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REPUBLIC OF THE PHILIPPINES  
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SENATE

# Record of the Senate

FIRST REGULAR SESSION  
OCTOBER 19 TO DECEMBER 18, 1992

VOLUME II, NOS. 29-44

Prepared by the Debate Reporters Division  
and the  
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Legislative Operations, Secretariat of the Senate  
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SECRETARY ANACLETO D. BADOY, JR.

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[Silence] The Chair hears none, the same is hereby approved.

**BILL ON SECOND READING  
Senate Bill No. 929--Rent Control Law**

**Senator Romulo:** Mr. President, I move that we consider Senate Bill No. 929 as reported out under Committee Report 34.

**The President:** Consideration of Senate Bill No. 929 is now in order.

With the permission of the Body, the Secretary will read only the title of the bill, without prejudice to inserting in the *Record* the whole text thereof.

**The Secretary:** Senate Bill No. 929, entitled

AN ACT FURTHER EXTENDING THE EFFECTIVITY OF BATAS PAMBANSA BLG. 877, ENTITLED "AN ACT PROVIDING FOR THE STABILIZATION AND REGULATION OF RENTALS OF CERTAIN RESIDENTIAL UNITS AND FOR OTHER PURPOSES" AMENDING THEREBY SECTION ONE OF REPUBLIC ACT NUMBERED SIXTY-EIGHT HUNDRED AND TWENTY-EIGHT.

*The following is the full text of Senate Bill No. 929:*

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

SECTION 1. The effectivity of Batas Pambansa Blg. 877 entitled "An Act Providing for the Stabilization and Regulation of Rentals of Certain Residential Units and For Other Purposes", is hereby extended for FIVE (5) [three (3)] years from January 1, 1993 to December 31, 1997 [5]: *Provided*, That the allowable maximum increase for the FIVE [three]-year period shall NOT be more than the rates herein provided:

Period	Maximum Increase
January 1, 1993 - December 31, 1993	Twenty Percent (20%)
January 1, 1994 - December 31, 1994	Twenty Percent (20%)
January 1, 1995 - December 31, 1995	Twenty Percent (20%)
January 1, 1996 - December 31, 1996	Twenty-five (25%)
January 1, 1997 - December 31, 1997	Thirty (30%)

*Provided, further*, That the basis for the maximum increase herein authorized for the FIVE [three]-year period shall

be the actual monthly rental as of December 31, 1992: *Provided, finally*, that the increases authorized herein shall be cumulative and compounded.

SEC. 2. This Act shall take effect on January 1, 1993 following its publication in at least two (2) newspapers of general circulation.

**Senator Romulo:** For the sponsorship speech, I ask that the distinguished Senator from Pasay and Ilocos Norte, the Chairman of the Committee on Urban Planning, Housing and Resettlement, Senator Rodolfo Biazon, be recognized.

**The President:** Senator Biazon is recognized.

**SPONSORSHIP SPEECH OF SENATOR BIAZON**

**Senator Biazon:** Thank you, Mr. President.

The Rent Control Law, also known as Commonwealth Act No. 689, was enacted on October 15, 1945, during a period of emergency declared immediately after the end of the Second World War. It was later amended by Republic Act No. 66 which expired on October 15.

Since then, Mr. President, it has been extended by various Republic Acts and Presidential Decrees, the latest extension being Republic Act No. 6828. Republic Act No. 6828 is the new Rent Control Law which was enacted by the Congress of the Philippines, extending the effectivity of Batas Pambansa Blg. 877 to another three years or until December 31, 1992.

The latest extension of the new Rent Control Law, Mr. President, provides for a maximum allowable increase of 20 percent per year for the years 1990 up to 1992. Those covered by Republic Act No. 6828 are land, dwelling units, rooms and houses primarily used for residential purposes, with a portion thereof allocated for small-scale commercial use which were constructed or offered for rent prior to the effectivity of Batas Pambansa Blg. 877. Those covered by Republic Act No. 6828 are units rented out for P1,891.80 or below as of 1992. Batas Pambansa Blg. 877 was extended by Republic Act No. 6828 for another three years in the hope that the economic situation would have recovered by the time it expires this year.

Republic Act No. 6828 will expire. The anticipated economic recovery did not materialize, Mr. President. Instead, the economic situation of most of the population has either remained stagnant or has taken a turn for the worse. Because of this reality, Senate Bill Nos. 565 and 809, filed by Senators Webb and Coseteng, which propose another three-

year extension of the Rent Control Law. Under this proposal, the ceiling will be pegged at P2,270.16 for 1993; P2,724.19 for 1994; and P3,269.02 for 1995.

An extension, Mr. President, of the Rent Control Law would yield 673,984 families as beneficiaries. *G. Pangulo, ito po ang bilang ng mga pamilyang makikinabang kung ating palalawigin pa ang Republic Act No. 6828, as beneficiaries, of which approximately 572,000 families are in urban areas.*

*Ang karamihan po, G. Pangulo, ng mga nabibigyan ng proteksiyon ng batas na ito ay umuupa lamang ng mga kuwarta at mga tirahang hindi natin masasabing disente at sapat na makapagbibigay ng shelter sa ating mga mamamayan.*

It has been observed on the basis of the data gathered from the National Housing Authority that 5.5 percent of the total families in the Philippines benefit from this law.

On the relevance of the Rent Control Law, a comparison of the standards of living in 1985, during the enactment of Batas Pambansa Blg. 877, and 1992, which is the expiry date of Republic Act No. 6828, sufficiently proves that the conditions prevailing then which necessitated the extension of the Rent Control Law are still prevailing at present.

Based on statistics released by the National Statistics Office and Ibon Databank, 70 percent of our present population wallow below the poverty level. In 1985, the poverty threshold for the whole country was pegged at P2,381.00; for 1992, the poverty threshold is P5,581.65.

The legislated minimum wage, on the other hand, Mr. President, in 1985 was P2,012.40; while in 1992, the legislated minimum wage is P3,834.90.

The cost of living, which is to provide for the basic needs of a family of six for shelter, food, clothing, basic medical needs, and the basic education of the children, in 1985 was P4,321.80, a deficit of P2,309.40.

This, Mr. President, translates to the reality that this Filipino family of six would have to forego a lot of these basic necessities; as it is, they are barely able to put body and soul together. In 1992, Mr. President, this deficit was trimmed down to P1,979.10 with the cost of living being pegged at P5,814.00; still, that family of six is not better off today than they were in 1985.

*G. Pangulo, marami pa ring nagugutom sa ating mga mamamayan. Karamihan sa kanila ay nangungupahan at hindi na kumakain ng tailong beses isang araw. At karamihan*

*po sa kanila na ang kanilang mga anak ay hindi na makapag-aral dahil hindi na rin nila mismo matugunan ang kanilang mga pangangailangan sa araw-araw.*

The share of housing, Mr. President, as against the total household expenses barely increased from 13.16 percent in 1985 to 13.31 percent in 1992. Again, this is still not enough to provide for a decent affordable shelter.

During the hearings held regarding the Rent Control Law, Mr. President, the constitutionality of the law was assailed. However, the law is a valid exercise of the police power of the State; therefore, it is constitutional. The State has the right to regulate or limit the use of liberty and property for the promotion of public welfare. In the case of *Gutierrez v. Cantada* (90 SCRA 1), wherein the constitutionality of the Rent Control Law was challenged, the Supreme Court ruled that it was a valid exercise of police power as "the State is not compelled to stand idly by, while a considerable segment of its citizens suffers from economic distress."

Based on the aforecited data, Mr. President, there is reason for the State to again step in and aid those in need.

The lessors have been up in arms regarding this law as they say that it serves as a disincentive for further investments in low-cost housing.

Mr. President, the present investors who put up their money to build apartments and try to solve the problem of housing shortage are not investing in the so-called low-cost housing because it is not economical. So whether there is this law or not, the present investors are really targeting the sectors that can pay P3,000, P5,000 to P6,000 a month, well above the ceiling that this bill is proposing.

They claim that ever since the passage of the Rent Control Law, there has been a decline in the construction of accessories. They also claim that there have been rampant abuses by the lessees of the privilege granted to them by this law, such as subletting the rooms of the units being rented, resulting to the lessees sometimes earning more than the lessors themselves.

Mr. President, the present law controlling rent provides for equal protection, not only to the lessees but also to the lessors. *Ang problema lamang po ay walang nagmo-monitor sa batas na ito.*

The solution to these complaints, Mr. President, is not the abolition of the protection or the privilege granted by this law. It is a better monitoring system in the implementation of the law in order to protect the interests of both parties. In the

amended bill, Mr. President, the committee has entrusted this task to the local government units in line with the government's policy of decentralization.

The amended bill fixes the rate of 20 percent per annum for the next three years up to 1995. The 20 percent annual ceiling is recommended because to lower the same to 10 percent would work against the interest of the lessors. As the lessees have no qualms to the previous 20 percent ceiling, there seems to be no justification to subject the lessors to further regulation.

At present, Mr. President, the Committee on Urban Planning, Housing Development and Resettlement is formulating a basic concept by which the expenditure of government resources will be focused and dedicated to providing houses for those below the poverty line, which, I think, what government should do.

It is imperative that Senate Bill No. 929 be passed. For one, the deadline is fast approaching. Should we fail to pass it, we would be ignoring the needs of a significant number of our countrymen. To accede to the demands of the lessors to finally put an end to the numerous extensions to this law would go against the very reason for the existence of government, Mr. President.

We are supposed to take up the cudgels for the poor, the oppressed and the suffering, of course, without necessarily jeopardizing and providing for equal protection of everyone in the law. After all, in the words of the former Chief Justice Enrique Fernando, "It is divinely compassionate no doubt to afford more in law to those who have less in life."

Thank you, Mr. President.

**The President:** The Majority Leader is recognized.

**Senator Romulo:** Mr. President, for the second sponsorship speech of Senate Bill No. 929, the Rental Law, I ask that the distinguished Senator from Pasay and Parañaque, the Author of the bill, Senator Freddie Webb, be recognized.

**The President:** Senator Webb is recognized.

SPONSORSHIP SPEECH OF SENATOR WEBB

**Senator Webb:** Thank you, Mr. President.

As stated by the Sponsor and Chairman of the Committee on Urban Planning, the need for the first rent control law arose in October of 1945, when there was an urgency to tide the

Filipino over an emergency situation created by the economic dislocations caused by World War II.

My Colleagues in the Senate, the average Filipino, from the time of his liberation from the Japanese occupation to the present, was and is living in a perpetual crisis situation.

We could say that we live from emergency to emergency. This sorry state of our affairs is borne by the fact that until now we are still a Third World country in the community of nations.

Let me just go over the three recent laws which lead to the present bill under consideration by this Chamber.

Batas Pambansa No. 877, extended the rent control law from July 1, 1985 to December 31, 1987. The base rent for its applicability was P400 or P480 a month. The law covered apartments, houses or lands on which another's dwelling is located, used for residential purposes, including not only buildings but parts of units thereof, used solely as dwelling places, except motels, motel rooms, hotels, boarding houses, dormitories and bedspaces which are offered for rent by the owner, but also those for home industries, retail stores or even businesses which have this purpose, with no more than P5,000 capitalization and the owner of the same does not require the service of a non-family member.

Republic Act No. 6643 extended the effectivity of Batas Pambansa No. 877 for another two years from December 31, 1989. It allowed increases in rentals of not more than 20 percent per year, again, compounded and cumulative.

Republic Act No. 6828 further amended the effectivity of Republic Act No. 6643 from January 1, 1990 to December 31, 1992.

The base rental therefore for January 1, 1993, if this bill will be approved, is P1,891.90.

Again, let me read the facts from the National Statistics Office and the Ibon Data Bank gathered during the hearings conducted by the Committee on Urban Planning, Housing and Resettlement chaired by Senator Biazon.

Seventy percent of our present population of about 60 million live below the poverty level. And if my Colleagues are to ask me what our poverty threshold is, well, in 1985, Mr. President, it was pegged at P2,381. In 1992, it was P5,581.

The legislated minimum wage in 1985 was P2,012.40. In 1992, it was P3,834.90. The cost of living in 1985 was

P4,321, meaning, a deficit of P2,309 from earnings.

In 1992, this deficit was trimmed down to P1,979 with the present cost of living at P5,814.

Mr. President, the Realty Owners Association of the Philippines, represented by former Senator Ambrosio Padilla, has taken the position that the proposed extension is unconstitutional, as the extensions prove it to be, because the same are not for a definite period in an emergency situation and that it violates the equal protection clause of the Constitution, as it discriminates against small property owners affected by the laws. But the good Senator also said, Mr. President, in the same vein, and admitted that the present Rent Control Laws are not unconstitutional per se. Only the extensions are.

As they are, Republic Act 6828 and the bill under consideration thus speak of a definite period for their applicability.

The Supreme Court had ruled in the case of *Gutierrez vs. Cantada*, that Republic Act No. 6359 on the prior extension did not violate the equal protection clause of the Constitution, because there was a clear need for such a statute. It was enacted to promote the public interest and the general welfare.

The State, Mr. President, is not compelled to stand idle while a considerable segment of its citizens suffer from economic distress.

I must admit that the base rent of P1,891.90, even taking into consideration the 20 percent cumulative yearly increases, is not much to reckon with, given the present cost of living. Yet, the fact that this bill, if passed, will benefit some 673,980 families through 1995 or roughly 5.5 percent of the total families in the Philippines is enough reassurance for its passage.

The Constitution calls for us to alleviate the plight of the poor. In our limited capacities, we had filed bills, for instance, for free medical benefits, free services, free hospitalization, and many more. Let this bill be in that category so that it cannot be said of us that we had it in our hands to do something in this sorry situation, but we did not.

To those of us who are still moved by the universal and timeless truths in the Bible, let it not be said that our brother was hungry and we gave him no food; thirsty, yet we did not give him any drink; he was naked, we did not even clothe him; and most of all, he was homeless and we did not shelter him.

Fellow Colleagues of the Senate, I call on you to pass Senate Bill No. 929 before Republic Act No. 6828 lapses on

December 31, 1992. It is the least that we can do for the least of our brothers.

Thank you very, Mr. President.

**The President:** The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION  
OF SENATE BILL NO. 929

**Senator Romulo:** Mr. President, I ask that we suspend consideration of Senate Bill No. 929 until tomorrow.

**The President:** Is there any objection to this motion? [*Silence*] The Chair hears none; the same is hereby approved.

BILL ON SECOND READING  
Senate Bill No. 355 - Expanding the Concept  
of the Condominium Act  
(Continuation)

**Senator Romulo:** Mr. President, one more bill.

I move that we resume consideration of Senate Bill No. 355 as reported out under Committee Report No. 15.

**The President:** Resumption of consideration of Senate Bill No. 355 is now in order.

**Senator Romulo:** Mr. President, we are still in the period of interpellations.

Senator Macapagal-Arroyo had already delivered her sponsorship speech. There have been interpellations.

Mr. President, since there are no more speakers to interpellate, I move that we close the period of interpellations.

**The President:** Is there any objection? [*Silence*] The period of interpellations is hereby closed.

SUSPENSION OF CONSIDERATION  
OF SENATE BILL NO. 355

**Senator Romulo:** Mr. President, I move that we suspend consideration of Senate Bill No. 355 until tomorrow.

**The President:** Is there any objection? [*Silence*] There being none, the motion is hereby approved.

SUSPENSION OF THE SESSION

**Senator Romulo:** Mr. President, may I ask for a one-

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already his or her own opinion on the issue--I think we can put a limit to the period of interpellations and then later proceed to the amendment, and then we can proceed to the voting in order that we can abbreviate long debates on this issue. After all, this has been debated through the years. This is just a suggestion, Mr. President.

Senator Tatad: Mr. President.

The President: Senator Tatad is recognized.

Senator Tatad: May I seek a clarification.

SUSPENSION OF THE SESSION

Senator Romulo: Mr. President, may I ask for a one-minute suspension of the session.

The President: The session is suspended, if there is no objection. [*There was none.*]

*It was 4:11 p.m.*

RESUMPTION OF THE SESSION

*At 4:12 p.m., the session was resumed.*

The President: The session is resumed.

Senator Tatad: Mr. President, just an inquiry. I could not help but hear the observation of my distinguished Colleague from Cebu, Senator Herrera, to the effect that this issue has been long debated and, therefore, it would be wise and desirable to cut short the deliberations.

Mr. President, I am speaking on this issue for the first time. I am here in the Senate for the first time, and while I recognize that this question has been debated for centuries in favor of the abolition of capital sentence, I am participating in it for the first time. I would appreciate very much all the opportunity to discuss the issue at length.

Thank you very much.

Senator Romulo: Mr. President.

The President: The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION  
OF SENATE BILL NO. 891

Senator Romulo: May I reiterate my motion to suspend

consideration of Senate Bill No. 891, Mr. President.

The President: Is there any objection to the motion? [*Silence*] There being none, the motion is hereby approved.

BILL ON SECOND READING  
Senate Bill No. 929--Rent Control Law  
(Continuation)

Senator Romulo: Mr. President, I move that we resume consideration of Senate Bill No. 929, as reported out under Committee Report No. 34.

The President: Resumption of consideration of Senate Bill No. 929 is now in order.

Senator Romulo: Mr. President, we are still in the period of interpellations.

Yesterday afternoon, Senators Biazon and Webb delivered their sponsorship speech. I ask, Mr. President, that we now recognize Senators Biazon and Webb for the interpellations, if any.

The President: Is there any Member of this Body who desires to interpellate either and/or both of the Sponsors of this bill?

Senator Lina: Mr. President.

The President: Senator Lina is recognized.

Senator Lina: Thank you, Mr. President.

Will the distinguished Sponsor yield for some questions?

Senator Biazon: With pleasure, Mr. President, to the Gentleman from Laguna.

Senator Lina: What is the proposed allowable increase in rental, Mr. President?

Senator Biazon: Mr. President, it will follow the conditions prescribed by Republic Act No. 6828, which is 20 percent for the first year, 20 percent for the second year, and 20 percent also for the third year, up to 1995.

Senator Lina: Will the increase be cumulative, Mr. President?

Senator Biazon: Yes, Mr. President, as it had been followed by the previous laws and their amendments.

**Senator Lina:** This extension of the Rent Control Law will definitely benefit the lessees, Mr. President, all over the country.

Since this proposal is merely to extend the Rent Control Law, then the basis of determining which apartment dwellings or units or even lots will remain covered by this proposed legislation, will still be those units, lots, apartments which were covered by the Rent Control Law as early as 1985.

**Senator Blazon:** Mr. President, it will depend on how much they are renting at the moment. If we may recall the ceiling effective as of this year is P1,891, and it started out from something like P480 back in 1985, and because of the cumulative increases through the years, it has gone up to what it is today. And so, all of these units that have been rented are assumed to be still the ones that are covered by this law.

**Senator Lina:** So they are still the ones covered.

**Senator Blazon:** Yes, Mr. President.

**Senator Lina:** So that even if an apartment unit is being rented right now at P189... May I get the figure, Mr. President.

**Senator Blazon:** It is P1,891 plus a few centavos, Mr. President.

**Senator Lina:** So that if an apartment unit right now is being rented at P1,700, and the apartment unit was only offered for rent starting this year, then that unit will not be covered by this proposed extension of the Rent Control Law.

**Senator Blazon:** Mr. President, there might have been a misunderstanding of the previous question of the Gentleman. Any unit that is now being rented at P1,891, plus a few centavos and below will be covered, whether it is old or new.

**Senator Lina:** Then we have to not only extend the law, Mr. President, but we have to amend the existing law, because as far as this present law is concerned, it merely extended the operation of a previous law which regulated the rental of apartment units and dwellings which were renting at P480 and below in 1985; and since the law at that time specified those dwelling units renting at P480 and below in 1985, then the way we interpret this present law is that only those that were rented at P480 and below starting 1985 were the only units covered by this Rent Control Law. So that if an apartment unit is being offered now for the first time at P1,700 or even lower will not be covered by this extension of the Rent Control Law, unless we amend the present law. Or, in this proposed legisla-

tion, we incorporate a new provision that, henceforth, the units that will be covered by this law regulating rental will be P1,891 point something. Is that the intention, Mr. President?

**Senator Blazon:** Mr. President, with the indulgence of the Senator, we have to check whether or not, indeed, that law only refers to the units so prescribed at the passage of the law or this is in reference to the rentals at the moment in question.

**Senator Lina:** That matter has to be clarified, Mr. President, because if the intention is, indeed, to liberalize or to expand the scope of the Rent Control Law, then the need is to amend or introduce a new provision. Because if the proposal is merely to extend the previous enactment, and in the Senate, the latest extension was authored by Senator Mercado and this Representation, the law that we passed merely extended the operation of the law which was passed even during the time of the Batasang Pambansa.

The complaint, Mr. President, is that if we will expand the scope of this Rent Control Law, then there will be less and less entrepreneurs who will go into this kind of enterprise. And considering that the Government is unable to provide housing at a pace needed to meet the demand for housing in the country, then that will aggravate further the situation.

**Senator Blazon:** Mr. President, if, indeed, this is just an extension on the existing units that are rented at such a price, the Proponents of the extension do not envision including the units that had just been so described by the Gentleman.

**Senator Lina:** Mr. President, if the unit that was rented in 1985 was P400 or below, but in 1991 or this year, the parties to the lease agreement decided or the lease agreement had expired, and new parties, new lessees, enter into a rental agreement with the lessor, will the new lessee be benefited by this Rent Control Law?

**Senator Blazon:** Mr. President, I think that the interpretation of the law is that who are protected are the lessees who are occupying. If there is a new lessee, then there will be a new contract to be entered into.

**Senator Lina:** And, therefore, the lease agreement will already be outside of the scope of this Rent Control Law.

**Senator Blazon:** That would be the interpretation, Mr. President.

**Senator Lina:** Now, in this law that we are extending, Mr. President, the tenant can be ejected on three grounds...

First, I understand, is the non-payment of rental or arrearages for three months.

Second, is that the children or the lessor himself would be the one to use the property because they do not have any dwelling for themselves and they are renting.

Third, is the breach of the agreement.

Mr. President, on the ground that the lessor will use the property for his dwelling because he has no other dwelling within certain radius or the children will use the dwelling because the children themselves have no dwelling of their own, but if it is determined after some time that the lessor will not actually use the property or the children after some time did not use the property for dwelling purposes and, in fact, sold the property to third parties, what will be the liability, if any, if that situation developed?

Senator Blazon: Mr. President, there are actually four incidents where a lessee may be ejected. Three had already been mentioned by the distinguished Gentleman. The fourth is when the building is condemned and to be repaired. Although in this case, the lessee has the first option to reoccupy on a new contract price.

The law provides that the owner or the lessor may acquire use of his unit if he does not possess any residence within the city where he works or if the lessee owns a unit within the city or has absolute ownership of a residence within the city. Now, if the hypothetical condition presented by the Gentleman comes about, then court action may be based on the provisions of this law. Because the Proponents of the extension is only extending and are not proposing any amendments to the conditions as prescribed by the law on the grounds for ejectment by the lessor of the lessee.

Senator Lina: Mr. President, there are several instances wherein the lessor ejects the tenants on the ground that he will use the property himself. But in reality, after some time, the lessor merely sold the rented place. What is the recourse under the law if that is the kind of situation that developed?

Let us say, the court decides to eject the tenants because there is a ground that the lessor has no dwelling place or the children will use the apartment, but later on it turns out that the ground is merely used to eject the tenant. I think it is not quite clear in the law, Mr. President, what is the remedy available to the wronged tenant. Will the Sponsor agree not merely to extend the Rent Control Law but to amend the present law so that we can plug a loophole?

Senator Blazon: Mr. President, we are inserting a provision, as an amendment, directing the Department of Interior and Local Government and the local government units to monitor the implementation of this law. Because no agency or local government unit, at the moment, is mandated by law to monitor. So that any violation of this law becomes a private relationship between the lessee and the lessor by going to the court.

Senator Lina: Can we also include a provision that the lessor will have to issue official receipts? Because the law does not explicitly state so, Mr. President, to protect the lessee.

Senator Blazon: Mr. President, if the Gentleman has a proposed amendment, it will be considered at the proper time.

Senator Lina: But on that point, Mr. President, that official receipts have to be given out, although there are existing internal revenue rules and regulations. This area is gray, especially when a lessor is leasing only two units. This is conducted in an almost informal basis so much so that the lessee is not able to assert his right because of the absence of official receipts.

Senator Blazon: Mr. President, the Sponsor does not have any objection to this proposal.

Senator Lina: How about the lessor, Mr. President? The lessor is the one paying the real estate tax. During the public hearings, that was the sad refrain of the lessor--being the one to undertake the necessary repairs or mandatory repairs. That if the lessor himself undertakes the repairs, then the amount of the rent will even be much lower than the total expenditure of the lessor. Is the Sponsor amenable to exempting the real estate owners from the payment of real estate tax when the real estate owned is covered and subject to the Rent Control Law?

Senator Blazon: Mr. President, the matter that has been proposed by the Gentleman will be studied. Because we have to refer to the case of contract-to-contract relationship between the...

Senator Lina: It will be across-the-board. The real estate tax is imposed on all real property owners. It is the real property tax imposed on the owners. Now, there is a corresponding real property tax on an apartment unit and the land on which it is situated. It is paid by the owner or the lessor.

But the common complaint is that, *iyong ibinabayad daw nila sa buwis ay napakalaki at iyon namang kanilang nakokolekta ay napakaliit. Kaya, para sa kanilang panig,*

*masyado silang kinakawawa ng Estado, samantalang ang Gobyerno ang dapat mag-provide ng pabahay. Bakit naman sila ang ginigipit dahil sa kakulangan ng Pamahalaan?*

**Senator Biazon:** We offer no objections Mr. President. I do not know if this has to be referred to the Committee on Ways and Means.

**Senator Lina:** This is directly germane to the issue at hand, Mr. President. We cannot separate this matter of the lessor's rights and concerns from the lease agreement because it takes two to tango. If there is no lessor, there will be no lessee. But it seems that, much as we would like to protect the lessee, we should also give ample protection to the lessor so that in the scale of justice, each party will be weighed almost equally.

**Senator Biazon:** We offer no objections to the proposal of the Gentleman, Mr. President.

**Senator Lina:** Thank you very much, Mr. President. I just would like to manifest that the last two extensions were authored and coauthored by this Representation, and I really felt that that was needed. Until now, I do sympathize with the lessees. They number by the millions.

But what we need is to really prod this Government to undertake a massive housing program. I do not know if it was misplaced idealism that things will work out in the last five years for the housing sector. That aspiration that we will be able to build more houses was not realized. Here we are putting the burden on the private sector to share in the responsibility of providing housing to our people, but the Government has not really contributed so much in easing up the housing problem in the country.

I was asked during the time when I sponsored the Rent Control Law, "Up to what time will you extend the Rent Control Law?" I remember the Senate President Pro Tempore asking that question. "*Hanggang kailan ang Rent Control Law?*"

*Kung talagang nakikita natin na sampung taon pa bago maibsan ang problema sa pabahay, gawin na nating sampung taon ang extension. Sapagkat mahirap iyong taun-taon or every other two years, when we go back to Congress, especially when the election gets nearer and nearer, we are practically pushed to the wall and agree to an extension.*

So for how long will we extend this Rent Control Law, Mr. President?

**Senator Biazon:** Hopefully, Mr. President, this will be

the last. As a matter of fact, that is the basis of the Gentleman's proposal.

**Senator Lina:** That is what I said last time, Mr. President.

**Senator Biazon:** Right now, Mr. President, the Committee on Urban Planning, Housing Development and Resettlement is trying to correlate all the government programs to provide solutions to the housing shortage. With this, hopefully, we will be able to lay down a foundation by which the government resources will be directed at providing to the lower income group what is supposed to be the benefit for this law.

Right now, Mr. President, we are looking at the possibility of requiring government's housing programs to dedicate itself to this sector, and not to compete with the private sector providing housing for the upper income bracket. Hopefully, within the next three next years we may, at least, have established such a foundation.

**Senator Lina:** Mr. President, hope springs eternal, and I share that attitude of the distinguished Sponsor.

But we already passed the *Abot-Kaya Pabahay Fund*, Mr. President, which provides even amortization support to those whose income are below P5,000. We already passed the Urban Development and Housing Act which, among others, provides for 20 percent of the project cost of a subdivision to be for social housing.

The Urban Development and Housing Act already lays down a massive social housing program in this country, but until now the implementing rules and guidelines have not yet been formulated, except for one or two agencies. But the other agencies have not yet finished the formulation of the needed implementing rules and guidelines so that that law can be implemented, Mr. President.

So it is kind of frustrating having worked for four years for the enactment of a law which had been criticized by those in the, more or less, upper income bracket of our society who own lands, and also criticized by the intended beneficiaries for not giving enough. But the Executive Branch, I understand, has not yet completed the formulation of the needed implementing rules and guidelines.

That is why, if this is the situation that will prevail that we are not able to implement the laws that have been enacted, the three years in which the distinguished Sponsor projects that the housing situation will be eased up, will not again be realized.

So that is the situation, Mr. President. We already passed the *Abot-Kaya Pabahay Fund*. How many units had been constructed under the *Abot-Kaya Pabahay Fund*? I understand very few units out of P500 million allocated every year for five years. This is the second year and very few units have been constructed, Mr. President. I understand, maybe, only about P200 million out of P500 million has been spent. *Wala hong mangyayari talaga sa atin niyan kapag ganiyan kabagal. Nandiyan ho iyong pera.*

**Senator Blazon:** I agree with what the Gentleman has stated. As a matter of fact, again, we are consolidating concepts, both from the private sector and the public sector, to really look at the capability of government to provide for the so-called socialized housing units. We are in discussion with some sectors to look at the possibility of lowering, basically, the cost of units by looking at three different components of the cost: The cost of money, the cost of the construction and the cost of land, such that the so-called social housing costing supposed to be at P60,000 previously, which was supposed to be on an 80 sq. meter lot and 45 sq. meter house, has now diminished to a 60 sq. meter lot and 25 sq. meter core house.

I think we are looking at the failure of the implementors to really look into this. Because what one needs is to really coordinate the activities of all the agencies that have been established by law. Therefore, I think that the distinguished Gentleman is right in filing a bill proposing the establishment of a department of housing.

**Senator Lina:** It is a good thing that the Sponsor mentioned about that, Mr. President. I hope we can start the deliberation on that proposal to have a department of housing. Because right now the various housing agencies have their own corporate charters. They operate autonomously. They are independent from each other. The present structure, the Housing and Urban Coordinating Council is--I would not want to use the word--inutile. It is not able to provide direction for the housing sector because the Chairman of the Housing and Urban Development Coordinating Council, by the very structure of the organization, cannot really influence effectively the decision of the various housing agencies because they operate with their own charter with a feeling of independence, with their own culture, with their own ways. Because of years of being together, these corporations are not able to really feel the urgency of the situation.

So we really need a department of housing in the same way that we need a department of energy. Unless we streamline the organization of the housing agencies, I do not think the Government will be able to respond to the housing problems of the country.

Thank you very much, Mr. President.

**The President:** Before the Chair recognizes the two other interpellators, it seeks permission to ask a few clarificatory questions of the Sponsor.

Offhand, the Chair wishes to assure the distinguished Sponsor that it supports the approval of this bill. However, it would want the distinguished Sponsor to put on the record the justification for the enactment of this bill because this bill seeks to extend for another two years the Rent Control Law.

It may be that it is inaccurate to say that the Rent Control Law started in 1985. Long before the declaration of Martial Law and the abolition of the Seventh Congress of the Philippines in 1973, there was already a Rent Control Law. In fact, I was then a Member of the Committee on Housing, and we had to rush a law that would extend the existing Rent Control Law, which I think is a Commonwealth Act, suggesting that it was even enacted during the Commonwealth period. But then, the Rent Control Laws of the past were always considered as emergency measures because the vitals of society and of our economy were then in disarray. That is why the Rent Control Laws were for specific or definite periods.

Originally, the Rent Control Laws were only for a period of one year. But it was in the *Batasang Pambansa*, in which I was a Member, together with Senators Tolentino, Romulo, and Mercado that we enacted an extension for a period of three years. Since then, every time thereafter, it was extended for a period of three years. But every time we enact an extension of the Rent Control Law, there is always an assurance that this will be the last--always, it would always be the last. And yet, more than 21 years had already passed, and this law seems to be not to be for a temporary period, but actually already has assumed the character of permanence. Therefore, what could be the justification for extending it anew for another three years in spite of legislative promises before that it would always be the last time?

**Senator Blazon:** Mr. President, in the hearings, the only way we see that could justify the extension of this law is to compare the living standard of the protected sector in the year this law was passed to the standard today. If indeed, the life of the protected sector by this law today is better than it was before, then maybe, it cannot be any more justified.

But based on the cost of living and the legislated wages of the control years referred to here which is 1985 when *Batas Pambansa* was passed, and today, which is 1992, it shows that the life of the protected family by this law has not improved at all. For example, the legislated minimum wage of 1985 was

P2,012.40, but the cost of living at that time was P4,321.80 or there was a deficit of P2,309.40 for the Filipino family of six to meet its basic requirements of food, clothing, medicine and schools for their children.

This year, Mr. President, the legislated minimum wage is P3,834.90 the cost of living has also gone up to P5,814 or a deficit of close to P2,000, almost the same as it was from the very start. So on the basis of this comparison of the life of the Filipino in 1985 to that of 1992, we concluded, that indeed, that sector still needs protection under the law against unreasonable increases for their dwellings.

For example, Mr. President, in 1985, the funds available for housing of this protected sector was something like 13.16 percent of their income. This year, it had gone up to 13.31 or something percent. So they are still basically the same.

Therefore, Mr. President, on the basis of this, we offer that our recommendation or proposal to extend the Rent Control Law is justified.

**The President:** All right. I agree with the Gentleman that Rent Control Laws such as this is an exercise of the police power of the state. But even police powers described as the most essential and, perhaps, the least limitable of the powers of Government, is not absolute. There are certain limitations to it and they are the due process and the equal protection clauses of the Constitution. That is why, whenever police power is exercised, there must be an equitable balancing between the duty and obligation of the Government to extend protection to the hard-pressed lessees with the property rights on the part of the lessors. And the Gentlemen feels, in the study of his committee, that such equitable balancing has been made and has been provided for in this bill.

**Senator Biazon:** Yes, Mr. President, through the process of the committee public hearings. And our conclusion is that the protection for all the parties has been provided for.

**The President:** So the committee, in preparing and reporting out this bill, carefully weighed the competing interests involved.

**Senator Biazon:** That is true, Mr. President.

**The President:** Thank you. For purposes of interpellation, the Chair calls upon Senator Mercado, to be followed by Senator Guingona.

**Senator Mercado:** Mr. President, I shall be very brief, if the Sponsor will yield to a few questions.

**Senator Biazon:** Yes, Mr. President.

**Senator Mercado:** As Senator Lina has mentioned, I am the principal Author of the last bill here in the Senate that extended the Rent Control Law for two years, ending in 1992.

As can be remembered, the understanding was that it was going to be the last extension of the Rent Control Law. That is the reason why I am now a little uncomfortable supporting this particular measure.

May I first ask the Sponsor: How many people will be affected by this particular measure? According to the provisions of this bill, only a segment of those who are renting will be benefited.

**Senator Biazon:** In 1985, Mr. President, there were more than 800,000 families who came under this protection. In 1991, it was 673,984 families, 572,000 of which are in the urban areas. So we feel that this number is significant enough to require protection.

**Senator Mercado:** How many new units for rental in this particular category being affected by the Rent Control Law have been built and made available to those who would like to rent?

**Senator Biazon:** Mr. President, there were no available data. I specifically asked that question during the hearings, and I asked the representatives from the Government agencies exactly the same question.

What we got is this. If there are still units being built under this category, it is not very significant. Because the explanation of the representatives from private housing industries and the government representatives themselves, it does not pay for anyone to target the clientele who can only afford to pay the minimum at this year of P1,891 or even P10,000 or below. It is not going to be profitable to put up new units.

So nobody is putting up any units specifically for rent covered by this law.

**Senator Mercado:** Would the Sponsor say that the Rent Control Law serves, in effect, as a disincentive for investors who would like to build new units to make available the same to the category being affected by this proposed measure?

**Senator Biazon:** That, indeed, could be the immediate conclusion that one can come about. But I think that even with or without the Rent Control Law, or the extension of this, the market forces will play. Because if one cannot afford to

rent, say above P2,000, I am not going to build a unit to be rented out to this group.

As a matter of fact, according to one of the private individuals who testified in the hearing, no one would like to build anymore to provide housing units to people who can only pay P2,000 or below. They are targeting the sector that can pay P3,000 and above.

**Senator Mercado:** So what has happened, Mr. President, is that we have a frenetic pace of building condominiums for the very rich and townhouses, or apartment units targeted at the upper middle class and not at the lower middle class. The private sector has practically abdicated its function or its role in this particular category.

**Senator Blazon:** That is true, Mr. President, because as I said, market forces have a lot to play here.

First, a one-bedroom apartment would cost the minimum of P150,000 to build, the barest minimum with the poorest of materials. If we are going to amortize this, we are going to amortize it at P1,500 a month if we take a few pesos. And, this one-bedroom apartment in the urban area cannot be rented at that rate. So if I have the money, I am going to build an apartment that would fetch me basically about P3,000 and above, because it will be a losing proposition for me to target the market that can pay only P2,000 and below.

**Senator Mercado:** Is it not true that the owners of these apartments have refused also to undertake repairs and improvements on the same, because in the first place they are not earning profitably out of rentals? Many of these apartments have so deteriorated, they are veritable slums now, when they started out as respectable apartments in the '50s or in the '60s.

**Senator Blazon:** Yes, Mr. President. As a matter of fact, that has always been the justification for them for asking the increase of the rent. But, according to Mr. Osabel, the representative from the Urban Poor Organization, no one among the *accesoria* owners really raise the rent up to 20 percent. They raise only to about 10 percent, because these small unit owners are really in sympathy also with the poor lessors. However, I think their capability, their ability to pay or their ability to raise their rent by 20 percent per year, I would say, is reasonable enough.

**Senator Mercado:** Let us say the private sector will not invest in housing, would the Sponsor agree that it is now a responsibility of the Government to address the need of this particular sector? What has happened is that, the National Housing Authority, to my knowledge, addresses the need of

those who are homeless, the squatters. But, the lower middle class, who have an income but are living in deteriorating conditions in apartments, are not being helped by the Government. The Pag-IBIG and like programs are obviously inadequate.

Would not the Sponsor say that what is necessary now would be a program where massive government expenditure would be poured into housing and, as such, stimulate the economy by considering a number of lateral industries that will be developed? And aside from concentrating on infrastructure projects that are horizontal like roads and bridges, that other nations have really moved forward economically when the government spent money to solve the housing problem.

Is this not a more meaningful move than a stopgap measure like extending the Rent Control Law?

**Senator Blazon:** I agree with the Gentleman, Mr. President.

**Senator Mercado:** Does the Sponsor and Chairman of the Committee on Housing have anything in store for us in terms of a long-term solution to this problem aside from extending the Rent Control Law which, according to the Gentleman's committee report, was first enacted on October 15, 1945 as Commonwealth Act No. 689? This is older than me. I was not even a dirty thought in my father's mind when this was introduced in our statute books.

**Senator Blazon:** I agree with the Gentleman, Mr. President. The more this humble Representation digs deeper into this problem, the more gargantuan it appears to be. But, indeed, there are certain things that we have to put in mind.

For example, the lowest cost of housing unit that the NHA is going into is in the range of P150,000 below, down to P80,000. And the lowest that the Gentleman is referring to is something like a 50-square meter lot and a 25-square meter core house. It is just a shell. And this is dependent on the cost of the land.

But there is a problem, Mr. President. That the people who can only afford to amortize P600 a month--that will be the amortization of a P60,000 unit--will have to be near their places of work. Because if we resettle them, say in Molino, and they are working here in Roxas Boulevard, the cost of transportation for daily commuting is going to kill that family. The problem is, putting that housing somewhere in Roxas Boulevard is also beyond imagination.

So we are looking at three things, Mr. President.

First, is the cost of money. Right now, the lowest for a P150,000 housing loan spread over 25 years is going to cost the debtor P1,500 a month. And if one is a teacher earning a little over P3,000, that is it; one cannot afford it. That is going to be a core house only.

For example, the lowest percent rate is 9 percent, GSIS and SSS. But because of the system of handling the loan, it goes up actually from 12 to 14 percent. So the cost of money is very high.

Second, we are looking at the cost of construction, if it is going to be viable both in terms of cost of land, not in terms of land per dollar or peso, but the cost of land as we give away one small single-detached unit to every Tom, Dick, and Harry who is going to apply for it.

We are now gathering, Mr. President, together with some groups, to go to mass medium-level walk up edifice, standardize the design so that we can mass manufacture pre-fabricated components that will lower the cost by as much as 20 to 25 percent. That will lower the cost of construction. Of course, we are looking at the cost of land. All of these three are now being studied. Hopefully, if we have the Department of Housing, all of these can be coordinated and supervised.

**Senator Mercado:** Mr. President, I am not too sure whether we should start a debate again about creating yet another department and increasing the bureaucracy.

Going to the matter of land, is it not true that in the experience of Singapore, because of the scarcity of land in such a small area, what they did was invest in high-rise projects which made it cheaper to build?

There is a serious problem as regards housing in this country. Most Filipinos can think mostly in terms of a single-detached unit. A house is not a home without a yard or a small garden. With the increase in population and in our inability to control our growth rate, we have to change that kind of attitude. Of course, that is not subject to legislation, but there are lessons to be learned from nations that have shown the way on how to handle the housing problem. Singapore was not without its ghettos in the past.

**Senator Blazon:** I agree, Mr. President. That is one of the schemes that is being looked into.

**Senator Mercado:** Mr. President, I have ambivalent feelings with regard to this particular measure. As I said, in

the past our understanding was this was going to be the last time we were extending the Rent Control Law. We will study this very carefully but, hopefully, the Committee on Housing will be able to come up with some concrete suggestions that will address the problem on a long-term basis. It seems that in this country, ad hoc solutions become permanent.

Thank you very much, Mr. President.

**Senator Guingona:** Mr. President.

**The President:** The Minority Leader, Senator Guingona, is recognized.

**Senator Guingona:** Mr. President, will the distinguished Sponsor yield to some questions?

**Senator Blazon:** Yes, Mr. President.

**Senator Guingona:** I beg the indulgence of the distinguished Sponsor if I ask questions that may seem to have already been asked previously by other interpellators. But I associate myself with the fact that two years ago, we enacted the law extending the rent control for another two years with the understanding expressly given to the parties concerned--both the tenants and the landlords affected--that that would be the last extension. And so, we are compelled to clarify certain factors which, I understand, would gravely justify another extension.

Will the distinguished Sponsor inform us whether this particular bill was subjected to thorough public hearings?

**Senator Blazon:** Yes, Mr. President. We had invited groups from the urban poor organizations and from the private developers. It was even attended by Senator Ambrosio Padilla who brought out some points. So I do believe that the hearings were sufficient enough.

**Senator Guingona:** The occupants of the houses concerned, naturally, were in favor, and the homeowners were against. Would that be a fair statement?

**Senator Blazon:** Basically, that is the general picture, Mr. President.

**Senator Guingona:** May we know how much taxes have been increased in the past two years in proportion to the allowable increase of the Rent Control Law for the past two years? Was there a study on this?

**Senator Blazon:** Mr. President, we have no available



data on this, but we can look it over.

**Senator Guingona:** Yes, especially with the enactment of the Local Government Code, we can expect that as a source of revenue, the local government units would now have a tendency to increase local real estate taxes. And if the increase is beyond the intended allowable increase in the Rent Control Law of 20 percent, then it would also work as an injustice to the homeowners, would it not?

**Senator Blazon:** Yes, Mr. President. That is why the remarks of the Gentleman will be taken into consideration in relation to some proposals from Senator Lina.

**Senator Guingona:** Yes, Mr. President. And I understand that the number of occupants who would be affected would be about, did I hear correctly, 400,000?

**Senator Blazon:** More or less, 673,000 families, Mr. President.

**Senator Guingona:** Did you say families?

**Senator Blazon:** Families, Mr. President.

**Senator Guingona:** Does the Gentleman mean times six?

**Senator Blazon:** Yes, Mr. President.

**Senator Guingona:** Is that only in Metro Manila?

**Senator Blazon:** This figure came from the National Statistics Office, Mr. President.

**Senator Guingona:** In Metro Manila alone.

**Senator Blazon:** All over the country, Mr. President, about a little more than 500,000 families are in urban areas.

**Senator Guingona:** Yes, Mr. President, but in Metro Manila, may I know the figure.

**Senator Blazon:** We do not have the exact figure at the moment, Mr. President. *[Pause]*

In Metro Manila, Mr. President, the total number of families is 482,459.

**Senator Guingona:** Was the issue of this extension, being the last time, taken up during the hearings? In other words, were the occupants of the affected houses asked whether or not they knew that the law was only good for two

years, and that there will be no more extensions?

**Senator Blazon:** I assume that they know this, Mr. President, because they are asking it to be extended after December.

**Senator Guingona:** Did the homeowners also know, and did they express their view that they were assured that it would be the last extension and that is why it is extended for two years rather than just for one year?

**Senator Blazon:** Yes, Mr. President. There were representatives from homeowners and they really were objecting. But these people, I asked some of them, most of them actually are not owners of these small ones. They are owners of the big ones which are renting for P3,000 and above.

**Senator Guingona:** So, they are not affected.

**Senator Blazon:** They were not affected, Mr. President, so no one representing actually the owners of the small units rented at the prescribed rate here appeared.

**Senator Guingona:** In spite of the fact that they were invited, they did not appear.

**Senator Blazon:** Yes, Mr. President, we sent out a lot of invitations. I think only about 30 percent of the invitations were responded to.

**Senator Guingona:** May I know the organizations to whom the invitations were issued representing those who owned these houses.

**Senator Blazon:** I do not have the list right now, Mr. President, but we did really send invitations to all these sectors.

**Senator Guingona:** Now, if the distinguished Gentleman will push through with this bill, did he assure the occupants and those who went to the public hearing that this would be the last time?

**Senator Blazon:** In the hearings, Mr. President, there was no such promise made.

**Senator Guingona:** I think the concerns that were expressed, Mr. President, were already answered. I would just like to ask whether the Gentleman, since he is the Chairman of the Committee on Housing, sees this as just one problem of the entire spectrum of squatters' problem or is this an isolated problem by itself unrelated to the housing problem?

**Senator Blazon:** I do not think, Mr. President, that we have the exact figure, but take the instance of the reclamation area squatters. In 1985, Mr. President, there were only about 600 families in the vicinity of the GSIS and PNB buildings along Roxas Boulevard. Right now, there are 9,000 families, and it is either that many of them are migrants from the countryside into Metro Manila looking for a better deal. But I have heard some of them saying that they could not anymore afford the increased rent even for the little *acesoria*, so they left these *acesorias* and went there to squat.

**Senator Guingona:** So if we extend this bill, will we help solve the squatters' problem or will we, in a way, worsen it? Because the occupants, according to the distinguished Gentleman himself, can no longer afford the increases just the same.

**Senator Blazon:** Maybe the incident that I have related is an isolated one, but indeed there are still families that need protection. Out of the more than 673,000 families all over the Philippines that are covered by this, more than 500,000 are still in the urban areas.

**Senator Guingona:** Yes, but what I mean is, is this going to help resolve the social ill in the sense of encouraging more housing and therefore lessening the squatters' problem, or will it aggravate and worsen the situation, or compound the squatters' issue?

**Senator Blazon:** Mr. President, I do believe, and it is my personal speculation, that it will not really materially affect, one way or the other, the problem of squatting, especially here in Metro Manila.

**Senator Guingona:** But if we continue with this measure, since the distinguished Gentleman has admitted that practically no homeowner will build or is building new homes for rent along this valuation, will it not, therefore, aggravate the fact that there will be no new houses of this low-level cost? Will it not worsen the squatter problem in Metro Manila?

**Senator Blazon:** I do not know if I get the import of the distinguished Gentleman's question, Mr. President.

**Senator Guingona:** I heard the distinguished Gentleman say, in response to the interpellation of Senator Mercado, that practically, no homeowner continues to build homes of this cost value because there is no incentive to do so.

**Senator Blazon:** Maybe, lack of incentive is a very small part, component or reason, but I think, Mr. President, that the basic reason is the market forces. Because rather than build, for example, small units in Metro Manila where the cost

of land is tremendous, I would build something that can fetch me a higher rent. The cost of construction and the cost of land plus the earning capacity or the paying capacity of the protected sector tell me that if I am an investor I am not going to target that portion of the market. I am going to target the high-paying sector of the market, such as two-bedroom apartment renting for P5,000 to P6,000 at the moment.

**Senator Guingona:** Yes. So that situation is further aggravated by the fact that we are interfering again with the market forces, this time, knowing that the homeowners no longer build units because of the market forces. All the more so will they be discouraged from building, because of this extension of the Rent Control Law. Would that be a logical conclusion, Mr. President?

**Senator Blazon:** I agree, Mr. President, that it may be part of the reason why nobody is building anymore, targeting that sector, but I think that the Government will have to step in, if only temporarily, to try to protect also the needs of the lowest income group.

**Senator Guingona:** We have to go back to the "how temporary is temporary."

What I would like to ask now is, in one housing unit, can the occupants allow other relatives or families to sublease or to occupy to have more occupants in one house?

**Senator Blazon:** The law is not really that clear on this, but the interpretation is, it depends upon the contract between the lessee and the lessor, Mr. President.

**Senator Guingona:** So there is no clear-cut provision and the experience, I was told--I am not very sure about this--is that the general trend is, in one housing unit, there are more than one family. There are two or three families because, precisely, of the shortage of housing units.

**Senator Blazon:** There are instances, Mr. President, and I have seen this myself. Again, as I said, it is either there is an agreement between the lessee and the lessor or the lessee is taking advantage of the unit. Of course, the lessor is duly protected by certain provisions of this law against such an abuse, especially even against subleasing by the lessee.

**Senator Guingona:** Does the distinguished Head of the committee have a detailed study of the actual housing situation? I understand that there are three million units representing shortage. How many squatters are there?

Rather than treating it as an isolated proposal, what would

be the effect of this on the overall picture, since we have been extending this measure time and time again? Perhaps, it is now appropriate that we view it as a component of the entire social issue on squatting and housing, and seek a more permanent and lasting solution to this.

**Senator Blazon:** Yes, Mr. President. In our committee, we are doing a lot of studies on this. As a matter of fact, we have started to line up some conferences with NHA, SSS, RSBS, and some other private developers. The study is still ongoing because we do recognize the housing shortage or providing housing to the population is one gargantuan problem. This aspect, which is covered by this law, is just part of the total problem.

**Senator Guingona:** That is why I was wondering whether some more comprehensive solutions can be considered complementary to the proposal of the distinguished Sponsor.

**Senator Blazon:** At the moment, it can only be related to the fact that there is a housing shortage. The housing program of the Government will have to address this.

For example, the basic concept that we are now trying to develop is to mandate the Government to expend its resources, and this includes providing housing for the people who are above the poverty line, or dedicated solely to those below the poverty line. This may be part of the basic concept that is now being developed.

**Senator Guingona:** Is it true that there are three million housing units representing the shortage in the housing industry?

**Senator Blazon:** I am not sure of the figure that I have. I thought that I have in my mind about a little over one million.

**Senator Guingona:** Does the Gentleman agree that one third of Metro Manila is inhabited by people without homes of their own and referred to as the squatters?

**Senator Blazon:** Yes, Mr. President. There are about 32 percent of the Metro Manilans or about a little over three million.

**Senator Guingona:** And is it true that, because of lack of funds, the Government's present policy is to try to encourage the private sector to go into more home-building in the face of this big shortage?

**Senator Blazon:** Yes, Mr. President.

**Senator Guingona:** Will we not, therefore, under this proposal of intervening in the rent control again, further discourage the construction of the badly needed units?

**Senator Blazon:** If it is in reference to, again, what is profitable to the private developers. We came to the conclusion that, indeed, a private owner, and most private owners do, would not go into providing homes for people who are below the income bracket. And that is where the Government must direct its attention and efforts.

**Senator Guingona:** But it seems that, at present, the Government cannot afford and has not been building houses for this type of low-cost structures.

**Senator Blazon:** That is true, Mr. President.

**Senator Guingona:** Where are we? We are trying to solve one problem, but at the same time aggravating an existing social ill.

**Senator Blazon:** I am not sure I get what the Gentleman is leading to.

**Senator Guingona:** I go along with the proposition of the distinguished Gentleman that if we extend the Rent Control Law, we will be helping the 600,000 families. But the problem is not just confined to that, it is something bigger. And if we do this, will we not be, therefore, discouraging the building of homes by private developers?

**Senator Blazon:** Mr. President, as I explained a while ago, during the hearings, we found out that no private developer will target that market in order to develop housing projects.

**Senator Guingona:** They will, Mr. President, if the Government pays them, or if there is a method of immediate payment for reinvestment. If there is no financing scheme, no builder will enter into this kind of unprofitable project. So if the Government is incapable of doing it and the private sector is not encouraged to do it, then who will construct houses of this type?

**Senator Blazon:** That is why, Mr. President, as I was explaining, we are looking at the whole gamut of the housing problem, and we are looking at where the Government must direct its attention. Basically, the fundamental conclusion is that the Government should direct its efforts to provide housing at the lowest bracket and let the private developer attend to the problem of providing housing for those above poverty line. We have not yet firmed up these basic concepts and we

are still studying it.

**Senator Guingona:** I am glad that that is the thrust of the distinguished Gentleman's committee. When will this Rent Control Law expire?

**Senator Blazon:** It will expire on December 31, 1992, Mr. President.

**Senator Guingona:** Can we not have the solution before that time?

**Senator Blazon:** Mr. President, that would be impossible.

**Senator Guingona:** Thank you, Mr. President.

**The President:** Has the committee ever considered the feasibility of rent subsidy? This might appear to be shocking but the government housing program is in itself a subsidy. Insofar as it fixes affordable prices in relation to the market price which it would be entitled, there is a subsidy by the Government. In public health and in public education, we have adopted, and authorized by law, subcontracting. To that extent, they are also subsidies. Housing, like education and health services, is also a basic function or service of Government.

Has the Gentleman considered that rent subsidy allows the free market forces to determine the amount of rental, but help the lessors in the form of a rent subsidy to be computed according to a scale that may be determined by law? In which case, we extend assistance or protection to the lessees and likewise the lessors themselves.

**Senator Blazon:** Mr. President, I think that will be in the form of amendment proposals by Senator Lina.

**The President:** I am just merely asking whether the Gentleman has considered that. Has the Gentleman's committee considered that?

There must be a solution to this problem, otherwise this will keep on going and we will really worsen the problem over the years.

Of course, the question of revenue would always come in. *Saan kukuha ng pera ang Gobyerno* for this purpose? Probably, a national tax on real property can be imposed, the proceeds of which will be exclusively used for this rent subsidy.

I am merely opening these venues for the consideration of the committee.

**Senator Roco:** Mr. President.

**The President:** Senator Roco is recognized for interpellation.

**Senator Roco:** Just really three questions, Mr. President, if the Gentleman would yield.

**Senator Blazon:** Yes, Mr. President.

**Senator Roco:** The first one, Mr. President. My concern is, there is no distinction in treatment between the owner-lessee who have many apartments and the owner-lessees who have three or four and are themselves living in one of the apartments.

Would the Gentleman consider an amendment so that we take away already from the purview of this extension, owner-lessees who live also in one of the apartments and who own no more than five apartments? These are the teachers, the retirees who built apartments and who up to now are paying for the loan for the apartment but cannot collect some fair return for their efforts.

So, would the Gentleman consider that since we keep saying that it is the last extension, can we not, at least, even now start phasing out in favor of the owner-lessees with few apartments and who themselves live in one of them? Never mind the Padillas that own 50, 70 different rows of apartments. Never mind them, but the small ones are also being penalized. Will the Gentleman consider an amendment to that effect?

**Senator Blazon:** That will be considered, Mr. President.

**Senator Roco:** Can the Gentleman tell us how much increase he anticipates over three years in this particular case? It looks to me that the total increase the Gentleman is imposing is 70 percent. Was that intended by the committee?

**Senator Blazon:** We just followed the formula used in the previous laws and the amendments, which is 20 percent compounded yearly. So if we may notice, in a period of seven years, the ceiling jumped from P480 plus to what is now P1,891. Under the proposal if approved, Mr. President, the ceiling next year for 1993 will be raised to P2,270 from P1,891 this year. And then, for 1994, it will be P2,724.90 and for 1995, the last year, it will be P3,269.

**Senator Roco:** Yes. Does the Gentleman realize, however, that with the 20-20-20 cumulative, we really are allowing an increase of 70 percent over three years?

**Senator Blazon:** Yes, in effect, Mr. President.

**Senator Roco:** All right.

Now, may I go to page 2, since page one of the bill has been more than amply discussed.

May I ask the Gentleman, Mr. President, why we need Section 2? Can all these activities be not done under the present law and under the Local Government Code? Why do we have to create two layers of bureaucracy again? One is the Housing and Urban Development Coordinating Council that will issue regulations and then, what appears to be a stronger possibility of local government units intruding into the apartment dwellers?

**Senator Blazon:** Mr. President, the HUDCC or the Housing Urban Development Coordinating Council is the one that regulates or prepares the guidelines for the implementation of this law. But their capability to monitor and implement the law is indeed very questionable by virtue of the spread of the area to be monitored.

And so, from there, the local government units might be utilized to provide this spread that is needed.

**Senator Roco:** Yes. So I am suggesting, the Gentleman to consider deleting Section 2 altogether just to precisely lessen the bureaucracy that we are creating.

After all, the law is complete in its terms. Every year, we can increase by 20 percent so there is no need for any further regulations from any entity. And, perhaps, the desire to minimize bureaucratic intervention will be achieved if we do not put Section 2 anymore.

**Senator Blazon:** Right now, Mr. President, no agency is mandated to monitor the implementation of the law.

**Senator Roco:** Would they not be the one right now authorized? In any event, even if no one is authorized, the lessor or the lessee can then resort to the normal court processes.

**Senator Blazon:** Yes, Mr. President.

**Senator Roco:** So we do not need intervention from the local government, unless the lessor or the lessee goes to the local government leader.

**Senator Blazon:** That is the problem. For example, for the protection of the lessee, if the lessee does not really complain in court, no one seems to be interested in looking at the

condition of the unit being rented. Unless the local government unit, in this case the Mayor's office or its instrumentalities, is directed or mandated to monitor the full implementation of this Act, then no one is going to...

**Senator Roco:** I see. So, are we saying that we are interested in some local government agency which can make sure, for instance, that the lessee, that the premises that they are leasing are habitable?

**Senator Blazon:** Yes, Mr. President.

**Senator Roco:** Then, we have a conflict of policy, Mr. President. Because how can a government agency look into whether the apartment is habitable, whether the roof is leaking, when we are preventing the lessor from increasing to accommodate the cost? How can we authorize the Government to intrude when we are telling the lessor that they cannot charge beyond a certain amount?

**Senator Blazon:** Mr. President, the regulation of the increase in housing at 20 percent is deemed to be reasonable.

**Senator Roco:** No. I am not arguing against the reasonability. But we cannot have our cake and eat it too. We cannot regulate the income from these apartments and still tell the owner to improve, because if they cannot recover the cost of fixing the roof when it is leaking, it amounts to expropriation. It amounts to confiscation. And so we must choose where we want to be. We can regulate the rent but we will have to allow the lessor and the lessee to go and seek redress where they find redress.

**Senator Blazon:** If the Gentleman has a proposal, it can be considered.

**Senator Roco:** Thank you very much, Mr. President.

**The President:** The Majority Leader is recognized.

**Senator Romulo:** Mr. President, there are no more interpellators. I therefore move that we close the period of Interpellations.

**The President:** Is there any objection to the motion? [Silence] There being none, the period of interpellations is hereby terminated.

#### SUSPENSION OF CONSIDERATION SENATE BILL NO. 929

**Senator Romulo:** Mr. President, I ask that we suspend

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OCTOBER 19 TO DECEMBER 18, 1992

VOLUME II, NOS. 29-44

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for the approval on Third Reading.

**The President:** Is there any objection? [*Silence*] There being none, the motion is withdrawn.

**BILL ON SECOND READING**  
**Senate Bill No. 929 - Rent Control Law**  
(Continuation)

**Senator Romulo:** Mr. President, I move that we now resume consideration of Senate Bill No. 929, as reported out under Committee Report No. 34.

**The President:** Resumption of consideration of Senate Bill No. 929 is now in order.

**Senator Romulo:** Mr. President, the committee is prepared to propose their amendments, so I ask that we recognize the Chairman of the Committee on Urban Planning, Housing and Resettlement, Senator Rodolfo Biazon.

**The President:** Senator Biazon is recognized.

**COMMITTEE AMENDMENTS**

**Senator Biazon:** Thank you, Mr. President.

Mr. President, after consultation, the committee is proposing the following Committee amendments:

On line 7, page 1, insert the word NOT between the words "shall" and "be". So that the whole sentence from line 5 to line 7 will read as follows: "*Provided*, That the allowable maximum increase for the three-year period shall NOT be more than the rates herein provided".

**The President:** Is there any objection to the Committee amendment? [*Silence*] There being none, the same is hereby approved.

**Senator Biazon:** Mr. President, on page 2, the committee proposes to delete the whole Section 2, instead it is proposing the new Section 2 which reads as follows:

**THE HOUSING AND URBAN DEVELOPMENT COORDINATING COUNCIL (HUDCC) SHALL COORDINATE WITH THE RESPECTIVE LOCAL GOVERNMENT UNITS CONCERNED TO MONITOR THE FULL IMPLEMENTATION OF THIS ACT.**

**The President:** Just a question of the Chair. Does this

not mean that we are granting the HUDCC any regulatory power?

**Senator Biazon:** No, Mr. President. It is just for coordinating, as I said, with the respective local government units. This is the law.

**The President:** Yes. But suppose in the process of monitoring, it finds out that there are certain non-compliance with the provisions of the law, what is it supposed to do?

**Senator Biazon:** The Housing and Urban Development Coordinating Council (HUDCC), Mr. President, has no adjudicatory power.

**The President:** Yes. In fact, the Chair is personally against expanding the powers already granted to the HUDCC. Right now, it has been given jurisdiction over all controversies and cases arising from the Condominium Law. But the question is, what does it do? Just monitor. Suppose in the process of monitoring it finds out that certain provisions of the law are being violated, I am afraid that it may expand its power beyond monitoring.

**Senator Biazon:** That is not the intention of this Section, Mr. President.

**The President:** Because if, at any rate, it cannot do anything and it is not required by law to do anything, then what is the justification for Section 2 of this bill?

**Senator Biazon:** The intention of this Section had been spelled out and prescribed here by virtue of the findings during the hearings that there are no government agencies in charge of monitoring the implementation of the law, and that it, therefore, purely redounds to the individual relationship between lessees and lessors, Mr. President. And we feel that there is a need for an agency of Government to be in charge of the functions of monitoring the implementation of this law.

**The President:** Actually, these are property rights. Does it mean that the Government must always put up some bureaucracy for purposes of monitoring the implementation of a law that concerns rights such as this?

At any rate, these are questions being posed by the Chair, and I hope the same can be clarified.

I see Senator Roco claiming the Floor, and Senator Roco is hereby recognized.



**Senator Roco:** Yes, Mr. President.

#### SUSPENSION OF THE SESSION

Mr. President, during the period of interpellations, we precisely raised the point as to the need for Section 2.

If we can have a one-minute suspension, Mr. President, maybe we can convince the Gentleman to see it our way.

**The President:** The session is suspended, if there is no objection. [*There was none.*]

*It was 6:15 p.m.*

#### RESUMPTION OF THE SESSION

*At 6:19 p.m., the session was resumed.*

**The President:** The session is resumed.

Senator Biazon is recognized.

**Senator Biazon:** Mr. President, after consultation with some of the Members of the committee, the committee is withdrawing the proposed amendments on Section 2. In addition, in Section 2 as written, lines 1 to 5 are also being proposed to be deleted.

**The President:** All right. Is there any objection to this Committee amendment for the deletion of the aforesaid provision? [*Silence*] There being none, the same is approved.

**Senator Biazon:** Mr. President, to effect some corrections, on line 6, page 2, it will become SECTION 2.

**The President:** Is there any objection? [*Silence*] There being none, the amendment is approved.

**Senator Biazon:** Thank you, Mr. President. Those are the Committee amendments.

**The President:** Individual amendments. The Senate President Pro Tempore is recognized.

**Senator Maceda:** Mr. President, this amendment is intended to save us some time in the future. Would the Chairman be amenable to extending the period to five years? The reality of it is, after three years we will extend this again, especially by that time it is an election year.

**Senator Biazon:** Mr. President, will the proponent of the amendment provide us some clarificatory explanations on the possible changes in the formula, especially the rate of increase?

**Senator Maceda:** Yes, Mr. President. It is my intention, if the Sponsor is agreeable, to extend the period, on line 4, from three to five years, to subsequently propose that from January 1, 1996 to December 31, 1996, the rate I shall propose is 30 percent; from January 1, 1997 to December 31, 1997, the rate I will propose is also 30 percent.

If we believe President Ramos, Mr. President, in 12 to 18 months we will have economic recovery. The premise of this bill has always been on the lack of sufficient incomes of the lower areas or strata of our population. So safely, maybe, after three years, on the fourth or fifth year, we will already have a sufficient economic improvement to be able to really start phasing this out by again going up to a 30 percent rate. Because if we do that now, when they see that it is 20 percent for the next three years, they will not buy the 30 percent. But if we propose an extension of two or three years in 1995, and increase it to 25 or 30 percent, at that time there will be strong opposition to it. I see an opportunity now to really move up the rates by giving them a five-year package but with a slightly higher rate for 1996 and 1997.

**The President:** There is a proposed individual amendment by the Senate President Pro Tempore. What does the Sponsor say?

**Senator Biazon:** Mr. President, the Chairman of the Committee would still ask some clarificatory questions if he does not mind.

#### SUSPENSION OF THE SESSION

**Senator Romulo:** May we ask for a one-minute suspension, Mr. President.

**The President:** The session is suspended for one minute, if there is no objection. [*There was one.*]

*It was 6:24 p.m.*

#### RESUMPTION OF THE SESSION

*At 6:27 p.m., the session was resumed.*

**The President:** The session is resumed.

## MACEDA AMENDMENTS

**Senator Maceda:** Mr. President, may I now formally propose my amendment. On line 4, change the word "three" and the number in parenthesis "(3)" to FIVE (5).

**The President:** In words and in figures.

**Senator Maceda:** Yes, Mr. President.

**The President:** What does the Sponsor say?

**Senator Blazon:** It is accepted, Mr. President.

**The President:** Is there any objection to the amendment?  
[*Silence*] There being none, the amendment is approved.

**Senator Maceda:** On line 5, change the figure "1995" to 1997.

**The President:** Does the Sponsor accept the amendment?

**Senator Blazon:** Mr. President, the Committee accepts the amendment.

**The President:** Is there any objection to the amendment?  
[*Silence*] There being none, the amendment is approved.

**Senator Maceda:** On line 6, change the word "three" to FIVE.

**The President:** Is it acceptable to the Sponsor?

**Senator Blazon:** The Sponsor accepts the amendment, Mr. President.

**The President:** Is there any objection to the amendment?  
[*Silence*] There being none, the amendment is approved.

**Senator Maceda:** Mr. President, on line 11, after "January 1, 1995 to December 31, 1995, Twenty Percent (20%)", insert a new line 12 which will now read: JANUARY 1, 1996 TO DECEMBER 31, 1996, TWENTY FIVE PERCENT (25%). The other paragraphs will move down correspondingly, Mr. President.

**Senator Blazon:** Mr. President, the Sponsor accepts the amendment.

**The President:** Is there any objection to the amendment?

[*Silence*] There being none, the amendment is approved.

**Senator Maceda:** A new line 13, Mr. President, JANUARY 1, 1997 TO DECEMBER 31, 1997, THIRTY PERCENT (30%).

**Senator Blazon:** Accepted, Mr. President.

**The President:** Is there any objection to the amendment?  
[*Silence*] There being none, the amendment is approved.

**Senator Maceda:** I have no more amendments, Mr. President.

**The President:** Are there any further individual amendments?

**Senator Maceda:** On the whole line 13, change the "three-year" again to FIVE-YEAR.

**Senator Blazon:** The Sponsor accepts, Mr. President.

**The President:** Is there any objection to the amendment?  
[*Silence*] There being none, the amendment is hereby approved.

**Senator Romulo:** Mr. President, I move that we close the period of Committee and individual amendments.

**The President:** Is there any objection to the motion?  
[*Silence*] There being none, the period of committee and individual amendments are hereby terminated.

**Senator Romulo:** Mr. President, before we approve this bill on Second Reading, there is a request from some Senators that a clean copy be submitted for tomorrow's session.

**Senator Blazon:** It will be done, Mr. President.

**The President:** Let a clean copy of this bill be prepared and be made ready for tomorrow's session.

SUSPENSION OF CONSIDERATION  
OF SENATE BILL NO. 929

**Senator Romulo:** Mr. President, I move that we suspend consideration of this measure.

**The President:** Is there any objection? [*Silence*] There being none, consideration of this bill is hereby ordered suspended.

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reading center does not mean that we really have to put up an infrastructure when one already exists, as, for example, in an existing barangay hall which is big enough to accommodate a library or a reading center. It is only when there is none that there is a need to put up a modest, a small infrastructure where people can congregate and read and where we can keep the newspapers and magazines which should be supplied to the barangays.

And I do not think it is always necessary to put up a structure when one already exists. That will be a waste of resources, Mr. President. But I do not think that we will have that kind of a situation in the rural areas because, as we go farther down to the rural areas, we rarely see any infrastructure at all, even infrastructures made of indigenous materials that we could call a reading center.

Mr. President, the cost of a reading center will be more than compensated by the fact that we encourage people to congregate, discuss issues, read about what is going on not just within their own barangay but outside of their municipalities. I think the need to have this more than justifies the cost of establishing these reading centers.

**Senator Mercado:** Mr. President, I am afraid that under this particular measure, we might just be given the blanket authority to put up that structure in every barangay. That would be the route that will be followed. As I said, there seems to be very little empirical data or cognitive inputs with regard to the barangays. We have not even surveyed how many barangays would need just shelves.

The other thing is, who will provide the materials? Who would decide what the materials would be? This is going to be a continuing program. The library is not the structure. It is the books, the reading materials that make the library attractive. What costs will be entailed in such a program? Have we projected what will be the maintenance cost on a yearly basis?

**Senator Rasul:** We leave the costing, the preparation of the programs, as well as the prioritization to the Department of Education, Culture and Sports, Mr. President. Of course, there is the local school board that will look into the matter.

**Senator Mercado:** I just wanted to point that out, Mr. President. As I said, we have a tendency to have engineering solutions to problems that may not require the said engineering solutions.

Thank you very much, Mr. President.

**Senator Romulo:** Mr. President.

**The President:** The Majority Leader is recognized.

**Senator Romulo:** Mr. President, I move that we close the period of interpellations.

**The President:** Is there any objection? [Silence] There being none, the period of interpellations is hereby closed.

#### SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 925

**Senator Romulo:** Mr. President, in order that the Committee amendments, if any, can be prepared, I move that we suspend consideration of Senate Bill No. 925 under Committee Report No. 33.

**The President:** Is there any objection? [Silence] There being none, consideration of Senate Bill No. 925 is hereby suspended.

#### SUSPENSION OF THE SESSION

**Senator Romulo:** Mr. President, before we resume consideration of Senate Bill No. 929, the Rent Control Law, may I ask for a two-minute suspension of the session so that we can greet the Author of this bill, Senator Freddie Webb, a happy birthday.

**The President:** The session is suspended, if there is no objection. [There was none.]

*It was 11:23 a.m.*

#### RESUMPTION OF THE SESSION

*At 11:27 a.m., the session was resumed.*

**The President:** The session is resumed.

The Majority Leader is recognized.

#### BILL ON SECOND READING Senate Bill No. 929--Rent Control Law (Continuation)

**Senator Romulo:** Mr. President, I move that we resume consideration of Senate Bill No. 929 as reported out under Committee Report No. 34.

**The President:** Resumption of consideration of Senate Bill No. 929 is now in order.

**Senator Romulo:** Mr. President, we have already approved the committee and individual amendments. We now have the clean copies which were distributed to the Members this morning. So we are now prepared to vote on Second Reading on Senate Bill No. 929.

**The President:** Is there any objection?

SUSPENSION OF THE SESSION

**Senator Romulo:** Mr. President, may I just ask for a one-minute suspension of the session.

**The President:** The session is suspended, if there is no objection. [*There was none.*]

*It was 11:28 a.m.*

RESUMPTION OF THE SESSION

*At 11:29 a.m., the session was resumed.*

**The President:** The session is resumed.

APPROVAL OF SENATE BILL NO. 929  
ON SECOND READING, AS AMENDED

**Senator Romulo:** Mr. President, I move that we now vote on Senate Bill No. 929 on Second Reading, as amended.

**Senator Osmeña:** Mr. President.

**The President:** Senator Osmeña is recognized.

**Senator Osmeña:** Mr. President, in accordance with law and the rules of the Chamber, I would like to abstain and make a disclosure of interest because my family has extensive rental problems.

**Senator Tolentino:** Mr. President.

**The President:** Senator Tolentino is recognized.

**Senator Tolentino:** Mr. President, I would just like to manifest that I abstain from voting because I have some shares in a corporation involved in real estate, which rents some properties.

**The President:** Make that of record as well as the remarks of Senator Osmeña.

We shall now vote on the bill, as amended, on Second

Reading.

As many as are in favor of the bill, as amended, will please say *Aye*. [*Several Senators: Aye*] As many as are against will please say *Nay*. [*Silence*] Senate Bill No. 929, as amended, is approved on Second Reading.

**Senator Romulo:** Mr. President, I would also like to make of record that I abstain from voting.

**Senator Rasul:** Mr. President.

**The President:** We have here Senator Santanina Rasul who is claiming recognition. What is the pleasure of the Lady Senator from the South?

**Senator Rasul:** Mr. President, in view of the fact that we also have properties which are being rented, I would like to abstain from voting.

**The President:** Let that be entered in the *Record*.

BILL ON SECOND READING  
Senate Bill No. 925--Municipal Libraries  
and Barangay Reading Centers  
(Continuation)

**Senator Romulo:** Mr. President, I move that we resume consideration of Senate Bill No. 925 as reported out under Committee Report No. 33.

**The President:** Resumption of consideration of Senate Bill No. 925 is now in order.

**Senator Rasul:** We are now in the period of Committee amendments, if any. I ask that the Author and Sponsor, Senator Santanina Rasul, be recognized.

**The President:** Are there any Committee amendments?

**Senator Rasul:** Mr. President, there are no Committee amendments.

**Senator Romulo:** Mr. President, since there are no Committee amendments, I move that we close the period of Committee amendments.

**The President:** Is there any objection? [*Silence*] There being none, the period of Committee amendments is hereby closed.

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SENATE

# Record of the Senate

FIRST REGULAR SESSION  
OCTOBER 19 TO DECEMBER 18, 1992

VOLUME II, NOS. 29-44

Prepared by the Debate Reporters Division  
and the  
Legislative Publications Staff  
Legislative Operations, Secretariat of the Senate  
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SECRETARY ANACLETO D. BADOY, JR.

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(Sgd.) REP. RALPH G. RECTO

(Sgd.) REP. DOMINADOR N. VENEGAS

(Sgd.) REP. MARGARITO B. TEVES

(Sgd.) REP. RAMON S. BAGATSING, JR.

(Sgd.) REP. PABLO P. GARCIA

**BILL ON THIRD READING**

**Senate Bill No. 929--Rent Control Law**

**Senator Romulo:** Mr. President, I move that we vote on Third Reading on Senate Bill No. 929. Copies of the bill have been distributed to all the Members of the Senate.

**The President:** Voting on Third Reading on Senate Bill No. 929 is now in order. The Secretary will please read only the title of the bill, if there is no objection. [*There was none.*]

**The Secretary:** Senate Bill No. 929, entitled

AN ACT FURTHER EXTENDING THE EFFECTIVITY OF BATAS PAMBANSA BLG. 877 ENTITLED "AN ACT PROVIDING FOR THE STABILIZATION AND REGULATION OF RENTALS OF CERTAIN RESIDENTIAL UNITS AND FOR OTHER PURPOSES", AMENDING THEREBY SECTION ONE OF REPUBLIC ACT NUMBERED SIXTY-EIGHT HUNDRED AND TWENTY-EIGHT.

**The President:** The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

*The Secretary called the roll and the result of the voting was as follows:*

YES - 16

Senator Angara	Senator Ople
Senator Aquino	Senator Osmeña
Senator Biazon	Senator Roco
Senator Gonzales	Senator Romulo
Senator Guingona	Senator Shahani
Senator Macapagal	Senator Sotto
Senator Maceda	Senator Tañada
Senator Mercado	Senator Tolentino

NO - 0

ABSTENTION - 0

**RESULT OF VOTING**

**The President:** With 16 affirmative votes, no negative vote, and no abstention, Senate Bill No. 929 is hereby approved on Third Reading.

**BILL ON THIRD READING**

**Senate Bill No. 32--Increasing Fines and Penalties for Tax Evasion**

**Senator Romulo:** Mr. President, I move that we vote on Third Reading on Senate Bill No. 32. Copies of the bill were distributed to all the Members of the Senate.

**The President:** Voting on Third Reading on Senate Bill No. 32 is now in order. The Secretary will please read only the title of the bill, if there is no objection. [*There was none.*]

**The Secretary:** Senate Bill No. 32, entitled

AN ACT AMENDING CERTAIN SECTIONS OF CHAPTER 2, TITLE X OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED.

**The President:** The Senate will now proceed to vote on the bill. The Secretary will please call the roll.

*The Secretary called the roll and the result of the voting was as follows:*

YES - 16

Senator Angara	Senator Ople
Senator Aquino	Senator Osmeña
Senator Biazon	Senator Roco
Senator Gonzales	Senator Romulo
Senator Guingona	Senator Shahani
Senator Macapagal	Senator Sotto
Senator Maceda	Senator Tañada
Senator Mercado	Senator Tolentino

NO - 0

ABSTENTION - 0

**RESULT OF VOTING**

**The President:** With 16 affirmative votes, no negative vote, and no abstention, Senate Bill No. 32 is hereby approved on Third Reading.

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Senator Tolentino: At least, I am very happy to hear that answer because it, perhaps, paves the way for a concrete proposal when it comes to the period of amendments. I would just like to have even that slight assurance from the Chairman himself because with this assurance I would like to anticipate that at the proper time on individual amendments, I would like to introduce amendments which would substantially reproduce what is stated in the President's budget on debt service payments, but in a reduced amount, because we feel, by examining these items, we could reduce these appropriations by approximately P30 billion.

If we can do this now by realignment, we can easily have a source of the funding for improved health services in this country--for more medicine, for better facilities in the hospitals because some of our hospitals look very dirty, Mr. President. They do not even look as hospitals. They look very dirty, they are out of repair.

One hospital here with four floors has no elevator and the patients are carried in their wheelchairs or stretchers on the stairs. At least, improvement of these facilities, increase of medicine and, perhaps, full implementation of the Magna Carta for nurses, doctors and health workers. We would have a good source for this purpose and it would be a more worthy purpose than the paying of debt service.

If we examine the details that are here in the budget of the President, a big amount of this are assumed obligations, not direct obligations of the National Government, but assumed obligations. And we all know from confirmed reports that some of these obligations are obligations in which the debtors were fraudulently misrepresenting their assets. They have insignificant collaterals and therefore, the government is just left carrying these obligations by way of guarantee.

I think in these cases, there is every moral reason why we can reduce these payments and transfer the money to the vital services for the health of our people. I am very glad to have this answer from the distinguished Chairman of the Committee on Finance because I will now work out details of the concrete proposal that I intend to present during the period of amendments.

Thank you, Mr. President. Thank you, Mr. Chairman.

Senator Angara: Thank you, Mr. President.

The Presiding Officer [Senator Aquino]: The Majority Leader.

Senator Romulo: Mr. President, in view of the fact that

there are no more speakers to interpellate, I move that we close the period of interpellations.

The Presiding Officer [Senator Aquino]: It has been moved that the period of interpellations be closed. Is there any objection? [Silence] The Chair hears none; the motion is approved.

#### SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 3192

Senator Romulo: Mr. President, I move that we suspend consideration of the General Appropriations Bill under Committee Report No. 45 on House Bill No. 3192.

Tomorrow, Mr. President, we shall take up the *turno en contra* with Senator Guingona. Then, after the *turno en contra*, we shall take up the committee and individual amendments. We may have to extend our session, Mr. President, in the morning to the afternoon at four o'clock. But if we finish by 12:30 p.m., then that is it.

So I move that we suspend in the meantime consideration of the General Appropriations Act.

The Presiding Officer [Senator Aquino]: Is there any objection? [Silence] The Chair hears none; the motion is approved.

#### CONFERENCE COMMITTEE REPORT ON HOUSE BILL NO. 3811/SENATE BILL NO. 929 (Rent Control Law)

Senator Romulo: Mr. President, before we suspend, we have the Conference Committee Report submitted by the Bicameral Conference Committee on the disagreeing provisions of Senate Bill No. 929 and House Bill No. 3811 on the Rent Control Law.

To make the report, may I ask that the distinguished Chairman of the Committee on Urban Planning and Housing Development, Senator Rodolfo Biazon, be recognized.

The Presiding Officer [Senator Aquino]: Senator Biazon is recognized.

Senator Biazon: Thank you, Mr. President.

I have the honor to render the Conference Committee Report.

## CONFERENCE COMMITTEE REPORT

The Conference Committee on the disagreeing provisions of Senate Bill No. 929, entitled

AN ACT FURTHER EXTENDING THE EFFECTIVITY OF BATAS PAMBANSA BLG. 877 ENTITLED "AN ACT PROVIDING FOR THE STABILIZATION AND REGULATION OF RENTALS OF CERTAIN RESIDENTIAL UNITS AND FOR OTHER PURPOSES" AMENDING THEREBY SECTION ONE OF REPUBLIC ACT NUMBERED SIXTY-EIGHT HUNDRED AND TWENTY-EIGHT

and House Bill No. 3811, entitled

AN ACT FURTHER EXTENDING THE RENT CONTROL PERIOD FOR CERTAIN RESIDENTIAL UNITS, AMENDING THEREBY BATAS PAMBANSA BLG. 877, AS AMENDED,

having met, after a full and free conference, has agreed to recommend, as the Members thereof do hereby recommend to their respective Houses, that Senate Bill No. 929, consolidating therewith House Bill No. 3811, be approved with the following amendments:

1. On page 2, line 3, change the words Twenty-five percent (25%) to TWENTY PERCENT (20%);
2. On page 2, line 4, change the words Thirty percent to TWENTY PERCENT (20%);
3. The title thereof will finally read as follows:

AN ACT FURTHER EXTENDING THE RENT CONTROL PERIOD FOR CERTAIN RESIDENTIAL UNITS, AMENDING THEREBY BATAS PAMBANSA BLG. 877, ENTITLED "AN ACT PROVIDING FOR THE STABILIZATION AND REGULATION OF RENTALS OF CERTAIN RESIDENTIAL UNITS AND FOR OTHER PURPOSES", AS AMENDED.

Finally, Mr. President, congratulations is in order for the Principal Authors of these bills that were considered. I refer to Senators Webb, Coseteng and Lina, enriched by the amendments proposed and accepted by Senator Maceda.

And finally, Mr. President, congratulations for our counterparts in the Bigger House for making it easy for us to find the consensus, coming up to the resolution on these disagreeing provisions.

Thank you, Mr. President.

The Presiding Officer [Senator Aquino]: The motion is now in order for the approval of this Conference Committee Report.

APPROVAL OF COMMITTEE REPORT  
NO. 3811/SENATE BILL NO. 929

Senator Romulo: Mr. President, I believe that the Chamber has no objections. Therefore, I move that we approve the committee report.

The Presiding Officer [Senator Aquino]: Is there any objection? [Silence] Hearing none, the motion is approved.

The Chair sees our Colleague, former Congressman Monfort. We would like to welcome him to the Senate.

Senator Romulo: Mr. President, before we extend welcome, may we just state that tomorrow, as we have already stated, we shall resume consideration of the General Appropriations Act. We shall have the *turno en contra* to be delivered by Senator Guingona in the morning. Thereafter, we shall proceed with the committee and individual amendments.

If we are not able to finish the committee and individual amendments in the morning session, then we shall again suspend the session to resume at four o'clock in the afternoon.

We hope that there may be no need to extend or suspend the session to four o'clock in the afternoon. But if we do that, we aim to complete and conclude the committee and individual amendments, and approve the General Appropriations Bill, on Second Reading.

SUSPENSION OF THE SESSION

With that, Mr. President, I now move that we suspend this evening's session until ten o'clock tomorrow, Thursday morning.

The Presiding Officer [Senator Aquino]: Is there any objection? [Silence] Hearing none, the session is suspended until ten o'clock tomorrow morning.

It was 7:55 p.m.