beans, and I do not think we should overlook the difference.

Mr. RAMOS. The tariff duty applies to both.

Mr. CASES. On what page is that?

Mr. MARCOS. Parliamentary inquiry, Mr. Speaker. With the permission of my colleague from La Union, may I know how much time is left to the Opposition?

The SPEAKER. The gentleman from La Union has seven minutes more.

Mr. MARCOS. Thank you, Mr. Speaker.

Mr. CASES. Here, on page 14, we find: coffee, unroasted, 7 per cent *ad valorem*; other coffee, 10 per cent *ad valorem*. Now, if the gentleman from Aklan tells me this is a clerical error, I will accept a correction. But if it is not, 7 per cent is too low; 10 per cent *ad valorem* is too low. Even tea. Sometimes, Mr. Speaker, I am beginning to think that we are protecting in this Tariff Code something that is not to be protected, but the things that ought to be protected are not being protected. Look. Even

Mr. RAMOS. Coffee alone.

Mr. CASES. I am after tea now. We are trying to protect something that we do not need to protect. Do we produce tea in our country? There is none. Why is it that tea is subject to *ad valorem* duty of 60 per cent, while the coffee that we produce is subject to 10 per cent? So I am tempted to conclude that we are putting the wrong pole into the wrong hole. We are trying to protect something that is not to be protected, and we are not protecting what is to be protected. So, Mr. Speaker, this study is not correct, it is not done very well. I am not surprised why it is not done very well because, perhaps, I think, Mr. Speaker—I change my mind, Mr. Speaker; I do not want to tell the reason. But I will tell you that to protect something that does not exist in our country is the result of something that I cannot understand. So I believe that even the advisers of this Committee are not doing well for giving the wrong information. Imagine, since when did we produce tea in our country? Since when did we drink maté? Maté is produced in Argentina; we do

not produce it here, but here you subject it to a very high tariff. So, Mr. Speaker, something is wrong in Russia. I believe it is time that we opened our eyes wider so that we could put the proper things in their proper places; otherwise, we would be hurting the economy of our country by pure negligence of the things that should not be neglected.

Mr. ZOSA. Mr. Speaker, will the gentleman yield?

The SPEAKER. The gentleman may yield, if he so desires.

Mr. CASES. Yes.

Mr. ZOSA. Does not the gentleman believe that a higher rate of tariff is placed on tea because it is not a commodity of the Philippines and is used only by the Chinese and the English? So, whether we have to import it or not is immaterial, because we do not need it, we do not drink it.

Mr. CASES. No, the gentleman is mistaken. The purpose of tariff is to protect what we have. If we do not have tea in the Philippines, why put tea here? What is the philosophy of a tariff? Fundamentally to protect. There is no other purpose.

Mr. ZOSA. Does not the gentleman know that the consumption of tea is only worth ₱460 thousand, used mainly by the Chinese and the English? The Filipinos do not use it except very few when they visit the Chinese stores or Chinese residents.

Mr. CASES. Does not the gentleman know that if he has a stomach ache the first thing he asks for is tea?

Mr. ZOSA. No, we can drink hot water or get a hot water bag or take alka seltzer or paregoric or carminative. Now, compared to tea, what is the consumption of coffee by our people?

Mr. CASES. I think the gentleman from Cebu was given the figures by the gentleman from Aklan. Will he read them to us?

Mr. ZOSA. I will read: "The importation of tea yearly is only ₱460,000 and mostly to the Chinese and, secondarily, for the consumption of the English, but for the coffee consumption of everybody in the Philippines, including the gentleman from La Union, it is ₱7,000,000."

Mr. CASES. I think the gentleman from Cebu is arguing against himself. Why? Because if the importation of tea is not very much he does not need to protect it.

Mr. ZOSA. This is not a protection; this is revenue raising. It is a luxury, and so we must have to impose a high tariff rate.

Mr. CASES. According to the gentleman from Ilocos Sur, the distinguished Dr. Gacula, the safest

medicine for stomach ache is tea, while the gentleman from Cebu says it is a luxury.

Mr. ZOSA. Is that a tribute to the doctor or an insult to his knowledge of medicine?

Mr. CASES. He told me it is a tribute to the knowledge of Dr. Gacula.

Mr. ZOSA. Is that found in medical books?

Mr. CASES. Between the words of Dr. Gacula and the gentleman from Cebu I take the word of Dr. Gacula.

Mr. ZOSA. I did not give any opinion. I am asking only what is the authority for that assertion that tea is good for stomach ache.

Mr. CASES. Dr. Gacula is my authority.

Mr. ZOSA. Thank you. I cannot find any better one.

Mr. CASES. So, Mr. Speaker, please rectify this piece of legislation. Put the protection where it is needed, not where it is not needed. Please make it protective in order to attain the fundamental objective of protecting our native industries.

And next time that a book is prepared please do not put your names in the first page in bold letters. It should be the table of contents first, at least, so that we shall be guided. As it is now, it is the President—who does not know the President? Then the Vice-President—who does not know the Vice-President? The Members of the Cabinet—they have no business being here. The members of the committee—we all know you and you do not need to tell us who you are. But the table of contents must be there. Moreover, you must also define the terms you are using. If it is glycerine, give the definition of glycerine so that we can read your work intelligently. This word "offal" should be defined somewhere in the book. And on the back pages of the book there should be an index so that we can find immediately what we are looking for. Also, include in your book a bibliography which should contain the materials you used in your research, so that we can study with you, so that we will not deteriorate in this House, and as we go on everyday we can learn from your work.

Mr. RAMOS. Mr. Speaker, to accommodate the gentleman from La Union, I should like to give him the definition of "offal." It is part of a butchered animal removed in dressing, especially the inedible parts, as the digestive tracts, blood, lungs and feet, and in cattle and sheep also the head, used as raw materials mostly used as fertilizers, for further manufacture, usually into inedible products. The by-products screenings, bran, and shorts of wheat.

Mr. CASES. Mr. Speaker, that shows how technical this book is. One word "offal" took the gentleman

from Aklan one minute to define. With these observations, Mr. Speaker, I thank you.

SUSPENSION OF THE SESSION

The SPEAKER. The session is suspended for five minutes.

RESUMPTION OF THE SESSION

(The session was resumed with the Speaker Pro Tempore presiding.)

The SPEAKER PRO TEMPORE. The session is resumed.

Mr. MARCOS. Mr. Speaker, I move that the Opposition to the measure be given another extension of one hour.

The SPEAKER PRO TEMPORE. Is there any objection? *(After a pause.)* The Chair does not hear any. The motion is approved.

Mr. RAMOS. Mr. Speaker, may we know from the proponent of the motion whether he really intends to speak for one hour?

Mr. MARCOS. I do not intend to speak for one hour, Mr. Speaker.

Mr. RAMOS. Thank you, Mr. Speaker and gentleman from Ilocos Norte.

The SPEAKER PRO TEMPORE. The gentleman may proceed.

SPEECH OF MR. MARCOS AGAINST THE MEASURE

Mr. MARCOS. Mr. Speaker, distinguished Members of the House: The Chairman of the Committee on Ways and Means and the Special Committee on the Tariff and Customs Code has stated here that I was one of those who presented a bill for the codification of all tax laws including the Tariff Code and the Customs Code. As such, therefore, I am in favor of the principle which is embodied in the present Tariff Code and Customs Code presented in the form of a bill now under discussion. But insofar, Mr. Speaker, as this bill violates the Constitution and violates accepted precepts, I am opposed to this bill. Insofar as it confuses and confounds the confusion now existing in our economic policies, I am opposed to this bill. Insofar as it constitutes a monument to the confession of incompetence, insofar as it admits vacillation in the establishment of policies, I am against the measure, Mr. Speaker. I am in favor of those parts which protect local industries. I am in favor of those parts which as much as possible lessen the imposition on the common people. But I oppose the bill, I reiterate, Mr. Speaker, because of the following grounds:

The bill is of doubtful constitutionality. Under subsection 1, Section 21 of Article VI of the Constitution, no bill may be enacted into law unless it

embraces only one subject which must be stated in the title. But this bill embraces not only one subject, not only two subjects; in fact, it embraces many subjects, Mr. Speaker, and all of them are not stated in the title of the bill. Even if we assume that it embraces only two subjects, it would still fall under the prohibition against the inclusion of more than one subject in the title of the bill. It is both a Tariff Code as well as a Customs Code. Since it is both a Tariff Code and a Customs Code, as admitted by the sponsor of the measure, it must of necessity, Mr. Speaker, amend not only the Tariff Act of 1909, not only the special law pertaining to the administration of Customs but also the Administrative Code which organizes the Bureau of Customs and determines the administration of customs laws. One special law that is to be amended is the Anti-Dumping Act, Republic Act No. 32. This bill amends the Administrative Code and the Tariff Act of 1909. So what does this mean? The important conclusion from all these premises is that this bill embraces more than one subject and therefore must be unconstitutional.

Again, I charge that this bill, as it now is written, and until amended in accordance with the proposal I have submitted, is a permanent abdication of the legislative power and as such this bill must fall under the definite prohibition against the invasion of the Legislature by the Executive. It is a voluntary abandonment of a constitutional right and duty imposed upon the Representatives of the people to delegate to the President that power to determine the rates of tariff in this country. Under the flexible clause in this bill, the President is empowered to increase by more than 5 times and decrease by 90 per cent. What is the basis for this, we do not know. Why 90 per cent was decided upon, we cannot see. Why 5 times was submitted, there is no reason for it. It is an arbitrary reexamination by the special committee. I submit that under Section 22 of Article VI of the Constitution, there must be a reasonable standard established by which there can be a delegation of legislative power, and that standard must be stated clearly, explicitly, in the bill in order that this bill may not violate the Constitution. It must include a statement to the effect that the purpose for this power is to bring the price level of imported articles to a point similar to the level of local articles, similar local articles. Only by this provision will we save this bill from the charge of unconstitutionality. I present this proposal as a constructive approach to end criticism of the present bill. I do hope that the distinguished Chairman and the other members of the special committee on tariff and customs will accept

this amendment. I do hope that they will realize that it is not alone their humble colleague who believes the possibility of unconstitutionality arising from this doubtful provision of the bill but that there is now pending in the courts of the land an action to nullify the collection of about ₱80,000,000 worth of tariff duties collected under Executive Order No. 150 issued by the President of the Philippines. We must understand now that if importers have dared to question the constitutionality or legality of Executive Order No. 150 of this year, it is highly possible that they may question the constitutionality of any subsequent action or executive order issued by the President in accordance with the flexible clause. And, therefore, Mr. Speaker and Members of the House, it is important and even urgent that we delimit, in accordance with the constitutional provision, this power of the President within reasonable bounds. I reiterate, it is necessary that we establish a standard delimitation that is reasonable. The Constitution in truth grants the Congress the power to delegate this right and duty to determine tariff rates, but it must be limited and restricted, and those limitations and restrictions must be reasonable. I submit that the only reasonable limitation would be to allow the President to increase and decrease tariff duties in order to bring the prices of imported articles on the same level as similar local articles.

Mr. BENGZON. Mr. Speaker, will the gentleman yield?

The SPEAKER PRO TEMPORE. The gentleman may yield, if he so desires.

Mr. MARCOS. Willingly.

Mr. BENGZON. Referring to the flexible tariff provision proposed in this present bill, the distinguished gentleman from Ilocos Norte doubts the constitutional provision for the reason, according to him, that the requirements of the Constitution in Section 22, Article VI, are not complied with. Section 22 provides: "(1) The rule of taxation shall be uniform. (2) The Congress may by law authorize the President, subject to such limitations and restrictions as it may impose, to fix, within specified limits, tariff rates, import or export quotas, and tonnage and wharfage dues." In this proposed bill, we have this particular provision (page 288, line 10): "The President, upon investigation by the Commission and recommendation of the National Economic Council, is hereby empowered to reduce by not more than ninety per cent or to increase by not more than five times the rates of import duty expressly fixed by statute (including any necessary change in classification) when in his judgment such modification in the rates of import duty is necessary

in the interest of national economy, general welfare and/or national defense." May I ask the gentleman whether this particular provision in this present bill constitutes a compliance with one of these conditions in Section 22, that is, within specified limit?

Mr. MARCOS. May I answer now?

Mr. BENGZON. If it pleases the gentleman.

Mr. MARCOS. Certainly.

Mr. BENGZON. In further compliance with the requirement of this constitutional provision it is also provided in this proposed measure: "b. Before any recommendation is submitted to the President by the Council pursuant to the provisions of this section, the commission shall conduct an investigation in the course of which it shall hold public hearings wherein interested parties shall be afforded reasonable opportunity to be present, to produce evidence and to be heard. The Commission may also request the views and recommendations of any government office, agency or instrumentality, and such office, agency or instrumentality shall cooperate fully with the Commission." Now, may I ask the gentleman whether this provision in this proposed bill constitutes a very substantial compliance with these requirements of the Constitution, which I believe are the same provisions which we have in the other bill, House Bill No. 1196, which we have approved, as well as in the last bill which we have approved, giving the President limited power in providing for the increase or decrease of tariff duty.

Mr. MARCOS. My answer is this: The Philippines is the only country in the entire world which has such a flexible clause. The United States has a flexible clause in its tariff code, but that flexible clause contains the proviso that the power of the President of the United States shall be limited to bringing the prices to a level equal to the prices of local articles. The next question is, why does this bill provide for a power to reduce by not more than 90 per cent and to increase by not more than 5 times? Where shall we base these figures? Why 90 per cent for a reduction? Why 5 times for an increase? Why not less, why not more? The truth of the matter is that it is arbitrary, and it being arbitrary, the only gauge in standard, Mr. Speaker, is the wisdom that we find in any of the proposed amendments in the proposed bill. If it is true, Mr. Speaker, that the purpose of this bill is to protect local industries, if the primary purpose, Mr. Speaker, is that it shall not be utilized by a president or an executive to persecute a special segment of our business in our economy, then it is necessary that we delimit further the power of the President in order that that power shall be

utilized only to bring the price level of imported materials up or down to the price level of local materials. I say, Mr. Speaker, that it violates the Constitution, because the Constitution requires a reasonable limitation. But this provision is practically no limitation at all. It is practically no limitation, because it is arbitrary; it is practically no limitation at all, because it is five times the original duty, and, therefore, it is certainly unreasonable. And the Constitution was not intended to be an unreasonable instrument of persecution. I can foresee, Mr. Speaker, a day and time when the President may utilize this as a weapon not necessarily of persecution, but a weapon of whim, a weapon of fancy, a weapon in order to bring down the price of any particular business segment of the country. If that can be foreseen, Mr. Speaker, it can be avoided now. Why should we allow such a power to be wielded by the President, when we know very well that we can avoid it now? I see, Mr. Speaker, that the only reason in the history of this provision of the Constitution is when there is a possibility that Congress may be unable to act upon certain measures of urgent nature, and then it becomes necessary for Congress to temporarily abdicate the legislative power, and the Legislature can within reasonable bounds and limitation delegate such a legislative power.

But, as I said, I reiterate that this provision is practically not a limitation, and that is the burden of my entire argument. The power to reduce by 90 per cent and the power to increase by five times the original tariff is practically no limitation, and I will cite some instances, Mr. Speaker. There are cases here where the tariff duty is about 100 per cent of the value of the goods. If the proposed power under this bill is granted to the President, then he can increase that to 600 per cent, and if he can increase it to 600 per cent, Mr. Speaker, he can prohibit the importation at any time, and that is prohibited by the Constitution. The Constitution does not allow the Legislature to delegate to the President the power to prohibit importation. The Constitution does not allow the Legislature to delegate to the President the power to prohibit importation. And yet this bill practically grants him that power.

Mr. ROY. Mr. Speaker, will the gentleman yield?

The SPEAKER PRO TEMPORE. The gentleman may yield, if he so desires.

Mr. MARCOS. With pleasure.

Mr. ROY. So, we now understand from the distinguished gentleman from Ilocos Norte that what he considers as a violation of the Constitution is

not the power which we are giving the President in the proposed measure, that is, a certain amount of discretion of flexibility of power in changing rates, but in the amount or in the extent of the power to be given him. Do we understand from the gentleman that because the range of flexibility is so wide that he believes the power being granted the President becomes unconstitutional? In other words, if we were to reduce this range of flexibility, so that instead of no less than 90 per cent or not more than 5 times, we make it something narrower, do we understand that the unconstitutionality would disappear?

Mr. MARCOS. I will answer the question of the distinguished member of the National Economic Council with this statement . . .

Mr. ROY. I am speaking here as a Member of Congress.

Mr. MARCOS. Yes, as a Member of Congress and as an economic expert of the National Economic Council.

Mr. ROY. Thank you.

Mr. MARCOS. I should like to give credit where credit is due. Now, my question in turn would be this: Is this limitation in accordance with the Constitution? The Constitution says, "You, the Congress, must impose certain limitation." Is it a delimitation of giving the power five times the original amount of duty? Is it a limitation under the provision of the Constitution, or is it a grant of power to prohibit importation? If it is not a limitation, assuming that it is even a limitation and assuming that it is a reasonable limitation, still I maintain—which I concede only for the purpose of argument—that the grant of power to the President to practically prohibit importation is unconstitutional. There are provisions here, Mr. Speaker, which prohibit importation.

Mr. ROY. In what sense?

Mr. MARCOS. Obviously, the gentleman did not get my original argument. May I explain. There are items here where the tariff duty is more than 100 per cent *ad valorem*. Let us assume that the cost of this article here is, say, ₱10.00. One hundred per cent of that means that we have to pay ₱20.00. Is not that right?

Mr. ROY. One hundred per cent.

Mr. MARCOS. Very well, and yet the President by the power granted under this flexible clause can increase it by five times the rate.

Mr. ROY. Not more than.

Mr. MARCOS. Yes, but by five times. So, he can increase it to 500 per cent.

Mr. ROY. Times 5.

Mr. MARCOS. Five hundred per cent. He imposes a tariff duty of ₱50. That practically prohibits the importation of any particular article.

Mr. ROY. It may or it may not prohibit.

Mr. MARCOS. Well, the gentleman admits that it may.

Mr. ROY. Yes.

Mr. MARCOS. The mere possibility that it may prohibit the importation of this article violates this provision of the Constitution, because this provision of the Constitution grants the power to the Congress to delegate the power to limit importation, but it does not allow Congress to grant to the President the power to prohibit importation. And that, Mr. Speaker, is the practical and the realistic result of this flexible clause, and any quibbling about the actual result is to me hairsplitting of no consequence.

Mr. ROY. Do I understand that any provision of this proposed Tariff Code which will tend or which will work as a prohibition against the entry of any foreign article will constitute a violation of the Constitution?

Mr. MARCOS. No; what I said was, and I repeat, any provision which allows the President to exercise a delegated power to prohibit importation is unconstitutional, because the Constitution does not allow Congress to delegate the power to prohibit importation. It allows the delegation of the power to limit importation, but not to prohibit importation.

Mr. ROY. But there is no provision in the proposed bill giving the President the power to prohibit the importation of any article.

Mr. MARCOS. And here lies, Mr. Speaker, the insidious result and influence of this bill, because under the guise of a general flexible clause, we violate the Constitution and do away with the democratic processes and the fundamental principle of the separation of powers. Herein lies the grievous defect which may destroy the very system of the separation of powers on which our entire government is based. Of late, I have watched with alarm the tendency, not alone in this country but everywhere in the world, for the consolidation of powers, for the consolidation of all powers not in Congress, not in the Judiciary, but in one man, the Executive. There is a tendency nowadays instinctively arising from the trend of the slow process of democracy, the slow, deliberate movement of democracy, a tendency to place powers in the hands of one man in order to short-cut action and shorten deliberations. This is one of the symptoms of this tendency. This is one of the dangers that arise, which will ultimately end up in the wrecking of the separation of powers upon which our Government is founded.

Mr. ROY. One more question and I will be through. The gentleman must be well aware of the provisions of Republic Act No. 1194.

Mr. MARCOS. Certainly.

Mr. ROY. That is on tobacco. It was a law which I had the privilege to sponsor here.

Mr. MARCOS. Yes.

Mr. ROY. The gentleman is aware that by the provisions of that law, we have given the Executive Department of our Government a certain discretion which amounts to the prohibition of the total importation of foreign Virginia leaf tobacco for the protection of the native tobacco industry. Will the gentleman condemn that law as unconstitutional?

Mr. MARCOS. We did not delegate any power then. We established a policy. We set the standard and told the President, "You execute this policy."

Mr. ROY. We set the standard and we gave the President the power to implement that law, and within that standard it prohibits entirely the importation of foreign Virginia leaf tobacco. I should like to ask the gentleman whether that law is violative of the Constitution. I say that it is one of the best laws that we have enacted in our country because we have the power here in Congress to delegate to the President certain powers through which we can protect the local Virginia leaf tobacco. We want to have that power in Congress, and if possible, with the President, because that is the only way we can gain economic survival in this country.

Mr. MARCOS. That is not exactly accurate. Republic Act No. 1194 says that the importation of foreign leaf tobacco shall be limited. It does not say "prohibited" but "limited." I shall read the provision.

Mr. ROY. I know the provision. The gentleman does not have to read it.

Mr. MARCOS. We have here a limiting provision. That is the first answer to the distinguished Chairman of the Committee on Economic Planning. The second answer is, there was no delegation of power under Republic Act No. 1194, but there is under this flexible clause of the Tariff Code an abdication of legislative power and duty, because here we authorize the President to change the Tariff Act. What is the result? What is the result of this power to change, to reduce and to increase tariff duties? The result is that the President, by a single executive order, can completely overhaul the economic policies established by Congress. The President, in one executive order, can say, "We refuse to protect coffee." We bring down the tariff duty to ₱1 a kilo. Will that kill the coffee industry? It will. And we will have to wait until the next session to nullify the effect of that executive order. In the meantime, during that entire period, the President

can wreck any industry in our country, and we, the representatives of the people will be the only ones to blame for such a debacle.

Mr. ROY. Thank you.

Mr. BENGZON. Mr. Speaker, will the gentleman yield to a few questions?

The SPEAKER PRO TEMPORE. The gentleman may yield, if he so desires.

Mr. MARCOS. Certainly.

Mr. BENGZON. I am interested in the peroration of the gentleman on the constitutionality of the flexible clause. Has the gentleman read the case of United States versus Hampton?

Mr. MARCOS. Yes. That is a matter of fundamental importance.

Mr. BENGZON. It was decided under the *ponencia* of Justice Taft. Is it not a fact that under that decision, which is a leading case on this point . . .

Mr. MARCOS. (*Interrupting.*) There is where the gentleman is wrong. This provision of our Constitution is not found in the American Constitution. This is a new provision. It has no counterpart in any other constitution of the world.

Mr. BENGZON. But the gentleman has to admit that this provision in the bill is similar to the law interpreted in the United States versus Hampton case.

Mr. MARCOS. It did not interpret any similar constitutional provision.

Mr. BENGZON. I am afraid the gentleman has not read it.

Mr. MARCOS. It did not interpret any constitutional provision similar to the one we have now.

Mr. BENGZON. But the gentleman has to admit that the law interpreted in the case of the United States versus Hampton is a law that is word for word the same as the provision now contained in this bill.

Mr. MARCOS. That is not true. The flexible clause in the United States is not similar to the flexible clause found in this Tariff Code. This Code contains a flexible clause that is the only example in the entire world.

Mr. BENGZON. I am afraid that I have to dispute the statement of the gentleman. Is it not a fact that under the decision of the United States Supreme Court, there is a difference between a delegation of legislative power and a delegation of details?

Mr. MARCOS. Because, under the United States Tariff Code, under the flexible clause, as decided in that case, the power of the President is limited first to the bringing down of prices by tariff duties to a level equal to the level of prices of local commodi-

ties. In short, there is a standard; whereas, in this flexible clause, there is no standard. We give the entire power to the President. We tell the President, "You can raise it; you can decrease it," but we do not tell him when to act, and we do not tell him to what extent he can do so. There is no standard at all. I object to that vehemently.

Mr. BENGZON. Is it not a fact that under that decision of the United States Supreme Court, the determining of whether there is a delegation or not of legislative power is the limitation upon the exercise of the power of the Executive that first there must be a public hearing?

Mr. MARCOS. Yes, that is one of the points.

Mr. BENGZON. And yet, in this bill, there is not only a public hearing but also there is a recommendation.

Mr. MARCOS. I am not talking of a public hearing. To me, that is not the issue. The only thing at issue as far as I am concerned is the standard which can be utilized by the President for the exercise of this almost dictatorial power that we grant him under this Tariff Code. May I ask, is there any standard established in this Tariff Code as to why the President should reduce it to say fifty per cent instead of ninety per cent? Answer this question satisfactorily and I will withdraw my objection.

Mr. BENGZON. Precisely, in this provision which provides for a public hearing, the standard will be set, naturally, according to the evidence produced at the hearing.

Mr. MARCOS. I am afraid the gentleman did not get my point. My question is, is there any standard by which the President can act? The President here is given the power to reduce it to fifty per cent.

Mr. BENGZON. Yes.

Mr. MARCOS. Why should the President reduce that to fifty per cent? Why not to seventy-five or ninety per cent? Under the American Tariff Code, there is such a standard and the standard is this. The President can increase or decrease the tariff duty under the American Tariff Code in order to either bring up or bring down the prices of the imported articles to a level similar to the level of the costs of local articles, so that there will be no ruinous competition that will destroy local products. Here there is no similar standard.

Mr. BENGZON. That is where the gentleman is mistaken.

Mr. MARCOS. Show me. I merely want the gentleman to point out the words.

Mr. BENGZON. This provision requires that there should be a public hearing. Necessarily, the standard will come from the public hearing, from the evidence produced.

Mr. MARCOS. Is there any provision here which compels the President to listen to the recommendations of the National Economic Council? Is there any provision which compels the President to say, "I'll bring it up, down, to 90 per cent"? Is there any reason for it? The evidence submitted? That is not a standard, that is evidence, and that is not a principle. Evidence is a fallible, altering thing, while a standard is a principle that is permanent and flexible that can only be changed by legislative power. Here the gentleman talks of evidence. Evidence is not a subject matter for legislative power, evidence is not a subject matter for the legislators to legislate about. No. It is the principle, the standard that is embodied in the law, and when we say standard, we mean things by which we can measure the extent and application of the power.

Mr. BENGZON. Under this proviso of the Tariff Bill, the President cannot arbitrarily raise or lower tariff rates, except upon the recommendation of the National Economic Council which must conduct public hearings.

Mr. MARCOS. That is not a standard. That is a limitation, yes, but it is not a standard.

Mr. BENGZON. If by the gentleman's idea of a standard there should be some measure already in the law, that is impossible to be embodied in this code.

Mr. MARCOS. Why is it impossible?

Mr. BENGZON. I challenge the gentleman from Ilocos Norte to show any constitution, any law providing for a flexible tariff clause where there is such a standard set.

Mr. MARCOS. The gentleman has just admitted that there is a standard in the American Tariff Code. Did not the gentleman admit that sometime ago?

Mr. BENGZON. I did not say that; I said that the public hearings or investigations would naturally set a standard based on the evidence adduced in the investigation.

Mr. MARCOS. In fact the gentleman's statement is self-defeating the entire code. If the gentleman is listening to the argument, I will show to him that this particular provision of the Tariff Code has precisely, deliberately, I charge, excluded the standard that is included in other sections, in other parts and other provisions of the Tariff Code. I refer to the Anti-Dumping Act, otherwise known as Republic Act No. 32.

Mr. BENGZON. May I ask the gentleman this question.

Mr. MARCOS. I am not yet through. In this amendment we establish a standard. We say that the standard for the determination of the fine or the payment of special duty or the anti-dumping duty—it is here classified—will raise the price of imported articles to the level of the local articles. Now, may I know why this standard has not been established in this flexible clause? It is arbitrary and unreasonable. That is why it is unconstitutional.

Mr. BENGZON. But the gentleman recognizes that under our Constitution there are limitations to the so-called delegation of power to the Chief Executive.

Mr. MARCOS. In fact, I said it could not be valid until there are such limitations.

Mr. BENGZON. Will the gentleman not admit that these limitations imposed by the Constitution on the so-called delegation of powers are constitutional?

Mr. MARCOS. But this Tariff Code does not comply with the provisions of the Constitution. It does not provide for a reasonable limitation because, as I reiterated to the gentleman from Tarlac, it authorizes the President to practically alter without limitation. It has practically no limitation. Will the gentleman, in all seriousness, in his conscience tell me that the increase of five times the tariff duty is a limitation? Is that a proper limitation?

Mr. BENGZON. It is a limitation.

Mr. MARCOS. Yes, it is some kind of limitation, but practically it is no limitation.

Mr. BENGZON. I should like to call the attention of the gentleman from Ilocos Norte to the fact that before he was speaking of standard, but now he is speaking of limitation.

Mr. MARCOS. Because the gentleman spoke of limitation and I am merely following him.

Mr. BENGZON. In other words, it is the gentleman's contention that besides the limitations imposed by the Constitution on the so-called delegation of power, there must be another limitation, and that is, to set a standard for the President to increase or decrease the rates?

Mr. MARCOS. I was precisely trying to inform the gentleman that I have two objections to this particular part of the bill. I repeated those to the gentleman from Tarlac and I am sorry if the gentleman did not hear them.

Mr. BENGZON. I heard them very well.

Mr. MARCOS. As I said, my objections are based on two grounds. First, that this grant of power is unlimited, practically unlimited, and that power can be utilized to prohibit importation which is not allowed by the Constitution. Secondly, that

grant of power, unlike the American flexible clause, does not carry and does not provide for a standard by which the President may . . .

Mr. BENGZON. In other words, the gentleman's contention is that under the American system there is not only an express limitation upon the delegation of power but also there is another, that is, a standard is set.

Mr. MARCOS. Yes.

Mr. BENGZON. Would the gentleman point out to us any provision of the United States Constitution or any State constitution or any statute of the United States which requires a standard?

Mr. MARCOS. Does the gentleman deny that the power of the President is limited to bringing the prices of imported commodities . . .

Mr. BENGZON. The gentleman has not answered my question.

Mr. MARCOS. I am answering with another question. Does the gentleman deny that that is a limitation on the power of the President of the United States?

Mr. BENGZON. That is not an answer to my question, unless the gentleman wants to evade answering my question. My question is specific.

Mr. MARCOS. We are being repetitious here. Does the gentleman deny that the President of the United States is granted the power to alter the tariff duties in order to bring the prices of imported commodities to a level equal to those of local articles?

Mr. BENGZON. That is admitted.

Mr. MARCOS. That is the standard I am talking about.

Mr. BENGZON. Is that the standard the gentleman is talking about?

Mr. MARCOS. Yes.

Mr. BENGZON. I do not think that standard is understandable to the lawyers here.

Mr. MARCOS. I am sorry for those lawyers who do not understand.

Mr. BENGZON. Anyway, let us go back to my question. Can the gentleman cite to me a provision in any state constitution or the Constitution of the United States or in any statute of the United States providing for a flexible clause which the gentleman calls a standard which is understandable to a few lawyers?

Mr. MARCOS. The gentleman just admitted that the Tariff Code of the United States precisely limits the power of the President to that standard.

Mr. BENGZON. But the gentleman is not answering my question.

Mr. MARCOS. But the gentleman admitted it. It is useless. This argument is going in a vicious circle. Why must we go to all of these?

Mr. BENGZON. The gentleman has not answered my question categorically.

Mr. MARCOS. I have.

Mr. BENGZON. I will repeat my question.

Mr. MARCOS. And I will repeat my answer.

Mr. BENGZON. Can the gentleman cite any provision in the Constitution of the United States or of any state, or any statute providing for a flexible clause in which there is another limitation which the gentleman calls a standard?

Mr. MARCOS. May I inform the gentleman that a constitution does not provide for a flexible clause. A flexible clause is found in an implementing legislation. An implementing legislation, like a tariff code, may contain a flexible clause.

Mr. RAMOS. Mr. Speaker, will the gentleman yield?

The SPEAKER PRO TEMPORE. The gentleman may yield, if he so desires.

Mr. MARCOS. Certainly.

Mr. RAMOS. Do I understand from the gentleman from Ilocos Norte that this delegation of power under the flexible clause of the proposed code is unconstitutional because it follows no precedent in the tariff code of the United States?

Mr. MARCOS. No. That is not my argument. It is unconstitutional because the limitations therein contained are practically no limitations at all and do not constitute substantial compliance with subsection 2, Section 22 of Article VI, of our Constitu-

Mr. RAMOS. Did I hear the gentleman state that the Philippines is the only country in the world which grants a flexible clause otherwise not granted in other countries?

Mr. MARCOS. Yes, this is the only country where we have such a flexible clause.

Mr. RAMOS. Do I understand further from the gentleman that the President of the Philippines cannot even ban importation, and if he does that his action in that direction is unconstitutional?

Mr. MARCOS. I believe and I maintain that, unless provided by a special legislation directly prohibiting importation, the President has no power to ban any importation, and the exercise of that power is unconstitutional.

Mr. RAMOS. Do I understand further that if such authority exists in the Tariff Code and not under a special law that exercise of power is constitutional?

Mr. MARCOS. I am afraid the gentleman got me wrong. I said and I repeat, if the Tariff Code

bans certain items, it is constitutional. But if it grants the President the power to ban any item without any standard, without any statement as to what items should be banned and why they should be banned and it merely says the President has the power to ban, that is unconstitutional.

Mr. RAMOS. If the grant of the power under such circumstance is dictated by public interest, may the exercise of such power be constitutional?

Mr. MARCOS. I will call the attention of the gentleman to my original statement. The unfortunate part of the term public welfare or public interest is that every dreamer and every demagogue claiming reform in the name of public interest and public welfare usually is able to place a sacrosanct halo upon his propaganda in order that any man who contradicts his statement may be branded as opposed to public welfare or public interest. In short, it means merely that public interest or public welfare is no sufficient standard because every man has his own standard of public interest.

Mr. RAMOS. If such term as public interest appears in the Tariff Code of the United States as justifies the exercise of power by the President of the United States under the Constitution of the United States, will the gentleman still state here that that exercise of power is unconstitutional? Yes or No?

Mr. MARCOS. Mr. Speaker, if that stands alone without any further standard it is unconstitutional. But in relation to other delimitations and restrictions, for instance, the restriction that it shall be limited to the raising or increasing of prices of imported articles so that the price may be brought to the level of local articles, then it is constitutional.

Mr. RAMOS. Let me review to the gentleman the provisions of the Tariff Code of the United States enacted under the Constitution of the United States, never challenged in the United States insofar as its constitutionality is concerned.

Mr. MARCOS. It was challenged one time, I remember.

Mr. RAMOS. But the challenge did not succeed. It failed on its own merit, as it will now fall on its own merit.

Mr. MARCOS. I meant challenged successfully. Please read the entire provisions.

Mr. RAMOS. I will, for the gentleman's entire satisfaction. This is the Tariff Act of 1930, Public Law 361 of the United States, where the principle of flexibility of clause on the delegation of power in favor of the President of the United States has been, still is and will be, respected as constitutional.

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Mr. MARCOS. I maintain that it is not similar to the flexible clause of the Philippine Constitution.

Mr. RAMOS. Remember that while our Constitution is patterned after that of the United States, it does not follow the language, but the principle is preserved.

Mr. MARCOS. In fact, may I inform the gentleman that this particular provision of the Constitution we are talking about is not embodied in the American Constitution.

Mr. RAMOS. The principle is preserved and we maintain that.

Mr. MARCOS. What principle? Under the American Constitution it is supported by a long line of decisions that the delegation of legislative power without any standard whatsoever is unconstitutional.

Mr. RAMOS. Precisely, we will come to that. But just for the gentleman's clarification I want to answer his question.

Mr. MARCOS. Without the gentleman reading it, I am almost certain that this flexible clause . . .

Mr. RAMOS. I have to read this so the Members of the House who have been listening to the gentleman will be enlightened on that point. As far as public interest is concerned, that has never been disputed.

Mr. MARCOS. I want the gentleman to read the entire flexible clause.

Mr. RAMOS. There are many flexible clauses here.

Mr. MARCOS. I am referring to that flexible clause pertaining to the standard.

Mr. RAMOS. Section 338—discrimination by foreign countries.

Mr. MARCOS. I am afraid the gentleman is misleading.

Mr. RAMOS. Who is misleading? Let me read this and the gentleman may make his comments later.

Mr. MARCOS. But read the flexible clause with respect to tariff duty.

Mr. RAMOS. This is one of the grounds for the exercise of such power by the President. I am quoting the right provision:

(a) *Additional Duties.*—The President when he finds that the public interest will be served thereby shall by proclamation specify and declare new or additional duties as hereinafter provided upon articles wholly or in part the growth or product of, or imported in a vessel of, any foreign country whenever he shall find as a fact that such country—

(1) Imposes, directly or indirectly, upon the disposition in or transportation in transit through or reexportation from such country of any article wholly or in part the growth or product of the United States any unreasonable charge,

exaction, regulation, or limitation which is not equally enforced upon the like articles of every foreign country; or

(2) Discriminates in fact against the commerce of the United States, directly or indirectly, by law or administrative regulation or practice, by or in respect to any customs, tonnage, or port duty, fee, charge, exaction, classification, regulation, condition, restriction, or prohibition, in such manner as to place the commerce of the United States at a disadvantage compared with the commerce of any foreign country.

(b) *Exclusion from importation.*—If at any time the President shall find it to be a fact that any foreign country has not only discriminated against the commerce of the United States, as aforesaid, but has, after the issuance of a proclamation as authorized in subdivision (a) of this section, maintained or increased its said discriminations against the commerce of the United States, the President is hereby authorized, if he deems it consistent with the interest of the United States, to issue a further proclamation directing that such products of said country or such articles imported in its vessels as he shall deem consistent with the public interests shall be excluded from importation into the United States . . .

This is total, complete, absolute banning of importation. And that is only a part of it. Now, as to the flexible clause . . . its existence in principle in the Tariff Laws of the United States is permitted, recognized under the Constitution of the United States.

Mr. MARCOS. Before I forget, may I explain that term public interest used there. Public interest there is modified and defined by the term "discrimination." Now, the standard therefore is, does the other country discriminate? If it does not discriminate, no matter what is the public interest that the President may be thinking about, he cannot exercise that power.

Mr. RAMOS. The trouble is that the Americans drafted the US Tariff laws for the United States and the Filipinos drafted the Tariff Code for the Philippines.

Mr. MARCOS. So now we come to a point where it is admitted that even that term "public interest" in this provision the gentleman has just quoted is not alone in the provision. The public interest is modified by the term "discrimination." Discrimination is the standard. If that country, the target of the President of the United States, does not discriminate against American goods, no matter what the President thinks about public interest he cannot exercise that power. Therefore, discrimination is the standard.

Mr. RAMOS. So the gentleman wants us to adopt the Constitution of the United States.

Mr. MARCOS. I am not talking about the Constitution.

Mr. RAMOS. Or the gentleman wants the Philippines to go to the United States to adopt the spirit,

language, a word for word, comma for comma, even the thinking of the American people, so that the Minority will charge that we are still a colony of the United States.

Mr. MARCOS. Obviously, the gentleman from Aklan instinctively thinks of the Americans.

Mr. RAMOS. I do not; that is why I want to differ; while we maintain the same principle, at least, we differ in the use of the language.

Mr. MARCOS. The gentleman started quoting the American Tariff Act.

Mr. RAMOS. Because the gentleman states that there is no precedent in the United States where such similar power . . .

Mr. MARCOS. But the gentleman brought it up.

Mr. RAMOS. Because the gentleman says we cannot produce the law, and that the Philippines is the only country in the world which does have a law on the delegation of power to the President with respect to tariff. Now that we have produced the law, a similar case in the United States, the gentleman thinks that we think in terms of the American people.

Mr. MARCOS. That was the charge of the gentleman; that was not mine.

Mr. RAMOS. He says it does not exist in any country of the world; it does not even exist in the tariff laws of the United States.

Mr. MARCOS. It does not. The gentleman just brought that up, that it does. But that flexible clause does not contain a provision similar to this flexible clause here. The clause here says that the President is empowered to increase by more than 5 times and decrease by 90 per cent. It does not say why and when; it does not say because of discrimination; it does not say because the prices are high. It merely says when the President thinks that public interest so requires it.

Mr. RAMOS. In other words, what the gentleman would like to state is this: If the Filipino people use bread, then it is constitutional. But if the Americans use rice, it is unconstitutional.

Mr. MARCOS. The gentleman is trying to prove with his argument that because the American Tariff Code is legal and constitutional, ergo, the Philippine tariff flexible clause is also legal and constitutional. I am trying to prove to the gentleman that there is a difference between the American Tariff Code and the proposed Philippine Tariff Code, and that this difference lies in the existence of a standard.

Mr. RAMOS. On the contrary. What I was stating is this: If the gentleman thinks that the delegation of power under this Tariff Code is not constitutional because it does not exist in the United States, ergo,

if it exists in the United States, therefore it is constitutional in the Philippines.

Mr. MARCOS. Well, as I said, we are running around in circles here. I merely wish to reiterate my original stand.

Mr. RAMOS. The gentleman is aware . . .

Mr. MARCOS. Just a minute, please. May I continue? There is no standard in the proposed Tariff Code. The gentleman of the United States, I beg your pardon, from Aklan . . .

Mr. RAMOS. My brother American.

Mr. MARCOS. I apologize to the gentleman.

Mr. RAMOS. Apology accepted.

Mr. MARCOS. The gentleman from Aklan maintains that the American Tariff Code contains a provision of a similar nature, and that it has been sustained as constitutional by this latest case of *U. S. vs. Hampton*. But I already stated that that particular provision is not similar to our provision and therefore the American jurisdiction does not apply in the interpretation of this Tariff Code. Now I await the other question of the gentleman.

Mr. RAMOS. As far as limitation of power is concerned, in order not to make it the more unconstitutional in the thinking of the constitutional gentleman from Ilocos Norte, may I read to him the other provision of the flexible clause contained on page 289, which states . . .

Mr. MARCOS. The gentleman means our proposed Tariff Code.

Mr. RAMOS. That is better now. Additional limitation to the exercise of power of the President to make it more constitutional is found on line 23: "The authority herein granted to the President shall be exercised only when Congress is not in session."

Mr. MARCOS. There is nothing wrong with that, neither does it add to the validity.

Mr. RAMOS. It is still a limitation.

Mr. MARCOS. No, because it does not establish a standard.

Mr. RAMOS. It establishes a standard.

Mr. MARCOS. What is the standard?

Mr. RAMOS. That the authority granted to the President shall be exercised only when Congress is not in session. Now, then, as far as limitation is concerned, there is no total delegation of power to the President, but it is temporary only, such authority may be exercised only if and when Congress is not in session, otherwise the President cannot exercise such authority.

Mr. MARCOS. Does the gentleman know what this merely means?

Mr. RAMOS. I know.

Mr. MARCOS. It merely means that when Congress is not in session the President can legislate, and

when Congress is in session, then Congress can legislate on its own.

Mr. RAMOS. Naturally.

Mr. MARCOS. Did the gentleman hear what I said? I repeat, when Congress is not in session, the President can legislate.

Mr. RAMOS. Not exactly.

Mr. MARCOS. That is what it means.

Mr. RAMOS. The gentleman puts it the other way. The President may only exercise this delegation of power which is a grant from Congress . . .

Mr. ZOSA. Mr. Speaker, for a parliamentary inquiry. How much is left of the time of the gentleman from Ilocos Norte?

The SPEAKER PRO TEMPORE. At this very minute, the time of the gentleman has expired.

Mr. ZOSA. I object to any extension.

Mr. MARCOS. Mr. Speaker, may I then reiterate my arguments in outline form?

Mr. ZOSA. Mr. Speaker, my objection was upon the instigation of the gentleman from Ilocos Norte. He wants to summarize his arguments. So I will withdraw my objection.

The SPEAKER PRO TEMPORE. The gentleman from Ilocos Norte may proceed.

Mr. MARCOS. The flexible clause is an admission and a confession of Congress that it is incapable and incompetent to define the economic policy of the country. The flexible clause is a monument to this admission. It merely states in simple words that Congress does not know what to do about the economic policy of the country. That Congress cannot state what products it should protect. This admission, Mr. Speaker, is dangerous. It means that the Representatives of the people are incapable of determining the policy of the government. It means an abdication of the policy-making role of Congress. The flexible clause confounds the confusion in our economic life. As it is now, there is no definite, integrated, economic plan; and if you allow this flexible clause to be grafted into the law, then you will allow indecision and doubts to permeate our economic policy, because there will be no definite statement as to what products are protected, there will be no definite statement as to what industry shall be covered by the mantle of tariff protection, there will be no possibility of encouraging investment, there will be no possibility of encouraging production, and that Congress will, therefore, admit that it fails to solve the unemployment problem. We know, Mr. Speaker, that it is harder to alter a policy established by the Legislature, because a policy established by the Legislature can only be altered or repealed by legislative enactment through the action of both Houses of

Congress. But an executive policy, a policy adopted by only one man, can be altered and completely repealed by the stroke of the pen of that single man. In any case, in this code, Mr. Speaker, the tariff does not protect our local industries. The glaring example is coffee. While the Tariff Code imposes high tariff duty for cocoa and cacao, it does not impose a similar duty, in fact it imposes a lower duty, on coffee. Why this is so, I do not know. But this will surely serve the purpose of those who are manufacturing coffee in the Philippines from raw materials coming from abroad. I will not mention names here, but I do know that it shall protect some of these people who are now engaged in importing coffee in large amount from the United States. In many cases the Tariff Code increases the price of prime commodities, like rice. This will be shouldered by the common man. The common man will pay for all of these. If it is true that this Administration is seeking the welfare of the common man, then it is necessary that we amend this provision that increases the prices of prime commodities. Where will the ₱135 million come from? It will come from the increase of tariff. If there is an increase, this increase will have to be shouldered by the consumers, because it is admitted by all that the tariff is immediately relayed and transferred to the actual consumer. In many cases the Tariff Code imposes a prohibitive tax on certain articles that are not produced in this country. The examples of this are the 6 airplane machinery and agricultural equipment. If this is so, Mr. Speaker, then this code discourages mechanization of our farms; it discourages industrialization; it discourages the maritime industry. Because of all these, Mr. Speaker, I propose that we amend this Tariff Code before we approve it.

SUSPENSION OF THE SESSION

The SPEAKER *PRO TEMPORE*. The session is suspended for a few minutes.

RESUMPTION OF THE SESSION

(The session was resumed with the Speaker presiding.)

The SPEAKER. The session is resumed.

Mr. RAMOS. Mr. Speaker, the Committee having finished the sponsorship and there being no more speeches against or *turno en contra*, I move that we proceed to the period of amendments.

The SPEAKER. Is there any objection? (After a pause.) The Chair does not hear any. The motion is approved.

Period of amendments.

Mr. RAMOS. Mr. Speaker, the Committee has prepared amendments, copies of which have been distributed to all Members of the House, and inasmuch as the amendments of the Committee involve merely a repetition of the errata attached to this bill which involve corrections of certain typographical errors, I move that the same be accepted, without prejudice to any amendments as may be proposed according to the items or pages as the case may be.

Mr. VILLAREAL. I object to such kind of approval of the amendments. Let us approve the amendments one by one because we do not know what they are. We have not even read them.

COMMITTEE AMENDMENTS

Mr. RAMOS. In view of the objection, I will withdraw the motion and proceed to propose the amendments item by item and page by page.

On page 3, line 6, change the word "of" to "OR".

The SPEAKER. Is there any objection? (After a pause.) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 21, change Sec. 3(b) a, PTA to SEC. 3(h) a PTA.

The SPEAKER. Is there any objection? (After a pause.) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On page 4, line 28, change the word "Suckling" to "SUCKING."

The SPEAKER. Is there any objection? (After a pause.) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On page 5, line 3, change the word "Suckling" to "SUCKING."

The SPEAKER. Is there any objection? (After a pause.) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 6, change the word "suckling" to "SUCKING."

The SPEAKER. Is there any objection? (After a pause.) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 9, change the word "suckling" to "SUCKING."

The SPEAKER. Is there any objection? (After a pause.) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 10, change "₱100.00" to "₱10.00."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 12, after the sentence add the following: "AD VAL. 60 per cent."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 14, after the word "meat" add the word "OFFALS."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 22, add "s" to the word "offal."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 28, add "s" to the word "offal."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On page 6, line 1, add "s" to the word "offal."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 6, add "s" to the word "offal."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 10, add "s" to the word "offal."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 16, add "s" to the word "offal."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On page 8, line 21, add "s" to the word "animal."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 26, after the word "Other" add the word "SKINS."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On page 11, delete line 33.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On page 12, line 4, change "g.k." to "G.W."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 7, change "Brime" to "BRINE."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On page 13, line 2, change "P5.00" to "P15.00."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 3, change "P6.00" to "P20.00."

Mr. VILLAREAL. Mr. Speaker, will the gentleman yield?

The SPEAKER. The gentleman may yield, if he so desires.

Mr. RAMOS. Gladly.

Mr. VILLAREAL. Is this a typographical error?

Mr. RAMOS. Yes; as a matter of fact, the handwriting there was misinterpreted, because this was crossed earlier.

Mr. VILLAREAL. How could a typographical error be committed when the change is from "P6.00" to "P20.00"?

Mr. RAMOS. Because there was a handwriting on the other side which was overlooked by the Bureau of Printing.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 17, change "gks." to "kgs." Another typographical error.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On page 14, line 8, change "7 per cent" to "15 per cent."

Mr. VILLAREAL. Mr. Speaker, will the gentleman yield?

The SPEAKER. The gentleman may yield, if he so desires.

Mr. RAMOS. Willingly.

Mr. VILLAREAL. Is this another typographical error?

Mr. RAMOS. This is the one with respect to coffee. The Committee recommends a higher rate in view

of representations and later studies which indicate that there is justification for the increase in the rate on coffee.

Mr. VILLAREAL. To 15 per cent *ad valorem*?

Mr. RAMOS. Yes.

Mr. VILLAREAL. Why do we not make it 25 per cent?

Mr. RAMOS. The gentleman may propose the amendment.

VILLAREAL AMENDMENT TO THE AMENDMENT

Mr. VILLAREAL. Mr. Speaker, I propose that instead of 15 per cent, it should be 25 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment, as amended, is approved.

Mr. RAMOS. On the same page, line 9, change 10 per cent to 20 per cent.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 22, change "P20.00" to "P16.00."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 26, change "g.w." to "l.w."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, line 29, change "g.w." to "l.w."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On page 16, line 20, change "P1.50" to "P2.50."

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

SUSPENSION OF THE SESSION

Mr. VILLAREAL. Mr. Speaker, I ask that we suspend the session for about five minutes just to check up on this amendment.

The SPEAKER. The session is suspended for five minutes.

RESUMPTION OF THE SESSION

The SPEAKER. The session is resumed.

Mr. RAMOS. Mr. Speaker, after deliberation on the proposed typewritten amendments of the Committee,

it is felt that the gentleman of the Minority have agreed to them in principle. I move, therefore, that the amendments of the Committee be approved without prejudice to individual amendments that may be presented from time to time as cases will come up.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The motion is approved.

(*The following are the amendments of the Committee referred to above.*)

- (30) On page 18, line 15, change the word "best" to BEEF.
- (31) On page 20, line 33, change the rate "10% to 15%.
- (32) On page 24, line 23, put a comma (,) after the word "crude."
- (33) On page 25, line 10, change the word "offal" to OFFALS.
- (34) On same page 25, line 18, change the rate "15%" to 20%.
- (35) On same page 25, line 17, change word "offal" to OFFALS.
- (36) On same page 25, line 24, change the rate "10%" to 15%.
- (37) On same page 25, line 32, change the rate "10%" to 20%.
- (38) On page 26, line 1, change "g.w." to l.w.
- (39) On same page 26, line 30, change "g.w." to l.w.
- (40) On page 27, line 2, change "g.w." to l.w.
- (41) On page 28, line 20, change the rate "100%" to P40.00.
- (42) On same page 28, line 32, change the word "proportion" to PROPORTION.
- (43) On page 29, line 2, change the word "or" to AND.
- (44) On page 36, line 6, change the rate "P10.00" to P8.00.
- (45) On same page 36, line 13, change the rate "P8.00" to P10.00.
- (46) On page 37, line 26, strike out the close parenthesis ")".
- (47) On page 38, line 8, put a close parenthesis ")" after 90.01.
- (48) On page 39, line 8, change "21.14" to 25.14.
- (49) On page 40, line 25, change "Non-metallic" to NONMETALLIC.
- (50) On page 41, line 21, change the word "manufacturer" to MANUFACTURE.
- (51) On page 43, line 17, change the the rate "10%" to 15%.
- (52) On page 44, line 9, change the word "these" to THOSE.
- (53) On page 44, line 13, change the colon (:) to semicolon (;).
- (54) On page 45, line 14, change the word "nonmetallic" to NONMETALLIC.
- (55) On page 47, line 31, put a period (.) after the word ELEMENTS.
- (56) On page 48, line 1, change the rate "15%" to 25%.
- (57) On same page 48, line 6, change the word "gasses" to GASES.
- (58) On page 49, line 32, change the word "zinc" to ZINE.
- (59) On page 51, line 11, strike out the word "ad val."
- (60) On same page 51, line 14, strike out the word "ad val."

- (61) On same page 51, line 23, change number "58.56" to 28.56.
- (62) On page 53, line 22, change the word "form" to FORMS.
- (63) On page 54, line 4, change the period (.) to semi-colon (;) after "36.08."
- (64) On same page 54, line 17, change the word "these" to THOSE.
- (65) On page 62, line 6, change "25%" to 30%.
- (66) On same page 62, line 17, change the semi-colon (;) to colon (:) after "31.05."
- (67) On page 66, line 2, change the word "tanning" to TANNINS.
- (68) On same page 66, line 10, change the word "heading" to HEADINGS.
- (69) On same page 66, line 24, put a comma (,) after "32.05."
- (70) On page 67, line 21, change "15%" to 25%.
- (71) On same page 67, line 22, change "15%" to 25%.
- (72) On same page 67, line 24, change "35%" to 15%.
- (73) On page 71, line 20, insert the word OTHER between the words "and" and "similar."
- (74) On page 73, line 34, insert "1" before the word "heading."
- (75) On page 74, line 9, insert "2" before the word "Heading."
- (76) On page 77, line 2, change the word "depolarising" to DEPOLARIZING.
- (77) On same page 77, line 26, put a hyphen (-) after the word "weed."
- (78) On same page 77, line 30, change the word "bonds" to BANDS.
- (79) On page 78, line 1, change the word "picking" to PICKLING.
- (80) On same page 78, between lines 20-21, insert the following:
38.18 COMPOUNDED SOLVENTS AND THINNERS FOR VARNISHES AND SIMILAR PRODUCTS ad val. 10%
- (81) On page 80, line 16, change the word "heading" to HEADINGS.
- (82) On page 81, line 5, change "pollyallel" to POLYALLYL.
- (83) On page 84, line 3, change the semicolon (;) to comma (,) after the word "rubber."
- (84) On page 85, line 4, change "25%" to 30%.
- (85) On same page 85, line 5, change "10%" to 15%.
- (86) On page 87, line 7, change "25%" to 35%.
- (87) On page 87, line 13, change "50%" to 45%.
- (88) On page 88, line 2, change "or" to OF.
- (89) On page 89, line 26, change "manufacturers" to MANUFACTURES.
- (90) On page 95, line 9, change "headings" to Beadings.
- (91) On page 97, line 33, delete the colon (:) after "bottles."
- (92) On page 98, line 20, between the words "paper" and "and" insert the following: (INCLUDING OLD AND OUT OF DATE NEWSPAPERS AND PERIODICALS.)
- (93) On same page 98, line 23, change the colon (:) to semicolon after the word "Paperboard."
- (94) On page 99, line 9, change the numerical "VI" to XI.
- (95) On page 100, line 26, capitalize the words INTER ALIA.
- (96) On same page 100, line 30, change the word "article" to ARTICLES.
- (97) On same page 100, line 32, change the word "Head" to HEADING.
- (98) On page 101, lines 18 to 21, strike out "and having water lines not more than 5 centimeters apart, with a tolerance of half a centimeter."
- (99) On same page 101, line 26, change the words "paper board" to PAPERBOARD.
- (100) On same page 101, after line 27 insert new paragraph No. 11 thus: "11. WATER LINES AND WATER MARKS DO NOT AFFECT THE CLASSIFICATION OF PAPER OR OF PAPERBOARD."
- (101) On page 102, line 13, change the words "paper board" to PAPERBOARD.
- (102) On page 104, line 24, change the word "receipts" to RECEIPT.
- (103) On same page 104, line 25, change the word "clothing" to BLOTTING.
- (104) On page 106, line 3, capitalize the words INTER ALIA.
- (105) On page 107, line 8, insert the word AD VAL before "10%."
- (106) On same page 107, line 13, insert the word AD VAL before "10%."
- (107) On same page 107, line 15, insert the word AD VAL before "10%."
- (108) On same page 107, line 19, insert the word AD VAL before "10%."
- (109) On same page 107, line 23, insert the word AD VAL before "10%."
- (110) On same page 107, line 34, insert the word AD VAL before "10%."
- (111) On page 108, line 5, change "timmings" to TRIMMINGS.
- (112) On same page 108, line 9, change "house" to HOUSES.
- (113) On same page 108, line 11, insert the word AD VAL before "25%."
- (114) On page 112, line 3, change the semicolon (;) to colon (:) after the word "cables."
- (115) On page 117, line 8, put the word SALE after the word "retail."
- (116) On page 118, line 4, put a comma (,) after "51.02."
- (117) On same page 118, line 21, change "60%" to 70%.
- (118) On page 119, line 34, change the word "or" to OF.
- (119) On page 120, line 10, change the number "50.04" to 54.04.
- (120) On same page 120, line 13-14, enclose with parenthesis "(")" the sentence "Subject to the provisions of Republic Act No. 1392."
- (121) On same page 120, line 32, change "10%" to 25%.
- (122) On same page 120, line 33 change "25%" to 30%.
- (123) On page 123, line 17, change "60%" to 70%.
- (124) On page 126, line 27, change "40%" to 50%.
- (125) On page 127, line 2, change "50%" to 70%.
- (126) On same page 127, line 4, change "65%" to 75%.
- (127) On page 127, line 5, change "75%" to 80%.
- (128) On page 137, line 9, change "MAKE-UP" to MADE...UP.
- (129) On page 138, line 7, change the word "sole" to SOLES.
- (130) On same page 138, line 13, change the word "scraps" to SCRAP.
- (131) On same page 138, line 15, change the number "63.20" to 63.02.
- (132) On same page 138, line 27, change the word "clothings" to CLOTHING.
- (133) On page 138, line 34, change the word "packing" to PACKINGS.

- (134) On page 139, line 1, change "5%" to 35%.
- (135) On same page 139, line 2, change the word "others" to OTHER. Also change the rate, "15%" to 40%
- (136) On same page 139, line 10, change "Schedule III" to SCHEDULE XII.
- (137) On same page 139, line 15, change the word "hairs" to HAIR.
- (138) On page 141, line 7, change the word "Puttess" to PUTTEES.
- (139) On page 143, line 20, change "65" to 64.
- (140) On page 144, line 1, change the word "training" to TRIMMING.
- (141) On page 145, line 3, change the word "product" to PRODUCTS.
- (142) On same page 145, line 5, put a comma (,) after the word "plaster".
- (143) On page 147, line 32, change the word "grannulated" to GRANULATED.
- (144) On page 148, line 14, change the word "abestos" to ASEESTOS.
- (145) On page 150, line 6, change the word "maffles" to MUFFLES.
- (146) On page 153, line 16, change the word "closures" to CLOSURES.
- (147) On page 157, line 13, put a comma (,) after the word "more".
- (148) On page 163, line 13, change the period (.) to a comma (,) after "Note 3".
- (149) On page 164, line 26, change the word "bolybdenum" to MOLYBDENUM.
- (150) On page 165, line 3, change the word "core" to MORE.
- (151) On same page 165, line 7, put a comma (,) after the word "manganese".
- (152) On page 166, line 27, change the word "not" to HOT.
- (153) On page 169, line 16, between the words "ingots" and "iron," change the word "or" to OF.
- (154) On page 171, line 7, change the word "vata" to VATS.
- (155) On page 172, line 9, between the words "more" and "length", insert the word IN.
- (156) On same page 172, lines 29-31, delete the words "not exceeding twelve millimeter in thickness."
- (157) On page 173, line 9, change the word "and" to OR.
- (158) On page 176, line 20, change the word "hocknails" to HOOKNAILS.
- (159) On same page 176, insert after line 33 the following:
74.19 OTHER ARTICLES OF COPPER ad val. 25%
- (160) On page 178, line 9, strike out the words "ad val".
- (161) On same page 178, line 13, change the word "powers" to POWDERS.
- (162) On page 180, line 11, insert the word OF before "aluminum".
- (163) On same page 180, line 21, change the word "excluding" to INCLUDING.
- (164) On same page 180, line 29, change the word "insulted" to INSULATED.
- (165) On page 181, line 9, change "berryllium" to BERYLLIUM.
- (166) On page 183, line 29, change "extended" to EXTRUDED.
- (167) On page 185, line 12, change the word "section" to SECTIONS.
- (168) On page 185, line 13, put a comma (,) between the words "Rolled" and "extruded."
- (169) On page 189, line 31, put a close parenthesis ")" after the word "appliances."
- (170) On page 190, line 13, put a close parenthesis ")" after "strips."
- (171) On page 191, line 1, change the word "or" to OF.
- (172) On same page 191, line 25, change the word "papers" to PAPER.
- (173) On page 192, line 10, change the word "Bunckle" to BUCKLE.
- (174) On same page 192, line 28, change the word "Stopper" to STOPPERS.
- (175) On page 193, line 19, change the word "for example" to E.G.,
- (176) On page 194, line 14, change "Nos." to NUMBERED.
- (177) On same page 194, line 31, change "Nos." to NUMBERED.
- (178) On page 195, line 14, change "Nos." to NUMBERED.
- (179) On page 197, line 5, strike out the comma (,) after "84.01".
- (180) On same page 197, lines 26-28, strike out quotation marks.
- (181) On page 198, line 10, change the word "powers" to BOILERS at the end of.
- (182) On same page 198, line 18, change "30%" to 35%.
- (183) On page 199, line 25, change "none-" to NON-.
- (184) On page 200, line 15, change the period (.) to a colon (:).
- (185) On page 201, line 26, change the semicolon (;) to a colon (:).
- (186) On page 202, line 5, change "paper board" to PAPERBOARD.
- (187) On same page 202, line 23, change the word "arcillary" to ANCILLARY.
- (188) On page 203, line 1, change the word "triming" to TRIMMING.
- (189) On same page 203, line 11, change the word "hipples" to NIPPLES.
- (190) On same page 203, line 29, change the word "therefore" to THEREFOR.
- (191) On page 204, line 2, change the word "furniture" to WOODEN PARTS.
- (192) On page 205, line 2, strike out the comma (,).
- (193) On same page 205, line 9, change the word "total" to TOTALLING.
- (194) On page 206, line 29, strike out the word "AND" and change the word "Equipments" to EQUIPMENT.
- (195) On page 207, lines 3-4, change the word "materials" to MATERIAL.
- (196) On page 208, line 10, insert the words PARTS THEREOF after "Electric accumulators."
- (197) On page 210, lines 18-19, put a close parenthesis ")" after "controls."
- (198) On page 212, line 8, change the comma (,) to a semicolon (;).
- (199) On same page 212, line 12, insert number 97.01 before "97.03".
- (200) On same page 212, line 31, change "81.01" to 83.01.
- (201) On page 214, line 10, enclose in parenthesis "(" the phrase NOT ELECTRICALLY OPERATED.
- (202) On page 221, line 14, change the word "heading" to HEADINGS.
- (203) On same page 221, line 15, change "No." to NUMBERED.
- (204) On page 223, line 3, change "heading No." to HEADINGS NUMBERED.
- (205) On same page 223, line 34, change the word "heading" to HEADINGS NUMBERED.
- (206) On page 224, line 32, change the word "mounting" to MOUNTINGS.

- (207) On page 225, line 2, change the word "and" at the end of the line to ANY.
- (208) On same page 225, line 15, change the word "protons" to PROTON.
- (209) On same page 225, line 23, put a close parenthesis ")" after the word "surveying."
- (210) On page 226, lines 11-12, change the word "respiraratus" to RESPIRATORS.
- (211) On page 227, line 10, put a comma (,) between the word "analyzing" and "measuring."
- (212) On same page 227, lines 19-20, put a comma (,) between the words "porosity" and "expansion".
- (213) On page 228, line 16, put open parenthesis "(" before the word "heading."
- (214) On page 229, line 11, change the semicolon (;) to a colon (:).
- (215) On same page 229, line 31, change the word "Others" to OTHER and put a colon (:) therein.
- (216) On page 230, line 13, put a comma (,) after the word "hinges."
- (217) On page 231, line 29, change the word "cynbals" to CYMBALS.
- (218) On page 232, line 3, change the word "eect" to EFFECT.
- (219) On same page 232, line 5, change the word "boastwains" to BOATSWAINS.
- (220) On same page 232, line 20, put a colon (:) after the word "sound."
- (221) On same page 232, line 23, change the word "arts" to PARTS.
- (222) On page 233, line 23, change the word "fiream" to FIREARMS.
- (223) On page 234, lines 9-11, strike out the following: "of war, parts thereof; ammunition of all kinds, and parts thereof, including lead shot and cartridge wads ad val. 15%
- (224) On same page 234, line 19, change the word "cushions" to CUSHIONS.
- (225) On page 235, line 3, put a hyphen (-) between the words "swing" and "mirrors".
- (226) On page 236, line 14, change the word "chair" to CHAIRS.
- (227) On same page 236, line 25, change the semicolon (;) to a colon (:).
- (228) On page 237, line 7, change the words "clock or watch cases);" to spectacle frames);
- (229) On same page 237, line 9, change the words "(spectacle frames); to CLOCK OR WATCH CASES);
- (230) On page 237, line 31, change the word "article" to ARTICLES.
- (231) On same page 237, line 33, change "100% to 150%.
- (232) On page 240, line 22, change the word "heading" to HEADINGS.
- (233) On page 242, line 3, change the word "manageries" to MENAGERIES.
- (234) On same page 242, line 11, change the word "stubs" to STUDS.
- (235) On same page 242, line 29, between the words "case" and "box" change the word "of" to OR.
- (236) On page 243, line 10, change "40%" to 50%.
- (237) On same page 243, line 29, put the word WAX before the word "crayons".
- (238) On page 244, line 7, change the comma (,) to a semicolon (;) after the word "Spools".
- (239) On same page 233, line 32, put the word GLASS before the word "inners".
- (240) On page 245, line 29, change the word "craftmanship" to CRAFTSMANSHIP.
- (241) On same page 245, line 31, put (a) between "4" and "subject."
- (242) On page 247, lines 3-4, strike out "ARTICLES NOT OTHERWISE PROVIDED FOR." after the word "VESSELS."
- (243) On same page 247, lines 7-8, strike out "VESSELS; ARTICLES NOT OTHERWISE PROVIDED FOR." after the word "VESSELS."
- (244) On page 249, line 31, change the comma (,) to a colon (:).
- (245) On page 250, line 21, between "diversion" and "construction" change the word "of" to OR.
- (246) On page 253, line 22, after the word "year" delete the period (.) and in lieu thereof, insert a semicolon (;) and add ARTICLES IN ANY SINGLE SHIPMENT CONSIGNED TO ANY SINGLE PERSON WHEN THE TOTAL EXPORT VALUE OF SUCH SHIPMENT DOES NOT EXCEED ONE HUNDRED PESOS: PROVIDED, THAT WHEN THE EXPORT VALUE EXCEEDS THE AMOUNT OF ONE HUNDRED PESOS, ONLY THE AMOUNT IN EXCESS OF ONE HUNDRED PESOS SHALL BE SUBJECT TO DUTY. (SEC. 11, PAR 344, a, PTA; SEC. 190, NATIONAL INTERNAL REVENUE CODE).
- (246) On page 254, line 2, change the word "estimated" to ASCERTAINED.
- (247) On same page 254, line 3, insert the word THIS between "under" and "subsection."
- (248) On same page 254, line 10, change the word "on" to OR.
- (249) On page 255, line 14, put a colon (:) after "subsection."
- (250) On same page 255, line 32, put a comma (,) after the word "duties" and add the words TAXES AND OTHER CHARGES.
- (251) On same page 255, line 33, put a comma (,) after the word "duties" and add the words TAXES AND OTHER CHARGES.
- (252) On page 256, line 21, change the word "cotumes" to COSTUMES.
- (253) On page 263, line 22, change the word "or" to AND.
- (254) On page 265, between line 21, after the word "classification" add the words: SHALL BE EFFECTED AS FOLLOWS:
- (255) On page 269, between lines 28 and 29, insert the following: IMPORTED ARTICLES SHALL BE SUBJECT TO THE RATE OR RATES OF IMPORT DUTY EXISTING AT THE TIME OF ENTRY, OR WITHDRAWAL FROM WAREHOUSE, IN THE PHILIPPINES, FOR CONSUMPTION. (1251, RAC.)
- (256) On page 270, between lines 15 and 16, insert the following:
 SEC. 206. ENTRY OR WITHDRAWAL FROM WAREHOUSE FOR CONSUMPTION.—IMPORTED ARTICLES SHALL BE DEEMED "ENTERED" IN THE PHILIPPINES FOR CONSUMPTION, WHEN THE SPECIFIED ENTRY FORM IS PROPERLY FILED AND ACCEPTED, TOGETHER WITH ANY RELATED DOCUMENTS REQUIRED BY THE PROVISIONS OF THIS CODE AND/OR REGULATIONS TO BE FILED WITH SUCH FORM AT THE TIME OF ENTRY, AT THE PORT OR STATION BY THE CUSTOMS OFFICER DESIGNATED TO RECEIVE SUCH ENTRY PAPERS AND ANY DUTIES, TAXES, FEES AND/OR OTHER LAWFUL CHARGES REQUIRED TO BE PAID AT THE TIME OF MAKING SUCH ENTRY HAVE BEEN PAID OR SECURED

TO BE PAID WITH THE CUSTOMS OFFICER DESIGNATED TO RECEIVE SUCH MONIES, PROVIDED, THAT THE ARTICLE HAS PREVIOUSLY ARRIVED WITHIN THE LIMITS OF THE PORT OF ENTRY.

IMPORTED ARTICLES SHALL BE DEEMED "WITHDRAWN" FROM WAREHOUSE IN THE PHILIPPINES FOR CONSUMPTION WHEN THE SPECIFIED FORM IS PROPERLY FILED AND ACCEPTED, TOGETHER WITH ANY RELATED DOCUMENTS REQUIRED BY ANY PROVISIONS OF THIS CODE AND/OR REGULATIONS TO BE FILED WITH SUCH FORM AT THE TIME OF WITHDRAWAL, BY THE CUSTOMS OFFICER DESIGNATED TO RECEIVE THE WITHDRAWAL ENTRY AND ANY DUTIES, TAXES, FEES AND/OR OTHER LAWFUL CHARGES REQUIRED TO BE PAID AT THE TIME OF WITHDRAWAL HAVE BEEN DEPOSITED WITH THE CUSTOMS OFFICER DESIGNATED TO RECEIVE SUCH PAYMENT.

SEC. 207. REVISED 1946 TRADE AGREEMENT NOT AFFECTED. NOTHING IN THIS ACT SHALL BE CONSTRUED TO ABBROGATE OR IN ANY MANNER IMPAIR OR AFFECT THE PROVISIONS OF THE REVISED AGREEMENT CONCLUDED BETWEEN THE PHILIPPINES AND THE UNITED STATES ON SEPTEMBER 6, 1955.

- (257) On page 271, line 1, strike out the comma (,).
- (258) On page 274, line 19, insert the letter A between "as" and "result".
- (259) On page 275, line 8, change the word "sale" to SALES.
- (260) On page 276, line 1, change the word "related" to REBATED.
- (261) On page 277, line 23, put the word OF after "cost".
- (262) On page 282, line 8, change the word "on" to OF.
- (263) On page 286, line 4, strike out the comma (,) after "directly".
- (264) On page 289, line 26, change the word "tarriff" to TARIFF.
- (265) On page 296, after line 33, insert the following paragraph:
 L. THE SUPERVISION AND CONTROL OVER THE HANDLING OF FOREIGN MAILS ARRIVING IN THE PHILIPPINES, FOR THE PURPOSE OF THE COLLECTION OF THE LAWFUL DUTY ON DUTIABLE ARTICLES THUS IMPORTED AND THE PREVENTION OF SMUGGLING THROUGH THE MEDIUM OF SUCH MAILS (SEC. 1139 (i), RAC).
- (266) On page 297, line 29, change the word "Health" to QUARANTINE.
- (267) On same page 297, line 30, change the word "Health" to QUARANTINE.
- (268) On same page 297, line 32, change the word "Health" to QUARANTINE.
- (269) On page 298, line 13, strike out the comma (,).
- (270) On page 299, line 9, put a period (.) after "district."
- (271) On same page 299, line 28, change the word "principal" to PRINCIPAL.
- (272) On page 304, line 34, change the semicolon (;) to a colon (:).
- (273) On page 306, line 20, delete "NOT" before "SUBJECT".
- (274) On page 307, line 23, delete "NOT" before "SUBJECT".
- (275) On page 319, line 3, delete "NOT LESS THAN"; change the words "NOR MORE" to "BUT LESS".
- (276) On same page 319, line 8, delete "NOT LESS THAN"; change "NOR MORE" to "BUT LESS".
- (277) On same page 319, lines 12 and 13, delete "NOT LESS THAN"; change "NOR MORE" to "BUT LESS"; between the words "HUNDRED" and "FIFTY" insert the word AND.
- (278) On page 321, line 9, put the word HORSEPOWER after "twenty".
- (279) On same page 321, line 11, put the word HORSEPOWER after "twenty-one".
- (280) On page 323, line 29, put a comma (,) after "navigate".
- (281) On page 326, line 22, put a colon (:) after "in".
- (282) On page 329, line 8, change "Philippines" to PHILIPPINES.
- (283) On same page 329, line 11, change the word "description" to DESCRIPTION.
- (284) On page 346, line 9, enclose within bracket ([]) the word "duty" and insert DUTIES, TAXES AND OTHER CHARGES.
- (285) On page 352, line 24, change the words "included in" to INCLUDED IN.
- (286) On page 355, line 11, change the word "indifferent" to IN DIFFERENT.
- (287) On page 367, line 1, change the word "by" to OR and "or" to BY.
- (288) On page 375, line 30, the word "Prescribed" should not be capitalized.
- (289) On page 381, line 27, after the word "collector" put ASSISTANT COLLECTOR.
- (290) On page 384, line 23, change the word "hereinunder" to HEREIN.
- (291) On page 386, line 24, change the comma (,) to a semicolon (;).
- (292) On page 387, line 1, put a comma (,) after the word "collector".
- (293) On page 388, line 26, change the word "deision" to DECISION.
- (294) On page 389, line 81, strike out the word "The".
- (295) On page 391, line 15, change the word "ruling" to APPEAL.
- (296) On page 393, line 19, put a comma (,) after "record".
- (297) On same page 393, line 20, put a comma (,) after the word "value".
- (298) On same page 393, line 21, put a comma (,) after the word "law".
- (299) On page 394, line 10, after the word "the" add the words TARIFF AND.
- (300) On page 395, line 2, strike out "such vessel".
- (301) On same page 395, line 25, change the word "such" to ANY and *any* to SUCH.
- (302) On page 396, line 9, after the word "the" insert TARIFF AND.
- (303) On same page 396, line 28, put a comma (,) after "contract".
- (304) On page 397, line 12, put a comma (,) after the word "trade".
- (305) On page 399, line 31, strike out the comma (,).
- (306) On page 402, lines 9 and 10, strike out "and for their storage".
- (307) On same page 402, line 11, after the word "under" put TARIFF AND.
- (308) On page 405, line 20, strike out a comma (,).
- (309) On same page 405, line 25, change the word "abent" to AGENT.
- (310) On page 408, line 7, put comma (,) after "articles".
- (311) On same page 408, line 30, change the word "shipowners" to SHIPOWNERS.
- (312) On same page 408, line 33, change the semicolon (;) to a colon (:).
- (313) On page 409, line 20, change "appriasal" to APPRAISAL.

- (314) On same page 409, line 28, after the word "THAT" strike out the word "THE".
- (315) On same page 409, line 29, strike out "COST OF" and the brackets ([]).
- (316) On page 413, line 16, change the word "or" to OF.
- (317) On page 416, line 21, strike out the colon (:).
- (318) On page 426, line 30, change the word "unto" to ONTO.
- (319) On page 428, line 2, put a comma (,) after the word "crated".
- (320) On same page 428, line 4, put a comma (,) after "incrated".
- (321) On page 429, line 32, change the word "unto" to ONTO.
- (322) On page 430, line 1, change the word "unto" to ONTO.
- (323) On page 430, line 9, change the word "unto" to ONTO.
- (324) On same page 430, line 11, change the word "unto" to ONTO.
- (325) On page 431, line 14, change the word "isurance" to ISSUANCE.
- (326) On same page 431, line 24, change "unto" to ONTO.
- (327) On page 432, line 13, change "or" to OF.
- (328) On page 433, line 1, change the word "barrel" to BARRELS.
- (329) On same page 433, line 3, change the word "bag" to BAGS.
- (330) On same page 433, line 5, change the word "drum" to DRUMS.
- (331) On same page 433, line 10, change the word "gals" to GAL.
- (332) On same page 433, line 16, change the word "bale" to BALES.
- (333) On same page 433, line 22, change the word "crate" to CRATES.
- (334) On same page 433, line 23, change the word "coil" to COILS.
- (335) On page 433, line 28, change the word "bottle" to BOTTLES.
- (336) On page 434, line 3, put a hyphen (-) after the word "short".
- (337) On same page 434, line 31, change the word "bale" to BALES.
- (338) On page 435, line 2, change the word "rate" to RATES.
- (339) On page 436, line 12, change the word "unto" to ONTO.
- (340) On same page 436, line 25, change the word "unto" to ONTO.
- (341) On page 437, line 3, put a hyphen (-) after "making" and after "fast".
- (342) On same page 437, line 10, put the word THE after "ham".
- (343) On same page 437, line 11, change the word "steady" to STANDBY.
- (344) On same page 437, from lines 17 to 18, strike out "and rehandling same from said pier and wharf".
- (345) On same page 437, line 18, change the word "unto" to ONTO.
- (346) On page 441, line 10, change the word "unto" to ONTO.
- (347) On same page 441, line 12, change the word "unto" to ONTO.
- (348) On same page 441, line 15, change the word "unto" to ONTO.
- (349) On same page 441, line 16, change the word "unto" to ONTO.
- (350) On same page 441, line 27, change the word "later" to LATTER.
- (351) On same page 441, line 29, change the word "unto" to ONTO.
- (352) On page 443, line 6, change the word "baggage" to BAGGAGES.
- (353) On page 444, line 14, change the word "change" to CHANGES.
- (354) On page 447, line 28, put letter A between "of" and "vessel".
- (355) On page 449, line 2, put the word ONE between "of" and "hundred".
- (356) On page 450, line 2, change the phrase "for each original withdrawal entry from any" to FOR EACH APPROVAL OF APPLICATION IN RESPECT TO A.
- (357) On page 451, from lines 16 to 26, delete everything therein.
- (358) On page 463, line 22, between the words "the" and "customs" insert the words TARIFF AND.
- (359) On page 464, line 34, put a comma (,) after the word "year".

The SPEAKER. Individual amendments are now in order.

Mr. MARCOS. Mr. Speaker, I ask for the suspension of the session for two minutes to enable us to prepare individual amendments.

SUSPENSION OF THE SESSION

The SPEAKER. The session is suspended for five minutes.

RESUMPTION OF THE SESSION

The SPEAKER. The session is resumed.

Mr. RAMOS. Mr. Speaker, the Committee is prepared to consider any individual amendment.

ROY AMENDMENTS

Mr. ROY. Mr. Speaker, on page 13, line 2, the Committee proposed an amendment changing "P5.00" to "P15.00." This refers to fresh citrus fruits. I propose to amend this amendment, with the permission of the Chairman, that instead of "P15" it should be "P25".

Mr. RAMOS. The Committee accepts the amendment, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection, the amendment is approved.

Mr. ROY. On the same page, line 3, the Committee changed "P6" to "P20". I propose that instead of "P20" it should be "P30".

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection the amendment is approved.

Mr. ROY. On page 14, Mr. Speaker, the Committee proposed an amendment on line 8 on unroasted coffee from "7 per cent" to "25 per cent"; and on

line 9, the Committee proposed an amendment changing "10 per cent" to "20 per cent". There is a discrepancy here, and I propose that on line 9, page 14, instead of "20 per cent" it should be "30 per cent" to be consistent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection the amendment is approved.

Mr. ROY. Mr. Speaker, are we proceeding page by page, because I have some more amendments to propose and I shall proceed to page 138?

MARCOS AMENDMENTS

Mr. MARCOS. Anterior amendment, Mr. Speaker. On page 14, lines 11 and 12, instead of "60 per cent" lower it to "30 per cent".

Mr. RAMOS. The Committee accepts the amendment.

Mr. MARCOS. I withdraw the amendment.

Mr. RAMOS. The Committee withdraws its acceptance.

The SPEAKER. Is there any further amendment?

Mr. MARCOS. Mr. Speaker, on page 73, line 15, Item 36.01—Propellant powders—lower the tariff duty from 10 per cent to 5 per cent.

Mr. RAMOS. Mr. Speaker, the Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

CRUZ (E.) AMENDMENT

Mr. CRUZ (E.). Mr. Speaker, for an amendment. On page 101, line 14, between the words "rolls" and "of" insert the words OR IN SHEETS.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

ROY AMENDMENTS

Mr. ROY. Mr. Speaker, on page 139, line 9, change 25 per cent to 15 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. ROY. On page 175, line 11, change 10 per cent to 20 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. ROY. On page 176, line 7, change 10 per cent to 20 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

MARCOS AMENDMENTS

Mr. MARCOS. Mr. Speaker, on page 197, line 33, Item 84.01—Steam—generating boilers—change 10 per cent to 5 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection, the amendment is approved.

Mr. MARCOS. On page 198, line 1, change 10 per cent to 5 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection, the amendment is approved.

Mr. MARCOS. On the same page, Item 84.03, lines 2, 3 and 4, change 10 per cent to 5 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. On the same page, the next item, lines 5, 6, 7, 8 and 9, change 10 per cent to 5 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection, the amendment is approved.

Mr. MARCOS. On the same page, the next item, lines 10 and 11, change "10 per cent" to "5 per cent".

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection the amendment is approved.

Mr. MARCOS. On the same page, line 14, change "10 per cent" to "5 per cent".

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection the amendment is approved.

Mr. MARCOS. On the same page, line 16, change "20 per cent" to "10 per cent".

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection the amendment is approved.

Mr. MARCOS. On the same page, line 17, change "25 per cent" to "15 per cent".

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection the amendment is approved.

Mr. MARCOS. On the same page, line 18, change "30 per cent" to "20 per cent".

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection the amendment is approved.

Mr. MARCOS. On the same page, line 19, change "10 per cent" to "5 per cent".

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection the amendment is approved.

Mr. MARCOS. On the same page, the next item, lines 20 and 21 change "10 per cent" to "5 per cent."

Mr. RAMOS. The Committee accepts the amendments.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection the amendment is approved.

Mr. MARCOS. On the same page, line 22, change "10 per cent" to "5 per cent".

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection the amendment is approved.

Mr. MARCOS. On the same page, the next item, line 23, and all the items, lines 27 and 31, to the bottom of the page, change "10 per cent" to "5 per cent".

Mr. RAMOS. The Committee accepts the amendment, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection the amendment is approved.

Mr. MARCOS. With the exception of course of the last item, Mr. Speaker, Item 84.12 which is covered by 50 per cent on the next page, page 199, which is not included in my amendment.

Now, Mr. Speaker, on page 199, lines 3, 4, 5, and 6, change "10 per cent" to "5 per cent".

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection the amendment is approved.

Mr. MARCOS. The next item, lines 7 and 8, the same page, change "10 per cent" to "5 per cent".

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) There being no objection the amendment is approved.

Mr. MARCOS. Line 12, Refrigerating equipment. I presume this does not include refrigerator, but only refrigerating equipment necessary for industries and agriculture. Change 20 per cent to 10 per cent.

COMMITTEE AMENDMENT TO THE AMENDMENT

Mr. RAMOS. Mr. Speaker, I should like to propose an amendment to that amendment. After "equipment," insert USED BY INDUSTRIES.

Mr. MARCOS. I accept the amendment.

Mr. RAMOS. In which case, Mr. Speaker, we accept the amendment.

The SPEAKER. Is there any objection to the amendment as amended? (*After a pause.*) The Chair does not hear any. The amendment, as amended, is approved.

Mr. MARCOS. On the same page, all items to the bottom, lines 13, 16, 26 and 30, change 10 per cent to 5 per cent.

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. On page 200, lines 22 to 27, pertaining to industrial machinery, change 10 per cent to 5 per cent.

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. Likewise, change 10 per cent to 5 per cent with respect to the other machinery on line 33.

Mr. RAMOS. Accepted Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. With respect to agricultural machinery which is found on page 200, lines 34 and 35, and lines 1 and 2 of page 201, I propose that it be allowed to come in free. It is now proposed to pay 5 per cent only.

Mr. RAMOS. The Philippines is also producing now for the small industries, plows, harrows and the like.

Mr. MARCOS. These things spoken of here, I presume, are those attachable to tractors.

Mr. RAMOS. Line 34, page 200, specifies such plows and harrows, cultivators—and fertilizers—distributors—these are manufactured in this country.

Mr. MARCOS. I was thinking that there are some items allowed to come in free which are so important as agricultural machinery.

Mr. RAMOS. The Committee has announced its stand that when such things are manufactured locally in the hope of protecting local industries, we believe that only nominal duties should be imposed.

Mr. MARCOS. I think there are no local companies manufacturing plows and harrows for tractors, but only for animals.

Mr. RAMOS. We are developing home industries along this line and for the information of the gentleman from Ilocos Norte such things when actually imported are already free from the 17 per cent exchange tax.

Mr. MARCOS. That is why we should adopt a consistent policy.

Mr. RAMOS. This represents only the difference in order to encourage home manufacture of small articles as harrows and plows; otherwise, we will always open the door wide to importation.

Mr. MARCOS. I should like to go to the question of animal-drawn plows and harrows which are supposedly competing with local industry—we are not importing any. Only vehicle-drawn plows and harrows.

Mr. RAMOS. The importation of this particular commodity amounts to ₱991,000 a year.

Mr. MARCOS. That is vehicle-drawn.

Mr. RAMOS. It does not specify what kind. If the gentleman will specify the distinction . . .

Mr. MARCOS. May I, therefore, put a classification under Item 84.24 which shall be as follows: "ANIMAL-DRAWN IMPLEMENTS, 5 per cent; VEHICLE-DRAWN IMPLEMENTS, FREE."

Mr. RAMOS. I should like to propose an amendment: "UNLESS OTHERWISE PRODUCED IN THIS COUNTRY".

Mr. MARCOS. We give that to the President. Anyway, as the gentleman said, there is the flexible

clause, and that will be approved anyway in view of your numerical superiority.

Mr. RAMOS. We have the information that this is mostly imported from the United States . . . only 25 per cent.

Mr. MARCOS. Precisely, as it is so small, why not wipe it off. What I am thinking is to be clear-cut, if it is really intended for economic development.

Mr. RAMOS. We want also to encourage and give more incentives to the production of such articles which can be manufactured locally.

Mr. MARCOS. As the gentleman is an agriculturist I presume he knows that these are not yet produced locally, because they require a special process.

Mr. RAMOS. I am not an agriculturist.

SUSPENSION OF THE SESSION

The SPEAKER. With the permission of the gentlemen on the floor, the session is suspended for two minutes.

RESUMPTION OF THE SESSION

The SPEAKER. The session is resumed.

Mr. MARCOS. Mr. Speaker, allow me to explain my amendment.

The SPEAKER. The gentleman from Ilocos Norte may have the floor.

Mr. MARCOS. I intend to submit this amendment, Mr. Speaker, in order to exempt only vehicle-drawn implements, that is, implements like heavy implements of steel that are drawn by tractors which are used for agriculture. These shall be exempt; but those that are animal-drawn and produced in the Philippines, I understand, should pay a tariff duty of 5 per cent, retaining the present classification.

The SPEAKER. The gentleman will please restate his amendment.

Mr. MARCOS. After the words "seed and fertilizer distributors" which are on line 1 on page 201, I propose to insert a classification, as follows:

A. Animal-drawn	5 per cent
B. Vehicle-drawn	Free

The SPEAKER. What does the Committee say?

Mr. RAMOS. The Committee accepts the amendment. So that, as it is, there should be A and B under Item 84.24.

Mr. MARCOS. Yes.

The SPEAKER. Is there any objection on the part of the House? *(After a pause.)* The Chair does not hear any. The amendment is approved.

Mr. MARCOS. Next item, line 9. Lower the tariff duty from 10 per cent to 5 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. Next item, lines 11, 14 and 17, Dairy Machinery. Lower the tariff duty from 10 per cent to 5 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. The Committee accepts the amendment, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. On the same page, line 22, change 15 per cent to 10 per cent, and on the next line 23, change 10 per cent to 5 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. The Committee accepts the amendment, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. On page 202, lines 6, 8, 11, 20, 24, and 31, change 10 per cent to 5 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. On page 203, change all the rates from 10 per cent to 5 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. On page 204, from line 10 to the bottom of the page, change 10 per cent to 5 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. On page 205, from line 2 to line 33, change 10 per cent to 5 per cent and 15 per cent to 10 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. On page 206, line 2, change 10 per cent to 5 per cent; on line 7, change 15 per

cent to 10 per cent; and then from line 11 to line 27, change 10 per cent to 5 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. On page 216, line 22, change 15 per cent to 10 per cent; and on line 24, change 25 per cent to 20 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. On the same page 216, line 28, change 20 per cent to 15 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. I should like to call the attention of the gentleman to the fact that these are sports and passenger vehicles. As a matter of fact, the rate should be increased in order to compensate for the loss in such agricultural and industrial machinery.

Mr. MARCOS. Yes, but I was thinking of the policy we have embodied in House Bill No. 5809 which we approved in the conference committee. In this bill we approved that unassembled vehicles, whether sports car or not, will pay an initial fee of advance sales tax of 7 per cent only, and after deducting the value of the spare parts, then the remainder of the selling price pays the total of about 50 per cent.

Mr. RAMOS. As a matter of fact, we agreed in 150 and 175 per cent, and by reducing it that will be doubling the loss without compensating for the loss in favor of agricultural and industrial machinery.

Mr. MARCOS. Yes. I think this is some kind of a double taxation. You see, my amendments are going to follow a certain scheme. Let me call the attention of the Chairman to this: unassembled gasoline-vehicle with 6 cylinders, we pay 60 per cent; with 8 cylinders, 100 per cent; and others, 150 per cent, so that the total cost of a vehicle, a Ford or a Chevrolet, for instance, after the passage of this Tariff Act, may reach to as much as P15,000.

Mr. RAMOS. We have already considered that under House Bill No. 5829. We agreed to a further reduction including the exemption of 7 per cent on spare parts in anticipation of what we will consider in this Tariff Code. But if we yield to this proposition, we will lose the compensating tax of 7 per cent which will thereby reduce the

government revenue to much more than what we expected, and that is yielding too much already.

Mr. MARCOS. I have no quarrel on what we did before. But let us be consistent with our policy.

Mr. RAMOS. Precisely, we are consistent on the fact that insofar as agricultural and industrial machinery is concerned, I agree, even with regard to plows and harrows. But this is a sports car. Certainly, this should be limited also.

Mr. MARCOS. But think of the number . . .

Mr. RAMOS. I will submit this to a vote.

Mr. MARCOS. I see the point of the gentleman, but let us be consistent. On diesel cars, all kinds of cars, we impose a tax, but at the same time let us not impose too heavy a burden on the buying public.

The SPEAKER. Shall we assume that the Committee rejects the amendments?

Mr. RAMOS. Yes, Mr. Speaker.

Mr. MARCOS. Mr. Speaker, may I restate my amendment.

On line 28, for Unassembled Diesel or semi-diesel, from 20 per cent to 15 per cent.

The SPEAKER. The House will vote on the amendment. As many as are in favor of the amendment, please say *Aye*. (*A minority: Aye.*) As many as are against, please say *No*. (*A majority: No.*) The amendment is lost.

Mr. MARCOS. Mr. Speaker, line 29, assembled vehicle, lower from 35 per cent to 30 per cent.

Mr. RAMOS. The Committee rejects the amendment.

The SPEAKER. As many as are in favor of the amendment will please say *Aye*. (*A minority: Aye.*) As many as are against will please say *No*. (*A majority: No.*) The amendment is lost.

Mr. MARCOS. Line 33, lower from 25 per cent to 20 per cent.

Mr. RAMOS. The Committee rejects the amendment for the same principle enunciated by the Committee.

The SPEAKER. As many as are in favor of the amendment will please say *Aye*. (*A minority: Aye.*) As many as are against will please say *No*. (*A majority: No.*) The amendment is lost.

Mr. MARCOS. Mr. Speaker, there were only two voices.

The SPEAKER. The Chair heard just one voice in favor.

Mr. MARCOS. Mr. Speaker, in view of this attitude of the Committee, I refrain from submitting any other amendment on motor vehicles classified as sports car, but let it be known that in case the prices of these articles go up, there is nobody to

blame except the Nacionalista controlled special committee.

Mr. RAMOS. Let the gentleman address his appeal to the President.

Mr. MARCOS. Now, I come to page 217, lines 13 to 17, "Motor platform trucks with lifting and handling equipment, fire engines, fire escapes, scavengers, spraying trucks, crane trucks, and similar special purpose motor vehicles." Lower from 15 per cent to 5 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. Lines 24 to 25, same page, "Parts and accessories of tractors and other vehicles". Lower the tariff duty from 10 per cent to 5 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. Lines 26 to 29, "Factory, warehouse and similar self-propelled trucks and tractors (including forklift trucks and crane trucks); parts thereof. Motor vehicles." Lower from 15 per cent to 10 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. And "Parts" on line 30, lower from 10 per cent to 5 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. I come to a very funny item, Item 87.08. "Tanks and other armored fighting vehicles, motorized, whether or not fitted with weapons, and parts of such vehicles." I do not know why we are taxing these.

Mr. RAMOS. These refer to the importation of such equipment to be used by big commercial establishments which may not have enough or full confidence in the Army and they want to have their own army, so we have to tax them.

Mr. MARCOS. As an explanatory note, that, under the administrative provision in the Tariff Code, the Government will pay also the tariff

duty unless specifically exempt. Therefore, allow me to introduce the following amendment on page 218, line 1. Lower from 15 per cent to 10 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. And "Parts", line 2, lower from 10 per cent to 5 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. Mr. Speaker, on the same page, line 24, "Balloons and airships." Lower the tariff from 10 per cent to 5 per cent.

Mr. RAMOS. Those are machinery that might be imported by airlines operating in the Philippines. They make plenty of money.

Mr. MARCOS. But our Philippine Airlines which is supposed to be controlled by the Government will be importing them.

Mr. RAMOS. The Government stands to benefit in the form of dividends.

Mr. MARCOS. For instance, I am worried about this, because the Army may import these. The Army may import these for its use and it will pay the tax. Under the administrative provision, the Army will pay the tariff. As the gentleman said before, take away the money from one pocket and put it into another of the same person.

Mr. RAMOS. The Army is always tax-free.

Mr. MARCOS. I always maintain that in the Appropriation Act we cannot include such an exemption because that is a rider.

Mr. RAMOS. If imported by the Philippine Army, unless the gentleman wants to make an amendment, it is tax-free.

Mr. MARCOS. I think that particular provision is good. That is why I merely want to establish a permanent policy.

Mr. RAMOS. If the intention is to favor the Philippine Government, then I will have no objection, but it applies to all commercial firms engaged in business. These firms are making money or making a lot of profit and the Government should share with such profit.

Mr. MARCOS. May I then propose an amendment on line 23 after the word "trainers". Insert the following explanation in parenthesis:

(importation by the Armed Forces of the Philippines shall be duty-free).

Mr. RAMOS. The Committee accepts our mutual amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. Next page, 219. "Ships, boats and floating structures." Lines 29 to 30. "Ships, boats and other vessels not exceeding 3,000 gross registered tons." I yield the floor to the distinguished gentleman from Cebu . . . Mr. Speaker, I resume the line of amendments again. Lines 29 to 30, "Ships, boats and other vessels not exceeding 3,000 gross registered tons," lower from 25 per cent to 10 per cent.

Mr. VILLAREAL. Mr. Speaker, I should like to propose an amendment.

Mr. MARCOS. May I propose an anterior amendment?

Mr. RAMOS. Mr. Speaker, I should like to make the following observation. We can take care of that amendment in the administrative provision where the importation by the Armed Forces of the Philippines or the Philippine Navy may be exempt.

Mr. MARCOS. I am against the provision of exempting the Philippine Navy and the Armed Forces from all kinds of tariff duty, because this was the cause of the scandal in the Poncho case and the scandal pertaining to the importation from Japan.

Mr. RAMOS. The Ponchos will be used by individual enlisted men, but an enlisted man cannot use a boat.

Mr. MARCOS. Take, for instance, the PX case in which Colonel Barbero is involved. This is the result of a provision in the Appropriations Act, which provision I have always considered as illegal and unconstitutional, because it is a rider exempting the Armed Forces from the payment of all kinds of taxes. A general provision like that is open to abuse, as can be seen from the PX case. So it must not be a general provision.

Mr. RAMOS. This covers big items involving not only hundreds but thousands, and if it happens that a single member of the Armed Forces should import an item for his personal use . . .

Mr. MARCOS. (*Interrupting.*) That would not be an official importation for the Armed Forces.

Mr. RAMOS. Precisely. That will give the Bureau of Internal Revenue a chance to go after the culprit, because he cannot afford to buy a plane or a boat.

Mr. MARCOS. Certainly. That is why I am not in favor of a general provision, because a general provision may be subject to abuse.

Mr. RAMOS. In such cases, which are rare exceptions, it is easier to have him traced by the Bureau of Internal Revenue to find out if such importation is intended for the Army or the Navy but falls into the hands of a single enlisted man. That is a rather remote and isolated exception.

Mr. MARCOS. Anyway, I will submit the amendment. After the period with which the word STRUCTURES is terminated on page 219, line 2, I move to insert the following (IMPORTATION FOR THE USE OF THE ARMED FORCES OF THE PHILIPPINES SHALL BE DUTY-FREE.)

The SPEAKER. What does the Committee say?

Mr. RAMOS. Mr. Speaker, I have but one question to ask in order to clarify the matter. Is the Navy included in the Armed Forces?

Mr. MARCOS. Yes.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (After a pause.) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. On lines 29 and 30, the same page, under "Ships, boats and floating structures", on lines 29 and 30, under B-1, "Not exceeding 3,000 gross registered tons, *Ad val.* 25 per cent", reduce that to 5 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. May we hear the explanation of the gentleman from Ilocos Norte?

SUSPENSION OF THE SESSION

The SPEAKER. The session is suspended for two minutes.

RESUMPTION OF THE SESSION

The SPEAKER. The session is resumed.

Mr. MARCOS. Mr. Speaker, may I resubmit my amendment. Instead of lowering it to 5 per cent—this is line 30—lower it to 20 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. The Committee accepts the amendment.

VELOSO (D.) AMENDMENT TO THE AMENDMENT

Mr. VELOSO (D.). Mr. Speaker, I propose to amend the amendment so as to reduce it to 10 per cent. I should like to reason out my amendment.

The SPEAKER. Shall we assume that the proponent of the original amendment rejects the amendment to the amendment?

Mr. MARCOS. I accept the new amendment from the gentleman from Leyte. I did not hear it, but I accept it anyway.

The SPEAKER. What does the Committee say?

Mr. RAMOS. The Committee accepts the amendment presented by the gentleman from Ilocos Norte, but as amended by the gentleman from Leyte to the extent of only ten per cent, the Committee cannot accept the amendment for the reason that the existing rate is 32.05 per cent, so much so that if we do not pass this Code, the rate will still be 32.05 per cent, and that is a gain of 12.05 per cent regardless of the tonnage.

The SPEAKER. The gentleman from Leyte may reason out his amendment.

Mr. VELOSO (D.). Mr. Speaker, the present bill proposes 25 per cent *ad valorem* tariff duty on vessels of not exceeding 3,000 gross registered tons. For the knowledge or information of this House, I wish to state that during the last three months, our lumber has been reduced in price from \$67 per cubic meter to about \$59 per cubic meter due to lack of ships that could load these logs from Butuan and other places in the Philippines to Japan. During the last four months, our copra had not been shipped to Europe because of lack of ships or lack of bottoms. The usual size of ships that can carry our products to Mediterranean ports and to Japan is about 3,000 gross tons or from 4,000 to 5,000 dead weight tons. So this is about the size that we need. In fact, we need more ships of this size than ships of ten thousand tons which are the three *Doñas* that we have. They are good only from Manila to America because the Pacific Ocean is very wide. So I propose to reduce the rate from twenty to ten per cent because we need these ships for economic survival, and ten per cent here means millions of pesos for us. What is the cost of 3,000-ton ships? It is about two or three million dollars. The NDC is negotiating for the purchase of twelve ships out of the funds that we appropriated under Republic Act No. 1407, and if you will add ten per cent to that who can acquire these ships? Under that Republic Act No. 1407, a Filipino operator can avail himself of the provisions of that Act if that operator will pay 25 per cent of the value of the ship and the Government will pay 75 per cent. The Government has no funds to pay that, and no Filipino operator until now has gone to the National Development to avail himself of this provision because, perhaps, of lack of funds. The Compania Maritima, the General Shipping, the Elizalde Steamship Company, and all the big

companies could not raise the amount required under the provisions of Republic Act No. 1407.

Mr. ABELEDA. Mr. Speaker, will the gentleman yield?

Mr. VELOSO (D.). I will yield in a few minutes. (Continuing.) So, for lack of funds, Mr. Speaker, we could not develop the overseas shipping trade of our country. If we approve a tariff of 20 per cent, that will increase the value of these ships. Under the present law, although a ship running on its own power can enter this country free of duty, yet nobody has acquired ships except Don Vicente Madrigal. And, by the way, all the ships that he bought from Australia are junk ships which were built in 1905 and 1910—because if you want to buy ships 15 or 20 years old, they are very costly. My objection to the 20 per cent rate is that it will greatly increase the cost of the vessel, and no one in this country, none of our businessmen can afford it. We will be inconsistent because, after approving Republic Act No. 1407, we financially back up the shipping industry, but if we approve this bill we shall upset the plan of the government to help establish an overseas shipping trade. I do not need to repeat to you the importance of the overseas trade, but in spite of that our country is one of the nations of the world that do not have enough bottoms to carry their own products to other nations who are willing to buy them.

Mr. ABELEDA. Mr. Speaker, is the gentleman ready to yield now?

The SPEAKER. What is the pleasure of the gentleman from Leyte?

Mr. VELOSO (D.). Yes, Mr. Speaker.

Mr. ABELEDA. I agree perfectly with the gentleman in his argument for developing the Philippine maritime business, but I believe that his objection to the imposition of 20 per cent *ad valorem* duty on ships under the classification *Other* is not in line with that policy, because if the gentleman will notice under Paragraph A, all ships coming to the Philippines on their own power are duty-free.

Mr. VELOSO (D.). That is correct, but does the gentleman know how much it will cost to use American or European crew to bring a ship here? To bring a ship of 10,000 tons from America to the Philippines by American crew will cost no less than \$100,000. As a matter of fact, that has been the subject of conversation between the shipowners and the National Development Company sometime ago.

Mr. ABELEDA. If the Congressman, for instance, orders a ship from Japan, he can send his own crew to Japan to bring that ship over to the Philippines.

Mr. VELOSO (D.). The Japanese Government will not permit that.

Mr. ABELEDA. Under what conditions can you bring a ship built in a foreign country to the Philippines if, for example, that foreign country will not allow the sending of the ship to the Philippines unless it is manned by a foreign crew? Ships of any tonnage can be imported into the Philippines duty-free.

Mr. VELOSO (D.). Duty-free, if it runs on its own power.

Mr. ABELEDA. Correct.

Mr. VELOSO (D.). But to do that, to make it run on its own power, is very costly, and besides being costly, many nations selling ships prohibit that. In Australia, for instance, you cannot buy a ship unless you let it be delivered manned by Australian crew.

Mr. ABELEDA. For example, how can you envision a ship 3,000 tons to come to the Philippines without power?

Mr. VELOSO (D.). Does the gentleman know that Mr. Eng Gan recently brought a 10,000-ton ship from Australia to Manila by his tugboat?

Mr. ABELEDA. Who, Mr. Madrigal?

Mr. VELOSO (D.). No, Mr. Eng Gan, one of the Chinese shipowners in the Philippines. He brought one of his ships by a tugboat.

Mr. ABELEDA. And then the machinery will be put in the vessel after arrival in the Philippines?

Mr. VELOSO (D.). Yes, that is much cheaper, it will cost only about ₱30,000. A 5,000-ton tugboat can tow the biggest commercial ship of 10 thousand tons and it will cost only ₱30,000 from Australia to Manila. But if you let that ship run on its own power it will cost from ₱80,000 to ₱100,000.

Mr. ABELEDA. In other words, it is the contention of the gentleman that a person can order the construction of a vessel in a foreign country, and tow the same vessel to the Philippines, and it will cost less.

Mr. VELOSO (D.). Not only that, but also, it is better to tow it here because we must consider that when the ship is brought here with a foreign crew, the buyer will have to return the crew back under certain accommodating conditions. He cannot just send them back in the hold of a vessel; he has to give them first-class accommodations on their way back, and that is costly.

Mr. ABELEDA. So, instead of having the ship run on its own power, have it towed here by a tug.

Mr. VELOSO (D.). Yes, because it is much cheaper to tow the ship.

The SPEAKER. The time of the gentleman from Leyte has expired. The House will now vote on the amendment as amended by the gentleman from Leyte. As many as are in favor will please say *Aye*. (*A majority: Aye.*) As many as are against will please say *No*. (*A minority: No.*) The *Ayes* have it. The amendment as amended is approved.

Is there any further amendment?

Mr. MARCOS. Mr. Speaker, in view of the acceptance of the amendment by the House, may I amend lines 31, 32, lowering the tariff duty from 15 per cent to 5 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. The Committee rejects the amendment.

Mr. MARCOS. I submit to a vote, Mr. Speaker.

The SPEAKER. The House will vote on the amendment. As many as are in favor will please say *Aye*. (*Several Representatives: Aye.*) As many as are against will please say *No*. (*Several Representatives: No.*)

The House will divide. As many as are in favor, please rise. (*A minority rose.*) As many as are against, please do likewise. (*A majority rose.*) The amendment is lost.

Mr. MARCOS. In which case, Mr. Speaker, we shall arrive at the almost ridiculous situation of a boat with a tonnage of not more than 3,000 paying less than a boat with a tonnage in excess of 3,000. I believe the distinguished Chairman should not allow that discrepancy to stay without any corresponding amendment.

Mr. RAMOS. What does the gentleman propose to do?

Mr. MARCOS. Let us lower it to a compromise figure.

Mr. RAMOS. Mr. Speaker, on second thought, we will accept the amendment of the gentleman from Ilocos Norte.

The SPEAKER. Is there any objection to reconsider the action of the House? (*After a pause.*) There being no objection, the action of the House is reconsidered.

Is there any objection to the amendment proposed by the gentleman from Ilocos Norte? (*After a pause.*) There being no objection, the amendment is approved. Are there further amendments?

Mr. MARCOS. Mr. Speaker, on page 224, line 28—
Refracting telescopes, monoculars and binoculars,

prismatic or not—lower "25 per cent" to "15 per cent".

Mr. RAMOS. Mr. Speaker, I should like an explanation on that.

Mr. MARCOS. These are highly technical and scientific instruments. These are utilized even for weather observation and navigation and these are even utilized by students as well as by the armed forces and by schools, and we do not manufacture them.

ZOSA AMENDMENT

Mr. ZOSA. Previous amendment, Mr. Speaker. On line 24 to line 26, page 224 I propose to reduce this 60 per cent to 40 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. We are already manufacturing these here.

Mr. ZOSA. Do we have enough?

Mr. RAMOS. Yes.

Mr. ZOSA. I withdraw the amendment.

The SPEAKER. The amendment is withdrawn.

FURTHER MARCOS AMENDMENTS

Mr. MARCOS. Mr. Speaker, I reiterate my amendment on page 224, line 29, change 25 per cent to 15 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. Mr. Speaker, I should like to make an observation in the hope that the gentleman will withdraw the amendment. Under the expending program of the UNESCO, we are receiving these instruments free. So, it is not necessary to reduce this because this may be abused by merchants under a different color.

Mr. VILLAREAL. Mr. Speaker, will the gentleman yield?

The SPEAKER. The gentleman may yield, if he so desires.

Mr. RAMOS. Willingly.

Mr. VILLAREAL. Mr. Speaker, is it not true that although these instruments are given free, yet they are required to pay tax?

Mr. RAMOS. We have already considered those points, that these instruments are for the use of the government and students for educational and scientific promotion. These are free of tax. The only objection I have is that this will open the door wide open not only to the importation for the use of such students and the government as the case may be, not for the promotion of science or technology, but also will be used by merchants to promote their business at the expense of these persons mentioned.

Mr. VILLAREAL. What are they going to do with these instruments? They will not use these in the burlesque.

Mr. RAMOS. They have many uses for these. As a matter of fact, they may even re-export them. In view of these, the Committee cannot accept the amendment.

Mr. VILLAREAL. I submit it to a vote, Mr. Speaker.

The SPEAKER. As many as are in favor of the amendment, please say *Aye*. (*Several Representatives: Aye.*) As many as are against, please say *No*. (*Several Representatives: No.*)

The House will divide. As many as are in favor, please rise. (*10 Representatives rose.*) As many as are against, please do likewise. (*5 Representatives rose.*) With 10 in favor and 5 against, the amendment is approved.

Mr. MARCOS. Mr. Speaker, the next item; lines 30 to 32, astronomical instruments change 15 per cent to 5 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. For the same reason, Mr. Speaker, the Committee regrets not to be able to accept the amendment.

The SPEAKER. As many as are in favor of the amendments, please say *Aye*. (*Several Representatives: Aye.*) As many as are against, please say *No*. (*Several Representatives: No.*)

The House will divide. As many as are in favor, please rise. (*4 Representatives rose.*) As many as are against, please do likewise. (*6 Representatives rose.*) With 4 in favor and 6 against, the amendment is lost. Are there further amendments?

Mr. MARCOS. Mr. Speaker, I ask for the reconsideration of the action taken by the House.

The SPEAKER. Reconsideration is sought. As many as are in favor of reconsideration, say *Aye*. (*A minority: Aye.*) As many as are against, say *No*. (*A majority: No.*) The motion is lost. Page 225.

Mr. MARCOS. Mr. Speaker, page 225, on lines 22 to 25, change 15 per cent to 5 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. The Committee cannot accept the amendment. In fact, most of these items are being used by private mining firms. The Government has subsidized the mining firms. Geophysical instruments are used by way of discovering certain deposits of radium. This has been imported a great deal by American companies. It is used by the Bureau of Science and the Bureau of Mines. These are also equipment donated to the Philippine Government.

Mr. MARCOS. Mr. Speaker, I am surprised at the . . . (*deleted by order of the Chair*) attitude of the Committee.

Mr. RAMOS. Mr. Speaker, I object to the use of the word "vindictive".

Mr. MARCOS. But not because it is handled by private persons that the rate should be high.

Mr. RAMOS. Precisely, I have already indicated that these equipment are given to us free not only under the Colombo Plan, but also under the UNESCO, and it does not cost the Philippine Government nor our technicians anything in the promotion of survey or research of such industries that are needed.

Mr. MARCOS. That is not true. Right now.

The SPEAKER. "Vindictive" is stricken off the Record.

Mr. MARCOS. I withdraw it voluntarily, Mr. Speaker. But the statement of the gentleman is misleading when he says these are given free. Under the present law they still pay a tax. Under the special laws that I just submitted to the House during the debate they pay the tariff duty and they pay the tax. As explained by my colleague, Congressman Villareal, the U. P. has many instruments in the Bureau of Customs pending delivery. The reason for failure to receive them is that they cannot pay the tariff duty, they cannot pay the tax, and that is because we are imposing on these items such taxes that they cannot be delivered to the government entities. Now, with respect to the private companies, Mr. Speaker, if these items were not utilized for economic development we would not have any reason for seeking the decrease. But it appears that these are being utilized for studies of our topography of our mines, our coast and geodetic surveys.

Mr. RAMOS. As a matter of fact, with the permission of the gentleman, the President has already certified to the enactment of a law which provides for exemption from the payment of all tariff duties on importation of articles and goods which are donations to religious, civic and charitable institutions. So upon the passage of this bill, such donations, gifts, or grants given to such organizations are free from duties. What we are trying to do here is to close the door as much as possible to importations by local importers of the same commodities who may sell them at profit and enjoy the exemption of taxes due the government. For instance, searchlights and spotlights. These are instruments used by carnival operators.

Mr. MARCOS. Not spotlights. These are highly technical instruments, including photogrammetrical surveying. I do not even know what that thing is.

Mr. RAMOS. Likewise these are imported by mining and machinery firms in this country for resale to such industries at profit. But they do not want to pay the tax.

Mr. MARCOS. So the gentleman does not want the importer to increase the price, but to increase the tariff duty. If so, the consumer will ultimately have to bear this, and they will of necessity be discouraged from going into these activities which are necessary for the economic development of the country. Ergo, following that conclusion, you discourage economic development.

Mr. RAMOS. There again, under the exchange tax law or the 17 per cent tax, these importers, when they so import for the use of legitimate miners, lumbermen or what not, according to the gentleman from Pampanga, are already free from the 17 per cent. May I remind the House, particularly the gentleman, that the existing rate now is even 32.5 per cent. Here we are trying to lower it down as much as possible without hurting the revenues of the Government.

The SPEAKER. The House will now vote on the amendment.

Mr. MARCOS. I insist on my amendment.

The SPEAKER. As many as are in favor of the amendment, please say *Aye*. (*A minority: Aye.*) As many as are against, please say *No*. (*A majority: No.*) The amendment is lost.

Mr. MARCOS. Next item, lines 26 to 27, page 225. Bring down the tariff duty to 5 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. What is the rate proposed?

Mr. MARCOS. I amend it to 10 per cent.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. Next page, 226, lines 1 and 2. Lower 15 per cent to 10 per cent.

Mr. RAMOS. On projectors?

Mr. MARCOS. These are profile projectors, mathematical drawing and marking-out instruments, drafting machines, pantographs, slide rules, etc.

The SPEAKER. What does the Committee say?

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. Next item, lines 3, 4, 5, 6. Lower the tariff from 10 per cent to 5 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. Lines 23 to 26, radiological apparatus. I propose to exempt this from duty. Delete "ad val. 5 per cent" and insert the word FREE.

The SPEAKER. What does the Committee say?

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. Page 227, line 16 to line 22 instruments and apparatus for physical or chemical research. Change 10 per cent to 5 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. Page 233, line 21, revolvers and pistols being firearms. Lower the tariff from 50 per cent to 20 per cent.

Mr. RAMOS. Should we not increase it to 100 per cent, in view of the fact that there are many shootings and the campaign of the Government is to retrieve firearms from the hands of civilians and only allow them firearms for security measures?

The SPEAKER. Does the gentleman insist on his amendment?

Mr. MARCOS. I withdraw the amendment, but, Mr. Speaker, I have this to submit: After line 21, I insert a reclassification: "Firearms utilized for target practice, 20 per cent". Target rifles and target revolvers have a special kind of make. They are easily identifiable from real firearms.

Mr. RAMOS. Nevertheless, they also can kill. And again it runs counter to the peace and order campaign of the Government.

Mr. MARCOS. But the trouble is, even the members of the Olympic team cannot practise because we impose a high tax on arms and ammunitions. The target models are identifiable.

Mr. RAMOS. The .45 can now be converted into caliber .22.

Mr. MARCOS. But these are for target practice.

Mr. RAMOS. But how many members are there in the Olympic team?

Mr. MARCOS. Target shooting is acquiring a national fame.

Mr. RAMOS. How many members are there?

Mr. MARCOS. There are several shooting clubs at present, and I do not think that we should discourage these clubs.

Mr. RAMOS. We have information from the Army that there are still many caliber .22 in private firms.

Mr. MARCOS. But these are for target practice.

Mr. RAMOS. And the .38 caliber can also be converted into .22 caliber.

Mr. MARCOS. That is impossible.

Mr. RAMOS. The advantage sought to be accomplished by opening the door wide for the importation of firearms even for target practice may be abused.

The SPEAKER. The amendment has been rejected. The House will vote on it.

Mr. MARCOS. I feel hurt about this amendment because I am especially interested in it. May I ask for the suspension of the session for two minutes.

SUSPENSION OF THE SESSION

The SPEAKER. The session is suspended for two minutes.

RESUMPTION OF THE SESSION

The SPEAKER. The session is resumed.

Mr. MARCOS. Mr. Speaker, I reiterate my amendment. Insert a reclassification after the line known as line 21 to read as follows: "(a) REVOLVERS AND PISTOLS FOR TARGET PURPOSES—FREE OF DUTY."

The SPEAKER. What does the Committee say?

Mr. RAMOS. The Committee rejects the amendment.

The SPEAKER. The House will vote on the amendment. As many as are in favor of the amendment, please say *Aye*. (*A minority: Aye.*) As many as are against, please say *No*. (*A majority: No.*) The *Noes* have it. The amendment is lost.

Mr. MARCOS. I ask for a division of the House, Mr. Speaker.

The SPEAKER. As many as are in favor of the amendment, please rise. (*Three Representatives rose.*) As many as are against, please do likewise. (*Seven Representatives rose.*) With three in favor and seven against, the amendment is lost.

ZOSA AMENDMENT

Mr. ZOSA. Next amendment, Mr. Speaker. On line 22 to line 25, page 233, "Artillery weapons, machine guns, submachine guns and other military firearms and projectors (other than revolvers and pistols)." Why do we not reduce this to ten per cent, because they are used by the Army? Anyway, the importers will add the duty to the price.

The SPEAKER. What does the Committee say?

Mr. RAMOS. The Army has already many arms. As a matter of fact, it is buying arms from

civilians, and here we are going to encourage the importation of firearms.

Mr. ZOSA. What agencies are using machine guns and other artillery weapons? When we import these weapons, we should not charge the government inasmuch as the money paid will go back to the government. Why go to the motion of raising funds? Why? Are these duties not added to the cost of the weapons, because the gentleman says that these artillery weapons and machine guns are not used by private persons or agencies?

Mr. RAMOS. We have always agreed, even in the amendment of the gentleman from Ilocos Norte, that when these weapons are purchased by the Army they are free of duty.

Mr. ZOSA. Why provide for fifteen per cent?

Mr. RAMOS. As I have said, there are firms or commercial establishments that buy the weapons.

Mr. ZOSA. Do they buy artillery weapons? I do not believe so.

Mr. RAMOS. Yes, if they have the permit or license.

Mr. ZOSA. I do not think so. Our Constabulary authorities must be foolish if they permit private agencies to import artillery weapons and machine guns. I do not understand how that practice could be tolerated.

Mr. RAMOS. That is why we are putting that rate.

Mr. ZOSA. Very well, let us make it a hundred per cent.

Mr. RAMOS. The Committee accepts the amendment.

Mr. ZOSA. Mr. Speaker, I move that we impose 100 per cent.

The SPEAKER. What does the Committee say?

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Further amendments.

Mr. VILLAREAL. Mr. Speaker, on page 289 . . .

BENZON AMENDMENT

Mr. BENZON. (*Interrupting.*) For an anterior amendment. On page 262, between lines 16 and 17, insert the following special provision: "THERE SHALL BE COLLECTED ON UNITED STATES ARTICLES AS DEFINED IN SUBPARAGRAPH (e) OF PARAGRAPH 1 OF THE PROTOCOL OF THE AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA CONCERNING TRADE AND RELATED MATTERS DURING A TRANSITIONAL PERIOD FOLLOWING

THE INSTITUTION OF PHILIPPINE INDEPENDENCE, SIGNED AT MANILA ON JULY 4, 1946, AS REVISED ON SEPTEMBER 6, 1955, WHICH DURING THE FOLLOWING PORTIONS OF THE PERIOD FROM JANUARY 1, 1956 TO JULY 3, 1974, BOTH DATES INCLUSIVE, ARE ENTERED, OR WITHDRAWN FROM WAREHOUSE, IN THE PHILIPPINES FOR CONSUMPTION, SHALL BE DETERMINED BY APPLYING THE PERCENTAGE OF THE PHILIPPINE DUTY AS DEFINED IN SUBPARAGRAPH (h) IN ACCORDANCE WITH THE SAID AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA."

The SPEAKER. What does the Committee say?

Mr. RAMOS. Will the gentleman please explain the significance and the impact of such amendment?

Mr. BENGZON. I shall gladly explain that.

It is of common knowledge that there are now pending claims against the Government in the amount of ₱60 million which everyday is increasing. This is due to the fact that it is the contention of these people that there is no law implementing the provisions of the Laurel-Langley Agreement. The contention of the Government is that there is a law. I wish to call the attention of the Members of Congress to the fact that the Bell Trade Act was implemented by Commonwealth Act No. 733 and the United States implemented the provisions of the Bell Trade Act by a special law also, and the provisions of the Laurel-Langley Agreement have been implemented by a special law of the United States which was passed in July, 1956. But there is no law here implementing the Laurel-Langley Agreement. The danger is, if the Government is sued by these people claiming the refund, there will be no law to implement this, and so there will be an increment of refund and that will amount to ₱100 million or more. My amendment is a safety provision.

Mr. VILLAREAL. Mr. Speaker, will the gentleman yield?

The SPEAKER. The gentleman may yield, if he so desires.

Mr. BENGZON. Gladly to the gentleman from Capiz.

Mr. VILLAREAL. Does not the gentleman believe that if that amendment is passed, we will be helping the claimants against the Government?

Mr. BENGZON. No. I want to correct that impression.

Mr. VILLAREAL. Let me finish my question. Does not the gentleman believe that precisely the contention of those plaintiffs is that the Laurel-Langley Agreement has not been implemented and that the nonimplementation by Congress works

in favor of the interests of the claimants, and so it is void as far as businessmen are concerned and that the money that they paid should be refunded to them? If we put that amendment here, we will be recognizing the fact that the nonimplementation by Congress is in favor of those claimants.

Mr. BENGZON. I beg to differ with the gentleman from Capiz, because the contention of the Government is that there is a law already implementing the Laurel-Langley Agreement.

Mr. VILLAREAL. The contention of the Government in this case is that the fact that the Laurel-Langley Agreement has been approved and ratified by Congress, then it is already self-operating.

Mr. BENGZON. In that case, the Government is in estoppel, because the Government implemented the provisions of the Bell Trade Act by Commonwealth Act No. 733. Why has it not implemented the provisions of the Laurel-Langley Agreement which is a renewal of the Bell Trade Act?

Mr. VILLAREAL. If that theory will prevail, if a trade agreement like this cannot be self-operating, then the gentleman is correct. But let us grant for the sake of argument that the implementation of the Bell Trade Act was done by the past Congress, and that this Congress believes that without implementation the Laurel-Langley Agreement is self-operating, that will not be a bar to this interpretation.

Mr. BENGZON. I will admit, for the sake of argument, the contention of the gentleman that the Laurel-Langley Agreement is self-operating, but this provision will not destroy that contention, because if it is already self-operating, a law that will make it operate will not destroy the principle that it is self-operating.

Mr. VILLAREAL. Precisely, that is the argument of the plaintiffs in these cases against the Government. If the distinguished gentleman succeeds in placing this amendment that he is inserting, it will mean that the Laurel-Langley Agreement is not self-operating, and, therefore, the claim of these plaintiffs must be granted by the court.

Mr. BENGZON. I beg to differ with the gentleman from Capiz. I will give him the other side. Suppose the Government loses that suit, the consequence is that every day the Government will lose plenty of money amounting to ₱100 million.

Mr. VILLAREAL. But it will be sure defeat for the Government if that amendment is approved, because it would mean that the Congress is of the opinion that the Laurel-Langley Agreement is not self-operating, and it must be implemented by Congress in order that it shall be effective.

Mr. BENGZON. I beg to differ with the gentleman from Capiz.

SUSPENSION OF THE SESSION

Mr. TOLENTINO. Mr. Speaker, with the permission of the gentleman on the floor, I ask that the session be suspended for two minutes.

The SPEAKER. The session is suspended for two minutes.

RESUMPTION OF THE SESSION

The SPEAKER. The session is resumed.

Mr. BENGZON. Mr. Speaker, in view of the explanation given by those who are opposed to this amendment, I am withdrawing the amendment, reserving my right to present it after we have finished with the Code.

The SPEAKER. Is there any objection? *(After a pause.)* There being no objection, the amendment is withdrawn.

Mr. ZOSA. Previous amendment, Mr. Speaker.

Mr. RAMOS. Mr. Speaker, with the permission of the gentleman from Cebu, I should like to yield the floor to the gentleman from Mindoro who, as I said and announced earlier, had been conducting studies of the administrative provisions referring to customs.

The SPEAKER. The gentleman from Mindoro may take the floor.

ZOSA AMENDMENT

Mr. ZOSA. Mr. Speaker, on page 263, line 9, delete the word "usual" after the word "and," and insert the word "paid" after the word "freight"; erase also the word "usual" after the word "as" and on line 10 after the word "insurance" insert the words "premium paid". So that this will read, "and freight paid as well as insurance premium paid covering the transportation of such articles to the port of entry in the Philippines". I am going to explain my amendment.

The SPEAKER. The gentleman has five minutes.

Mr. ZOSA. This is the computation of the landed cost of the goods for purposes of determining the duty to be paid. If we adopt this bill, as worded, even if the goods do not come insured and no insurance premium has been paid, yet under this section, the usual premium and the usual insurance for the same kind of goods will be collected, because it does not state insurance premium paid but only usual insurance. That means the goods are insured under the usual kind of insurance, and the usual rate of insurance, and even if they do not come here insured, the goods have to pay.

Mr. ABELEDA. Mr. Speaker, will the gentleman yield?

The SPEAKER. The gentleman may yield, if he so desires.

Mr. ZOSA. With pleasure.

Mr. ABELEDA. Does not the gentleman believe that if we change the phraseology by deleting the word "usual" before "freight" and after "freight" we insert "paid", collusion may be had between the importer and the exporter, that is from the supplier abroad?

Mr. ZOSA. No, there can be no collusion as the Customs already knows the usual freight paid in case the freight is paid. The Customs authorities know the usual freight of premium paid because that is the business of the Government, that is the reason of the Government in adding to the landed cost premium on insurance, if the goods came in not insured.

Mr. ABELEDA. Precisely, my point is this. I do not know of any importation without insurance.

Mr. ZOSA. There may be goods that come in uninsured, with freight not paid. For example, Congressman Veloso, who is a shipping magnate, goes to Hongkong and buys goods there. He loads them in his boat. In that case he will not pay freight to himself, so his goods come here without any freight paid. But under this provision here which has been copied from the Internal Revenue Code, Congressman Veloso will have to pay duties based on the landed cost with the freight added, although no actual freight has been paid, under the terminology or phraseology of the bill as worded, because that has happened several times in the Bureau of Customs. Maybe there will be collusion but let us also be just. Let us only add what expenses have been incurred, because as between a possibility of a collusion and commission of an injustice I want our Government to be vigilant in order to guard against collusion rather than commit injustice to those really-deserving cases where no freight and premium have been paid.

Mr. ABELEDA. Mr. Speaker, I am afraid I cannot accept the amendment because that will change entirely the concept of appraisal of shipments for purposes of imposing duties.

Mr. ZOSA. No, because we would be charging imaginary values, as there is no freight paid, nor insurance premium paid. Now, I will ask the distinguished co-sponsor of the measure this: Under this bill, if it is enacted into law, if an importer can prove that no insurance premium was paid because the goods did not come in insured and if no freight was paid because the boat came in without freight and there has been no collusion,

is it just to add them in the computation of the landed cost?

Mr. ABELEDA. Under the appraisal of the freight goods that come in, even though actually such amounts were not paid, it is unjust to add these charges, Mr. Speaker, because the Government has no business adding charges that never have been incurred. That is very unjust, Mr. Speaker, because in the computation of landed cost, only actual expenses should be added.

Mr. ZOSA. I ask for suspension, Mr. Speaker, because I am serious in my amendment.

Mr. ABELEDA. And, Mr. Speaker, I am serious also in rejecting the proposed amendment because it will destroy entirely the concept of the bill.

Mr. ZOSA. It will not. Instead, it will make the law realistic, because why should the Government add expenses not actually incurred? It is very unjust. It will make the taxation arbitrary and without basis at all. I insist on this amendment, Mr. Speaker, because I want our Government to be just, realistic and never oppressive.

The SPEAKER. The House will vote on the amendment. As many as are in favor of the amendment, please say *Aye*. (*A minority: Aye.*) As many as are against please say *No*. (*A majority: No.*) The *Noes* have it. The amendment is lost.

Mr. ZOSA. I ask for a division.

The SPEAKER. Division is sought. As many as are in favor, please rise. (*7 Representatives rose.*) As many as are against, please do likewise. (*5 Representatives rose.*) With 7 in favor and 5 against, the amendment is approved. Are there further amendments?

OTHER MARCOS AMENDMENTS

Mr. MARCOS. Mr. Speaker, on page 288, line 14, change the word "import" to "tariff".

Mr. ABELEDA. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. On the same line between the words "by" and "statute" insert the word *THIS*. So that it shall read: "Expressly fixed by this statute."

Mr. ABELEDA. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. MARCOS. Mr. Speaker, on line 18, strike out the period (.) after the word "defense" and in lieu thereof put a colon (:) and add the following: *PROVIDED, THAT THIS POWER SHALL BE LIMITED TO AN INCREASE OR DECREASE OF THE TARIFF DUTIES HEREIN PROVIDED SO AS TO EQUALIZE THE IMPORT COST OF IMPORTED ARTICLES WITH THE FACTORY COSTS OF COMPETITIVE LOCALLY PRODUCED ARTICLES.*

Mr. ABELEDA. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

VILLAREAL AMENDMENT

Mr. VILLAREAL. On page 289, line 27, delete from the word "There" up to and including the figure "911" on line 2 of page 290, and in lieu thereof insert the following: *THERE IS HEREBY CREATED A TARIFF COMMISSION (HEREINAFTER REFERRED TO AS THE "COMMISSION" COMPOSED OF THE CHAIRMAN AND TWO MEMBERS TO BE APPOINTED BY THE PRESIDENT OF THE PHILIPPINES WITH THE CONSENT OF THE COMMISSION ON APPOINTMENTS: PROVIDED, HOWEVER, THAT TWO COMMISSIONERS SHALL BE APPOINTED BY THE PRESIDENT UPON THE RECOMMENDATION OF THE MAJORITY PARTY AND THE OTHER ONE UPON THE RECOMMENDATION OF THE OPPOSITION PARTY.*

The SPEAKER. What does the Committee say?

Mr. ABELEDA. Will the gentleman please explain the amendment.

The SPEAKER. The gentleman from Capiz has five minutes.

Mr. VILLAREAL. Mr. Speaker, I know that the gentlemen who prepared the code are brother Americans, and that this has been patterned after the American way of life. I understand that most of the provisions in this code have been taken from the Tariff Act of the United States of America of 1930, as amended by several other amendments after that. In one of the provisions, Mr. Speaker, of the American Tariff Act of 1930, it has been clearly provided that there were six commissioners that should compose the Tariff Commission of the United States, and in the appointment of these six commissioners the same Act provided that three members of the Commission should be from the Majority Party in the United States and the other three from the Opposition Party in the United States. The philosophy behind this, Mr. Speaker, is this: That the Tariff Law is a very important law that governs

the economy of the country. On the question of tariff will depend the prices of commodities that are imported into the country that are consumed by the inhabitants thereof; and it has been conceived by the American people under the Tariff Act of 1930, as amended, that the Tariff Act is not a tariff act of one Administration, but it must be a tariff act of all Administrations. And for that reason the Opposition in this Chamber has been guided by the same spirit. So, you have seen right here now that we have tried the best we can to cooperate with the Majority so that this Tariff Act, once passed by this Chamber, shall be the Tariff Act of all parties in this country and not only the Tariff Act of one party. Yes, Mr. Speaker, there is a check and balance here as you see in my proposition, and as it was conceived in the American proposition when they passed the Tariff Act of 1930, as amended. In the United States Tariff Act of 1930 the six commissioners were three by three. Here, I propose only one from the Opposition: two to one, because I believe that one member will be enough to check whatever abuse, whatever crimes the commissioners may commit within such distinguished Body as the commission now provided for in this bill. I have a high respect for the men now in the commission. But, Mr. Speaker, we are human, we are susceptible to many things, we are susceptible to beautiful things. Then, Mr. Speaker, we are not even Americans. We are Filipinos, we are Orientals in our traits. And this bill, if allowed to become a law, without amending Section 508, might give rise to multiple abuses. Here the Party in power can, by a stroke of the pen, collect ₱10 million from the moment Congress shall have ceased or shall have adjourned in regular session until the next regular session shall have come in order to remedy the situation. Yes, Mr. Speaker, by a stroke of the pen the commissioner as provided for in the bill can make himself, or his cohorts, or assistants, millionaires, not by ₱1 million or ₱2 million, but by ₱10 million from the time Congress shall have adjourned its regular session until the next regular session. Yes, Mr. Speaker, if I present this amendment, I am presenting it not as a Liberal, not as a member of the Opposition, but in the honest and sincere belief that we must pass tonight the Tariff Act, not for one administration but for all administrations, not for one party but for all parties in this country.

The SPEAKER. The time of the gentleman from Capiz has expired.

SUSPENSION OF THE SESSION

The SPEAKER. The session is suspended for two minutes.

RESUMPTION OF THE SESSION

The SPEAKER. The session is resumed.

Is there any objection to the amendment? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. Mr. Speaker, I move to reconsider the action of the House on the amendment for purposes of clarification only.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The motion is approved.

COMMITTEE AMENDMENT TO THE AMENDMENT

Mr. RAMOS. I should like to amend the amendment of my colleague from Capiz and Aklan by establishing a tenure of office, or at least to determine a tenure of office. Add the following paragraph: "The chairman and the two commissioners shall hold office upon the pleasure of the President."

The SPEAKER. What does the other gentleman from Capiz say?

Mr. VILLAREAL. I accept the amendment.

The SPEAKER. Is there any objection to the amendment as amended? (*After a pause.*) The Chair does not hear any. The amendment, as amended, is approved.

Mr. CUENCO. Mr. Speaker, on page 319.

ZOSA AMENDMENT

Mr. CUENCO. Mr. Speaker, for an anterior amendment, page 290, line 6, before the word "training" and after the word "and," add the word "academic."

Mr. ABELEDA. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

VELOSO (D.) AMENDMENT

Mr. VELOSO (D.). On page 295 and in all pages in this Customs Code where the words "steam" and "motor" were deleted before the word "vessel," I move to restore these words "steam" and "motor".

Mr. ABELEDA. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. ZOSA. On page 294.

ROY AMENDMENT

Mr. ROY. Mr. Speaker, anterior amendment. On page 290. As a consequence of the amendment of the gentleman from Capiz with respect to the three commissioners, I propose to amend lines 17 to 22 so as to read as follows: THE CHAIRMAN SHALL RECEIVE A SALARY OF TWELVE THOUSAND PESOS PER ANNUM AND THE TWO COMMISSIONERS SHALL EACH RECEIVE A SALARY OF NINE THOUSAND PESOS PER ANNUM.

Mr. VILLAREAL. Why not make ₱12,000 and ₱10,000? Mr. Speaker, I withdraw the amendment to the amendment.

Mr. ABELEDA. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. ROY. On the same page 290, line 3, I am going backward, line 3. Well, I yield the floor to the Chairman of the Committee.

RAMOS AMENDMENTS

Mr. RAMOS. On page 290, line 4, change the first word "Commissioner" to Chairman; delete the word "assistant" and add "s" to the second word "Commissioner".

Mr. ABELEDA. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. On the same page, lines 25, 26 and 28, change the word "Commissioner" to CHAIRMAN; and on line 27, strike out the word "assistant" and add "s" to the word "Commissioner".

Mr. ABELEDA. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Page 293, line 8.

Mr. VILLAREAL. Page 293, line 9, between the words "Philippines" and "all".

ROY AMENDMENT

Mr. ROY. For an anterior amendment. On page 293, line 8, insert between the words "and" and "the" the following: "any member of," thus making available the report of the Tariff Commission to any Member of Congress.

Mr. ABELEDA. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

VILLAREAL AMENDMENT

Mr. VILLAREAL. Page 293, line 9, between the words "Philippines" and "all," insert the following: "or each Member thereof".

Mr. ABELEDA. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

ZOSA AMENDMENTS

Mr. ZOSA. Page 294, line 3, delete the words "DEPOSITION OF WITNESSES" and in their place insert the words "SWORN STATEMENTS".

The SPEAKER. What does the Committee say?

Mr. ABELEDA. The Committee accepts the amendment, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. ZOSA. Then, Mr. Speaker, as a consequence of that amendment, on the same page, line 4, delete the words "TESTIMONY TO BE TAKEN BY DEPOSITION" and instead insert the words "TAKING OF SWORN STATEMENTS."

The SPEAKER. What does the Committee say?

Mr. ABELEDA. The Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. ZOSA. On the same page, lines 5 and 6, delete the word "DEPOSITIONS" and substitute therefor the words "SWORN STATEMENTS" and on line 7 delete the words "DESIGNATED BY THE COMMISSION", placing the period (.) after the word "OATHS."

The SPEAKER. What does the Committee say?

Mr. ABELEDA. The Committee accepts the amendment, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. VILLAREAL. Mr. Speaker, for an inquiry. I should like to find out from the sponsors of the bill about certain features of Section 514.

Mr. ABELEDA. What page is that?

Mr. VILLAREAL. Page 294. I should like to be informed if under this section there is an assurance

to the actual officials and employees of the Commission that they are safeguarded or they will be retained as guaranteed under Republic Act No. 911.

Mr. ABELEDA. The intention of the Committee is to retain the officials and employees of the Tariff Commission with the exception of the Commissioner who is appointed by the President in accordance with the amendment approved.

Mr. VILLAREAL. So that under Section 514, the intention of Congress is to actually retain in the Commission those who have been given assurance under Republic Act No. 911.

Mr. ABELEDA. As long as they fulfill the requirements of the Civil Service; their continuance in the service is based on good behavior.

Mr. VILLAREAL. Are we assured that the actual personnel are to be retained if this bill is enacted into law?

Mr. ABELEDA. Yes.

Mr. VILLAREAL. Thank you. I have no other amendment, Mr. Speaker.

The SPEAKER. Is there any further amendment?

Mr. GUINTO. On page 298, Mr. Speaker, line 17 . . .

VELOSO (D.) AMENDMENT

Mr. VELOSO (D.). (*Interrupting.*) For an anterior amendment, Mr. Speaker. On page 296, lines 29 to 33, I move to amend paragraph *k* so as to read as follows: "*k*. The licensing of marine officers who have qualified in the examination required by law to be carried on Philippine vessels, the determination of the qualifications of pilots, the regulation of this service, and the fixing of the fees which they may charge."

The SPEAKER. What does the Committee say?

Mr. ABELEDA. The Committee accepts the amendment, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

GUINTO AMENDMENT

Mr. GUINTO. On page 298, lines 19 and 20, delete the clause: "As there are at present existing;" remove the brackets on lines 22 and 29, and change the word "Hondagua" to SIAIN on lines 25 and 27. So that Section 701 will read: "Section 701. *Collection Districts and Ports of Entry thereof.*—For administrative purposes, the Philippines shall be divided into as many collection districts, the respective limits of which may be changed from time to time by the Commissioner, upon the approval of the Department Head. But the Province of Pangasinan shall belong to the dis-

trict of Pangasinan with Sual as port of entry and the Province of Quezon to the district of Quezon, with Siain as its port of entry."

The SPEAKER. Will the gentleman from Quezon please restate his amendment?

Mr. GUINTO. The amendment, Mr. Speaker, is as follows: On lines 19 and 20, delete the clause "As there are at present existing" and put a comma (,) after the word "districts" on line 19. Remove the brackets on lines 22 and 29, and change the word "Hondagua" to SIAIN on lines 25 and 27.

The SPEAKER. (*Interrupting.*) How many districts will there be?

Mr. RAMOS. (*Interrupting.*) Mr. Speaker, the gentleman from Quezon would like to amend this section as follows: On line 19, put an open bracket between the words "districts" and "AS"; on line 20, put a close bracket between the words "EXISTING" and "the;" on line 22, remove the open bracket before the word "but;" on line 29, remove the close bracket after the words "San Fernando;" and on line 25, change the word "Hondagua" to SIAIN. Likewise, change the word "Hondagua" on line 27 to "SIAIN."

Mr. ABELEDA. Just one question, gentleman from Aklan. Is Siain a port of entry?

Mr. RAMOS. According to the gentleman from Quezon, it is a port of entry.

Mr. ABELEDA. Mr. Speaker, the Committee accepts the amendment.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

SUSPENSION OF THE SESSION

Mr. TOLENTINO. Mr. Speaker, I ask that we suspend the session for two minutes.

The SPEAKER. The session is suspended for two minutes.

RESUMPTION OF THE SESSION

The SPEAKER. The session is resumed.

Mr. ZOSA. Mr. Speaker, on page 298, delete the whole Section 702 from lines 30 to 34.

The SPEAKER. What does the Committee say?

Mr. ABELEDA. I am sorry the Committee cannot accept the amendment.

Mr. ZOSA. I withdraw the amendment.

The SPEAKER. The amendment is withdrawn. Are there further amendments?

TOLENTINO AMENDMENT

Mr. TOLENTINO. Mr. Speaker, on page 309, line 10, delete the words "leased, chartered" and on line

14, between the syllable "pines", and the word "or" insert the words OR LEASED OR CHARTERED TO ANY CITIZEN OR NATIONAL OF A COUNTRY WITH WHICH THE PHILIPPINES HAS NO DIPLOMATIC RELATIONS.

Mr. ABELEDA. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

VELOSO (D.) AMENDMENT

Mr. VELOSÓ (D.). Mr. Speaker, on pages 305, 306 and 307, I move to restore the existing seventy-five *per centum* instead of the sixty *per centum* proposed in this bill, as the participation of Filipino citizens in corporations or associations that can register ships for the domestic trade.

Mr. ABELEDA. Mr. Speaker, I think this is in accordance with the constitutional provision about the participation of Americans.

SUSPENSION OF THE SESSION

The SPEAKER. With the permission of the gentleman on the floor, the session is suspended for two minutes.

RESUMPTION OF THE SESSION

The SPEAKER. The session is resumed. What does the Committee say?

Mr. ABELEDA. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection to the amendment? (*After a pause.*) The Chair does not hear any. The amendment is approved.

ANOTHER VELOSO (D.) AMENDMENT

Mr. VELOSO (D.). Mr. Speaker, as a consequence of the approval of that amendment, on page 307, line 28, change "forty" to twenty-five.

Mr. ABELEDA. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. VELOSO (D.). Thank you.

ABELEDA AMENDMENTS

Mr. ABELEDA. On page 317, I propose to introduce the following amendment: On line 28 after the word "thereon" insert the words SO WARRANTS.

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. ABELEDA. On page 318, line 1, between the words "chief" and "motor" insert MARINE OR.

Mr. RAMOS. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. CUENCO. On page 319, line 3, change the word "five" to "seven".

Mr. VELOSO (D.). Anterior amendment, Mr. Speaker. But before I present the amendment I should like to explain it so that the distinguished sponsor will be enlightened. On page 318, Section (a), lines 31 to 33, this section provides: "Every steam vessel of 1,500 gross tons or over . . ." That is the old provision, and the proposed provision reads: "with a gross tonnage of 1,500 tons or more." On page 319, Section (b) provides: "Every steam or motor vessel with a gross tonnage of not less than 500 nor more than 1,500 tons shall have the following officers, etc." In other words, a vessel of 1,500 tons is included in these two provisions, under Section (a) and Section (b). So to remedy that ambiguity, I propose to amend Section (a) on page 318, as follows: "Every steam vessel with a gross tonnage of over 1,500 tons."

Mr. ABELEDA. Precisely, that amendment was already introduced and approved in the general amendments proposed by the Committee by deleting the words "not less" and inserting the word "more."

Mr. VELOSO (D.). I withdraw the amendment.

The SPEAKER. The amendment is withdrawn.

CUENCO AMENDMENT

Mr. CUENCO. Mr. Speaker, on page 319, line 3, change the word "five" to "seven".

The SPEAKER. What does the Committee say?

Mr. ABELEDA. I am sorry I cannot accept the amendment, but I would leave it to the House.

The SPEAKER. The House will vote on the amendment. As many as are in favor of the amendment, please say *Aye*. (*A majority: Aye.*) As many as are against, please say *No*. (*A minority: No.*) The amendment is approved.

Mr. CUENCO. On page 319, line 9, change the word "five" to "seven." This is as a consequence of my previous amendment.

The SPEAKER. What does the Committee say?

Mr. ABELEDA. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. CUENCO. On page 321, line 15, put a period (.) after the word "horsepower" and delete all the subsequent words on lines 15, 16, 17 and 18.

The SPEAKER. What does the Committee say?

Mr. ABELEDA. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (*After a pause.*) The Chair does not hear any. The amendment is approved.

Mr. CUENCO. On page 321, line 31, after the word "horsepower" delete the words "and the revolution per minute is over four hundred fifty" which appear on lines 31 and 32.

The SPEAKER. What does the Committee say?

Mr. ABELEDA. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (After a pause.) The Chair does not hear any. The amendment is approved.

Mr. CUENCO. On page 321, line 34, change the semicolon (;) with a period (.) after the word "engineer" and delete the words "of the same horsepower but with a revolution of less than four hundred fifty per minute the vessel shall have additional engineer with a rank inferior to second engineer" on lines 1, 2 and 3, page 322.

The SPEAKER. What does the Committee say?

Mr. ABELEDA. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (After a pause.) The Chair does not hear any. The amendment is approved.

Mr. CUENCO. On page 322, delete all the words which appear on line 6 to line 18 and in lieu thereof insert the following: "OVER FIVE HUNDRED HORSEPOWER, ONE CHIEF ENGINEER WITH A RANK OF CHIEF ENGINEER, ONE SECOND AND ONE THIRD ENGINEERS: PROVIDED, THAT A MOTOR VESSEL OF THE LCT-GRAY MARINE TYPE SHALL CARRY ONE THIRD AND ONE FOURTH ENGINEERS."

The SPEAKER. What does the Committee say?

Mr. ABELEDA. We leave it to the House, Mr. Speaker.

The SPEAKER. The House will vote on the amendment. As many as are in favor of the amendment, please say *Aye*. (A majority: *Aye*.) As many as are against, please say *No*. (A minority: *No*.) The amendment is approved.

Mr. CUENCO. Then, "OVER ONE THOUSAND FIVE HUNDRED HORSEPOWER, ONE CHIEF ENGINEER, ONE SECOND, ONE THIRD AND ONE FOURTH ENGINEERS."

The SPEAKER. What does the Committee say?

Mr. ABELEDA. Accepted, Mr. Speaker.

The SPEAKER. Is there any objection on the part of the House? (After a pause.) The Chair does not hear any. The amendment is approved.

Mr. CUENCO. And then, "VESSELS COMING UNDER SUBSECTIONS (i) AND (j) OF THIS SECTION SHALL NOT BE REQUIRED TO HAVE ELECTRICIANS ON BOARD. THEIR MARINE ENGINEERS SHALL TAKE CARE OF THE ELECTRICAL WORK ON SAID VESSELS."

The SPEAKER. What does the Committee say?

Mr. ABELEDA. We leave it to the House, Mr. Speaker.

The SPEAKER. The House will vote on the amendment. As many as in favor of the amendment, please say *Aye*. (A majority: *Aye*.) As many as are against, please say *No*. (A minority: *No*.) The amendment is approved.

VELOSO (I.) AMENDMENT

Mr. VELOSO (I.). Mr. Speaker, on page 446 at the bottom of line 33, insert a new section to be known as Section 3204 and to read Pilotage Service:

"Section 3204.—*Pilotage Service*.—The employment or taking on board a vessel at a particular place of a pilot or a member of a pilot's association for the purpose of conducting such vessel in Philippine waters or through a river, channel, or from or into port, including the shifting of said vessel from one berth to another, hereinafter called pilotage service, shall be optional for all vessels carrying a certificate of Philippine registry: *Provided*, That should pilotage service be requested by and rendered to such vessels, the corresponding pilotage fees to be prescribed from time to time but not oftener than once a year for such service by regulation or administrative order of the Commissioner of Customs approved by the Department Head, shall be paid."

The SPEAKER. What does the Committee say?

Mr. ABELEDA. We leave it to the House.

Mr. SPEAKER. The House will vote on the amendment. As many as are in favor of the amendment, please say *Aye*. (A majority: *Aye*.) As many as are against, please say *No*. (A minority: *No*.) The amendment is approved.

Mr. TOLENTINO. Mr. Speaker, we go back to page 344, and before I present an amendment, may I ask the Chairman of the Committee to clarify some questions regarding importation by the Government.

The SPEAKER. The gentleman may yield, if he so desires.

Mr. RAMOS. Willingly.

Mr. TOLENTINO. May I ask the philosophy or the reason behind this provision why importations by the Government or its political sub-divisions are not duty-free?

Mr. RAMOS. To what section does the gentleman refer?

Mr. TOLENTINO. Section 12.05, lines 20 to 27.

Mr. RAMOS. We have already an existing law, Act No. 3914, as amended by Republic Act No. 104.

Mr. TOLENTINO. I want to know the reason for that. It intrigues me because if the Government imposes a duty upon its own importations, it is just transferring money from one pocket to another.

Mr. RAMOS. This is merely lifting bodily the provision of the existing law and incorporating it into this code.

Mr. TOLENTINO. Can we not abolish this provision?

Mr. RAMOS. Then that will be repealing the Special Act No. 3914.

Mr. TOLENTINO. Yes, that will be the effect.

Because I cannot really see the reason for the provision, that is why I am asking for the reason behind the original law which we are merely reproducing here.

Mr. RAMOS. It was on account of the government-owned or controlled corporations or agencies, if they would import goods in direct competition with private enterprises, in order to have a more or less stable condition with respect to imported commodities, the duty is imposed.

Mr. TOLENTINO. Well, with respect to corporations, I think it is reasonable, but I am asking why it is so with respect to the government itself.

Mr. RAMOS. There were criticisms in the past that some agencies of the Government had been used as instruments by contractors in importing certain commodities and articles free of tax that were not actually used in the contracts.

Mr. TOLENTINO. The original law was Act No. 3914, if I am not mistaken.

Mr. RAMOS. Yes, Act No. 3914.

Mr. TOLENTINO. And that must have been before the Commonwealth.

Mr. RAMOS. No.

Mr. TOLENTINO. Yes. Because if it is during the Commonwealth, it should have a Commonwealth Act number.

Mr. RAMOS. Republic Act No. 104.

Mr. TOLENTINO. And during the period before the Commonwealth, American goods were duty-free.

Mr. RAMOS. Not all. Only American goods which entered through the ordinary ports of entry.

Mr. TOLENTINO. Yes. But was not this intended so that the Philippine Government could always import from the United States?

Mr. RAMOS. That is correct. There are certain commodities which were not free from customs duties. We have the ordinary and the extraordinary.

Mr. TOLENTINO. Can we not amend this so as to exempt the Philippine Government and its political subdivisions, and leave only government corporations, because they are private corporations?

Mr. RAMOS. I would have no personal objection, if the House would support that amendment.

Mr. TOLENTINO. I do not see any reason for making the Government tax itself.

Mr. RAMOS. The Government agencies have been used as fronts.

Mr. TOLENTINO. In view of that, suppose we introduce an amendment. I recognize that that is a great possibility. Suppose we amend it in such a way that although the Government pays a tax or duty, nevertheless the moment that which has been imported is actually being used by the Government, then there will be a refund.

Mr. RAMOS. That is more practical.

TOLENTINO AMENDMENT

Mr. TOLENTINO. Then I propose the following amendment. Line 26, page 344, after the word "Act," delete the period (.) and place a colon (:) and add the following: *PROVIDED, HOWEVER, THAT UPON CERTIFICATION OF THE AUDITOR GENERAL THAT THE IMPORTED ARTICLE IS ACTUALLY BEING USED BY THE GOVERNMENT OR ANY OF ITS POLITICAL SUBDIVISION, THE AMOUNT OF DUTY, TAX, AND FEE, SHALL BE REFUNDED TO THE GOVERNMENT OR POLITICAL SUBDIVISION WHICH PAID IT.* This will exclude government corporations.

Mr. RAMOS. May I suggest to the gentleman that the following phrase be included: *UPON CERTIFICATION OF THE HEAD OF THE OFFICE OR DEPARTMENT AND APPROVED BY THE AUDITOR GENERAL.*

Mr. TOLENTINO. Mr. Speaker, as a consequence of the suggestion of the gentleman from Aklan, I will restate the amendment: *PROVIDED, HOWEVER, THAT UPON CERTIFICATION OF THE HEAD OF THE DEPARTMENT OR POLITICAL SUBDIVISION CONCERNED, WITH THE APPROVAL OF THE AUDITOR GENERAL THAT THE IMPORTED ARTICLE IS ACTUALLY BEING USED BY THE GOVERNMENT OR ANY OF ITS POLITICAL SUBDIVISION CONCERNED, THE AMOUNT OF DUTY, TAX, FEE OR CHARGE SHALL BE REFUNDED TO THE GOVERNMENT OR THE POLITICAL SUBDIVISION WHICH PAID IT.*

The SPEAKER. Is there any objection to the amendment? *(After a pause.)* The Chair does not hear any. The amendment is approved.

ROY-NUGUID AMENDMENT

Mr. ROY. Mr. Speaker, on page 5, line 4, this is an amendment of Congressman Nuguid and supported by this humble Member. This refers to live bovine animals, including buffaloes and carabaos. On line 4, instead of ₱20, restore the old rate ₱14. There was only an importation of 3,000 animals.

Mr. RAMOS. The Committee accepts the amendment.

The SPEAKER. Is there any objection? *(After a pause.)* The Chair does not hear any. The amendment is approved.

GONZALES AMENDMENT

Mr. GONZALES. Mr. Speaker, on page 74, after line 33, add another paragraph, "(a) Films made and distributed by the United Nations and its agencies; and (b) TV films for use of TV stations."

Mr. Speaker, I should like to explain my amendment. Television is very new in the Philippines, and I remember that when radio was very new in the Philippines, the Government subsidized the radio stations to improve their programs. If we are going to tax these TV stations as we are proposing to tax TV films, instead of improving their programs, television in the Philippines will not progress.

Mr. RAMOS. Mr. Speaker, will the gentleman yield?

The SPEAKER. The gentleman may yield, if he so desires.

Mr. GONZALES. With pleasure.

Mr. RAMOS. Films and TV films supplied, furnished or donated by the United Nations for the use of charitable, educational and scientific institutions are tax free.

Mr. GONZALES. That is, of course, with respect to the United Nations. What I am referring to are the films that will be used by TV stations.

Mr. RAMOS. We are not subsidizing commercial TV.

Mr. GONZALES. If we put a tax on TV films, then that will serve as an obstacle to the growth of TV in the Philippines. I wish to recall that there was a time when we had only one radio station, and this Congress has granted many franchises to radio stations. Why? Because at the beginning, the program was not good. So, my purpose is to improve TV in this country.

Mr. RAMOS. If the present TV station cannot show good films is that the fault of the Government?

Mr. GONZALES. Besides, the imposition of the tax is a sort of a stumbling block. Let us remember and consider the fact that when radio broadcasting was very new here, our Government subsidized it. Now, TV station is not asking for any subsidy. My amendment seeks to give it some encouragement so that good TV films in the United States will come in free to the Philippines, and thereby will improve TV programs. In that way, TV stations will multiply.

Mr. RAMOS. I regret the Committee cannot accept the amendment.

The SPEAKER. The House will vote on the amendment. As many as are in favor of the amendment will please say *Aye*. (*A minority: Aye.*) As many as are against will please say *No*. (*A Majority: No.*) The amendment is lost.

Mr. GONZALES. Mr. Speaker, I ask for a division.

The SPEAKER. The House will divide. As many as are in favor will please rise. (*8 Congressmen rose.*) As many as are against will please do likewise. (*7 Congressmen rose.*) With 8 affirmative votes and 7 negative votes, the amendment is approved.

BENZON-CRUZ (E.) AMENDMENT

Mr. BENZON. Mr. Speaker, I am proposing this amendment on page 270, as special provision, between lines 15 and 16.

Mr. RAMOS. What page is that?

Mr. BENZON. Page 270. Mr. Speaker, I am presenting this amendment in collaboration with Congressman Erasmo Cruz.

I realize that our Government, Mr. Speaker, believes that the Laurel-Langley Agreement is self-operating and that it is the understanding of the Congress that there is no need for any legislation to implement said Agreement in the matter of tariff or customs duties on goods or articles from the United States. But since we are codifying and we are putting into this Code provisions affecting tariff which are actually in force, then we can as well incorporate in the Code the Laurel-Langley Agreement provisions which we agree are in force and in operation. That is why I am proposing this amendment, just as an incident of codification. The amendment is as follows:

SPECIAL PROVISIONS

SEC. 207. THERE SHALL BE COLLECTED ON UNITED STATES ARTICLES AS DEFINED IN SUBPARAGRAPH (E) OF PARAGRAPH 1 OF THE PROTOCOL OF THE AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA CONCERNING TRADE AND RELATED MATTERS DURING A TRANSITIONAL PERIOD FOLLOWING THE INSTITUTION OF PHILIPPINE INDEPENDENCE, SIGNED AT MANILA ON JULY 4, 1946, AS REVISED" ON SEPTEMBER 6, 1955, WHICH DURING THE FOLLOWING PORTIONS OF THE PERIOD FROM JANUARY 1, 1956 TO JULY 3, 1974, BOTH DATES INCLUSIVE, ARE ENTERED, OR WITHDRAWN FROM WAREHOUSE, IN THE PHILIPPINES FOR CONSUMPTION, SHALL BE DETERMINED BY APPLYING THE FOLLOWING PERCENTAGE OF THE PHILIPPINE DUTY AS DEFINED IN SUBPARAGRAPH (H) OF PARAGRAPH 1 OF THE SAID PROTOCOL.

(A) DURING THE PERIOD FROM JANUARY 1, 1956 TO DECEMBER 31, 1958, BOTH DATES INCLUSIVE, TWENTY-FIVE PER CENTUM.

(B) DURING THE PERIOD FROM JANUARY 1, 1959 TO DECEMBER 31, 1961, BOTH DATES INCLUSIVE, FIFTY PER CENTUM.

(C) DURING THE PERIOD FROM JANUARY 1, 1962 TO DECEMBER 31, 1964, BOTH DATES INCLUSIVE, SEVENTY-FIVE PER CENTUM.

(D) DURING THE PERIOD FROM JANUARY 1, 1965 TO DECEMBER 31, 1973, BOTH DATES INCLUSIVE, NINETY PER CENTUM.

(E) DURING THE PERIOD FROM JANUARY 1, 1974 TO JULY 3, 1974, BOTH DATES INCLUSIVE, ONE HUNDRED PER CENTUM.

CUSTOMS DUTIES ON UNITED STATES ARTICLES, OTHER THAN ORDINARY CUSTOMS DUTIES, SHALL BE DETERMINED WITHOUT REGARD TO THE FOREGOING PROVISIONS, BUT SHALL BE SUBJECT TO THE PROVISIONS OF THIS SECTION.

WITH RESPECT TO UNITED STATES ARTICLES IMPORTED INTO THE PHILIPPINES, NO DUTY ON OR IN CONNECTION WITH IMPORTATION SHALL BE COLLECTED OR PAID IN AN AMOUNT IN EXCESS OF THE DUTY IMPOSED WITH RESPECT TO LIKE ARTICLES WHICH ARE THE PRODUCT OF ANY OTHER FOREIGN COUNTRY, OR COLLECTED OR PAID IN ANY AMOUNT IF THE DUTY IS NOT IMPOSED WITH RESPECT TO SUCH LIKE ARTICLES. AS USED IN THIS SECTION, THE TERM "DUTY" INCLUDES TAXES, FEES, CHARGES, OR EXACTIONS, IMPOSED ON OR IN CONNECTION WITH IMPORTATION, BUT DOES NOT INCLUDE INTERNAL TAXES OR ORDINARY CUSTOMS DUTIES.

WITH RESPECT TO PRODUCTS OF THE UNITED STATES WHICH DO NOT COME WITHIN THE DEFINITION OF UNITED STATES ARTICLES, IMPORTED INTO THE PHILIPPINES, NO DUTY ON OR IN CONNECTION WITH IMPORTATION SHALL BE COLLECTED OR PAID IN AN AMOUNT IN EXCESS OF THE DUTY IMPOSED WITH RESPECT TO LIKE ARTICLES WHICH ARE THE PRODUCT OF ANY OTHER FOREIGN COUNTRY. AS USED IN THIS SECTION THE TERM "DUTY" INCLUDES TAXES, FEES, CHARGES, OR EXACTIONS, IMPOSED ON OR IN CONNECTION WITH IMPORTATION, BUT DOES NOT INCLUDE INTERNAL TAXES.

Mr. RAMOS. Mr. Speaker, on the understanding that the explanation made by the gentleman from Pangasinan is made the basis as well as the premise for that amendment, the Committee accepts the amendment.

Mr. VILLAREAL. Mr. Speaker, I should like to be informed if it is the opinion of the distinguished proponent of the amendment that the Laurel-Langley Agreement is self-operating.

Mr. BENGZON. Well, there is a recognition that the stand of our Government is that the Laurel-Langley Agreement is self-executory.

Mr. VILLAREAL. That would mean that the provisions of the Laurel-Langley Agreement started to operate since the time Congress passed the Laurel-Langley Agreement in this House and in the Senate and signed by the President.

Mr. BENGZON. That is the stand of the Government.

Mr. VILLAREAL. So that the purpose of the gentleman is to insert that in the bill and to include in this bill a codification of all laws pertaining to duties.

Mr. BENGZON. And to plug any possible loopholes if ever there will be a decision against the interests of the Government. That is my purpose.

Mr. VILLAREAL. Does the gentleman honestly believe that the Laurel-Langley Agreement is self-operating and self-executory?

Mr. BENGZON. The stand of the Government, which is the basis of this amendment, is that it is self-executory.

The SPEAKER. Is there any objection to the amendment? (After a pause.) The Chair does not hear any. The amendment is approved.

Mr. RAMOS. Mr. Speaker, there being no further amendment, I ask that the measure, as amended be approved on second reading.

APPROVAL ON SECOND READING OF HOUSE
BILL NO. 5513

The SPEAKER. The House will now vote on the bill as amended. As many as are in favor of the bill as amended, please say *Aye*. (Several Representatives: *Aye*.) As many as are against, please say *No*. (Silence.) House Bill No. 5513 as amended is approved on second reading.

APPROVAL ON THIRD READING OF HOUSE
BILL NO. 5513

The SPEAKER. This bill has been certified to by the President. Voting on third reading on House Bill 5513 is now in order. The Secretary will read the title of the bill.

The SECRETARY, reading:

An Act to revise and codify the Tariff and Customs Laws of the Philippines.

The SPEAKER. The House will now proceed to vote on the bill. The Secretary will call the roll.

The SECRETARY, reading:

Mr. Abad	Yea
" Abeleda	Yea
" Abogado	Absent
" Abordo	Yea
" Aguja	Yea
" Aldeguer	Absent
" Alonzo	Absent
" Amilbansa	Yea
" Apacible	Yea
" Babao	Absent
" Balite	Yea
" Bengzon	Absent
" Benito	Yea
" Bernido	Absent
" Bondad	Absent
" Cabangbang	Absent
" Cajulis	Absent
" Cases	Yea
" Castañeda	Absent
.....	Yea

Mr. Castaño	.....	Absent
" Castillo	.....	Absent
" Chiongbian	.....	Absent
Mrs. Consing	.....	Yea
Mr. Corpuz (E.)	.....	Yea
" Corpus (J.)	.....	Absent
" Cortez	.....	Yea
" Crisologo	.....	Yea
" Cruz (E.)	.....	Yea
" Cruz (I.)	.....	Yea
" Cuenco	.....	Yea
" Duran	.....	Absent
" Durano	.....	Yea
" Encinas	.....	Absent
" Enverga	.....	Yea
" Escario	.....	Absent
" Fornier	.....	Absent
" Fortich	.....	Yea
" Francisco	.....	Yea
" Fuentebella	.....	Yea
" Gacula	.....	Absent
" Garduque	.....	Absent
" Gatuslao	.....	Absent
" Gonzales	.....	Yea
" Guinto	.....	Yea
" Hilado	.....	Absent
" Honrado	.....	Yea
" Hora	.....	Absent
" Juan	.....	Absent
" Kintanar	.....	Yea
" Ladrado	.....	Absent
" Lagumbay	.....	Yea
" Lim	.....	Yea
" Lopez	.....	Absent
" Macapagal	.....	Absent
" Macias	.....	Yea
" Mangelen	.....	Absent
" Manguera	.....	Yea
" Marcos	.....	Yea
" Mercado	.....	Absent
" Mitra	.....	Yea
" Morente	.....	Yea
" Noel	.....	Yea
" Nuguid	.....	Yea
" Nuyda	.....	Yea
" Ortega	.....	Absent
" Pajao	.....	Absent
" Pajarillo	.....	Yea
" Parayno	.....	Absent
" Paredes	.....	Yea
" Pecson	.....	Yea
" Peralta	.....	Absent
" Perez (A.)	.....	Yea
" Perez (E.)	.....	Absent
" Perez (L.)	.....	Yea
" Perfecto	.....	Yea
" Puey	.....	Absent
" Ramos	.....	Yea
" Reyes	.....	Absent
" Roces	.....	Yea
" Rodriguez	.....	Yea
" Romualdez	.....	Yea
" Roy	.....	Yea
" Salvador	.....	Absent
" Sanchez	.....	Absent
" Tabiana	.....	Yea
" Tan	.....	Absent

Mr. Teves	.....	Yea
" Tible	.....	Absent
" Tolentino	.....	Yea
" Trono	.....	Yea
" Ubay	.....	Yea
" Veloso (D.)	.....	Yea
" Veloso (I.)	.....	Yea
" Villareal	.....	Yea
Mrs. Ziga	.....	Absent
Mr. Zosa	.....	Yea

The SPEAKER. With 56 affirmative votes and none in the negative, House Bill No. 5513 is approved on third reading.

REPORT ON THE MILITARY BASES AGREEMENT OF 1947 BETWEEN THE PHILIPPINES AND THE UNITED STATES

Mr. TOLENTINO. Mr. Speaker, the Special Committee to Re-examine Philippine-American Relations and Agreements submits its Report on the Military Bases Agreement of 1947 between the Philippines and the United States. I move that the Report be approved.

The SPEAKER. Is there any objection? (*After a pause.*) The Chair does not hear any. The Report is unanimously approved.

(*The following is the Report referred to above.*)

REPORT ON THE MILITARY BASES AGREEMENT OF 1947 BETWEEN THE PHILIPPINES AND THE UNITED STATES

Submitted by the Special Committee to Re-examine Philippine-American Relations and Agreements, on July 10, 1956.

Mr. Speaker:

The Special Committee to Re-examine Philippine-American Relations and Agreements respectively submits this report on the Military Bases Agreement of 1947 between the Philippines and the United States.

SUMMARY OF PROCEEDINGS

The committee, organized by virtue of House Resolution No. 141, proceeded immediately, after adjournment of the third regular session of the present Congress, to study the question of American bases in the Philippines. Although the committee was divided into sub-committees, the Military Bases Agreement, by reason of its importance, was taken upon immediately by the entire committee.

The committee conducted public hearings in order to gather facts relating to the problems arising between United States military authorities in the bases and Filipino civilians, and closed door hearings for data relating to the security aspect of the bases agreement.

Studies were also conducted by the committee of some agreements on military bases entered into between the United States with other countries, particularly Denmark, Japan, the United Kingdom, Canada, and Spain. A brief comparison of the salient provisions of these agreements of the United States with that of the Philippines follows:

A. GRANT OF BASES

I. PHILIPPINES

"1. The Government of the Republic of the Philippines (hereinafter referred to as the Philippines) grants to the