

SUSPENSION OF THE SESSION

Senator Maceda. I yield to the leader of the Majority.

May we have a one-minute suspension, Mr. President?

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

It was 3:12 p.m.

RESUMPTION OF THE SESSION

At 3:14 p.m., the session was resumed.

The President. The session is resumed.

BILL ON SECOND READING

Senate Bill No. 1084 — Wage Policy Determination
(Continuation)

Senator Mercado. Ginoong Pangulo, hinihingi ko na ating pag-usapan ang Committee Report No. 613, sa Panukalang Batas Blg. 1084, na ang titulo po ay:

AN ACT TO RATIONALIZE WAGE POLICY
DETERMINATION BY ESTABLISHING A
MECHANISM THEREFOR, AND FOR OTHER
PURPOSES.

Tayo po ay nasa panahon ng pagtatanong. Hinihingi ko na ating kilalanin si Senador Herrera, ang Tagapangulo ng Committee ng Paggawa.

Mayroon pong reservation si Senator Rasul sa pagtatanong kay Senator Herrera.

The President. Senator Herrera is recognized.

Senator Herrera. Thank you, Mr. President.

The President. Who would like to continue the interpellation?

Senator Paterno. Mr. President.

The President. Senator Paterno is recognized.

Senator Paterno. Thank you, Mr. President. Just two questions, Mr. President, if the Senator from Cebu and Bohol would yield.

Senator Herrera. Gladly, Mr. President.

Senator Paterno. Yesterday, Mr. President, we were trying to trace the components which make up the P20 proposed increase in minimum wage. And, the Sponsor agreed that these were made up of three components:

The first component of P7.00 which is the difference between what was needed in December 1987 to catch up with the real wages as of October 1984;

The second component of P7.00 in order to make up for the inflation from December 1987 to December 1988; and,

The other component which is needed to catch up with an unanticipated inflation in 1989.

Is that correct, Mr. President?

Senator Herrera. Yes, Mr. President.

Senator Paterno. Therefore, the P20 recommended increase in Metro Manila would enable minimum wages to reach, not only the real level as of October 1984, but also to anticipate some of the inflation in 1989?

Senator Herrera. At least for the first half of 1989, because the President made an announcement that there will be an increase in the cost of fuel sometime in June or July. So, we expect that there will be an increase in inflation rate in the second half of this year.

There is also a projection by NEDA that there will be a peso devaluation. So, again, the estimate is that this will further trigger additional inflation. That is why we are providing for additional P10 making the wage increase P30 but on staggered basis. The P10 will be given in January.

Senator Paterno. Thank you, Mr. President. Now, I understand, Mr. President, that there are some apprehensions of organized labor with respect to the regionalization of wages and that this has to do first with existing companies with nation-wide operations, like banks, for example. And, that the workers in these companies feel that it is inequitable for a bank employee to receive a wage because they are working in a province which is different from that of their counterparts in the National Capital Region; because, this will violate the principle of equal pay for equal work within the same company. Would the Sponsor confirm that?

Senator Herrera. In fact, the labor sector has some apprehensions. One apprehension is that, what is the protection, the assurance that the regional wage will not fall below the national minimum wage? That is why we will find in the bill that there is a provision that the regional wage should not fall below the national minimum wage.

Second, is that there is an apprehension that the regionalization might result to further migration of rural workers to urban centers as articulated by Senator Guingona during his interpellation. The argument against this is that there is migration because there is no job in the rural sector, and the main idea of regionalization is to consider wage policy-fixing as an important tool in inducing industries to go to the rural sector and consequently provide jobs in this sector. In that way, we can minimize, if possible eliminate migration and therefore, eliminate also the competition between the rural workers and the urban workers in urban center, particularly in Manila. This ongoing competition resulted to the weakening of the bargaining position of the unions in the interplay of labor-management relations.

The third apprehension is the one that the Gentleman has pointed out, but this can be resolved since many of these companies like banks are organized and therefore this can be corrected in their collective bargaining agreement. Normally, in industry or company-wide negotiation, there is always that equal pay for equal work clause although other benefits may differ. Like in the case of housing programs or housing allowance, some workers, who used to be assigned in Metro Manila and transferred to other areas, are provided by the company with what they call a "transfer allowance" and later, they are provided with housing allowance.

So, these apprehensions, I am sure, can be answered by providing some measures in the bill.

Senator Paterno. Yes. The other aspect which I heard about as being the apprehension of organized labor about regionalization is that if there is going to be a difference between the minimum wage of workers in Metro Manila and outside Metro Manila then we have some of the problems like the plants in Cabuyao, Bifan, San Pedro, Tunasan, which are practically in Metro Manila and the cost of living really is high there, but are not within the administrative and geographical boundaries of Metro Manila. So, some flexibility also, I guess, Mr. President, is needed in order to handle these cases.

Senator Herrera. I agree with the Gentleman, Mr. President. In fact, we will find in the bill that while it is true that we mentioned Metro Manila, we also identified certain municipalities although outside Metro Manila but still are included in the additional P10 wage increase in January. I am referring, for instance, to the cases of Cainta, Dasmarinas, Zapote and other municipalities as mentioned in the bill. But I am open to other measures that will protect or give assurance to the workers in these municipalities which are very closely located in Metro Manila; that they will be entitled to the same benefits as those workers in Metro Manila, for after all, they might be under the same economic realities.

Senator Paterno. Would the Sponsor object, Mr. President, if additional authority and flexibility were provided to the National Wages Council so that they could handle these, we might say, specific problem companies and problem areas?

Senator Herrera. As long as we clearly define the standard, so that we cannot be accused of unduly delegating the power of Congress to legislate; that is why the standard must be clearly defined. I am open to proposals of this nature but let us clearly define the standard upon which this authority to fix the wages will be clearly based.

Senator Paterno. Thank you, Mr. President.

Senator Guingona. Mr. President.

The President. Senator Guingona is recognized.

Senator Guingona. Mr. President, may I ask some clarificatory questions, if the Sponsor will yield?

Senator Herrera. Gladly, Mr. President.

Senator Guingona. The last time, Mr. President, we were concerned with the exceptions in the bill and one of the exceptions stated is those who are in the retail business —

Senator Herrera. Engaged in retail business and employing ten or less employees.

Senator Guingona. — retail enterprises regularly employing not more than ten workers. We were furnished by the distinguished Sponsor with an amended definition of retail enterprises, the meaning of retail enterprises, and it seems that the term "retail" has been diluted in this definition because it gives not only exemption; does not apply to establishments with a capital of P5,000, and shall not include manufacturer, processor, laborers or workers selling to the general public products manufactured, processed or produced if its capital does not exceed P5,000. It also excludes a farmer or agriculturist selling the product of his farm and a manufacturer or processor selling to industrial or commercial users or consumers who use their products brought by them to render services to the general public, and to produce manufactured goods which are in turn sold by them." And then it also exempts hotel owners or keepers operating a restaurant irrespective of the amount of capital, provided that the restaurant is necessarily included in or incidental to the hotel business.

Senator Herrera. Mr. President, can we have a one-minute suspension?

SUSPENSION OF THE SESSION

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

It was 3:27 p.m.

RESUMPTION OF THE SESSION

At 3:30 p.m., the session was resumed.

The President. The session is resumed.

Senator Guingona is recognized.

Senator Guingona. During the break, Mr. President, the distinguished Sponsor clarified the definition of "retail enterprises." I would like him, for purposes of record, to please state what is the meaning of "retail enterprises" regularly employing not more than ten workers under this bill.

Senator Herrera. The definition of "retail enterprises," as defined under R.A. No. 6640, is one principally engaged in the sale of goods to end-users for personal or household use.

Senator Guingona. So, hardware stores, for example, employing three, four, five, or less than ten people, are not exempted?

Senator Herrera. If they are engaged in wholesale.

Senator Guingona. No. They may be engaged in retail. In the nature of things, hardware stores sell by piece.

Senator Herrera. I agree with the Gentleman. They are engaged both in wholesale and retail.

Senator Guingona. Yes.

Senator Herrera. That is why, under this bill, they are not automatically exempted because they have to comply with the two conditions that first, they are primarily for retail and, second, that they are hiring ten or less employees. Under the bill, they are not automatically exempted. They have to apply for exemption.

Senator Guingona. And what would be the criteria for granting them the exemption?

Senator Herrera. The implementing rules of R.A. No. 6640, I think, clearly define that. Let me furnish you a copy of the implementing rules. The Gentleman may just proceed to his other questions while my staff is getting a copy of the implementing rules.

Senator Guingona. Yes. Concerning this P10.00, under the bill it is P20.00 immediately upon approval of the bill, and P10.00 for Metro Manila in January of 1990. The justification for this, the P7.00, as cited, is to rectify the distortion in 1987; the P7.00 for the increase in prices in 1988; and the ten percent increase in prices in 1989 and, according to the distinguished Sponsor, the first half of 1989.

May we have a projection of the estimated increase in prices in the second half of 1989?

Senator Herrera. What is expected to trigger additional inflation rate is the increase in the cost of fuel which was already announced by the President. That will be sometime in July, and the devaluation of the peso, not to mention the impact of the LOI. The projection is that the impact of this can be felt next year, that is why we are providing an additional P10.00.

Now, I would like to point out that, supposedly, the workers deserve to get P22.00 increase for this year if only to restore and to cushion the impact of the inflation rate in the first half of 1989. But, because of the problems of certain industries that they cannot absorb a one-time increase, instead of providing P22, we recommended P20, and then an additional of P10, so the P2 can be added only in next year's increase.

Senator Guingona. Yes, but since the projection for the second half of next year is not very foreseeable, I mean not quantifiable, we can only project that it will increase, but we do not know by how much.

Senator Herrera. But even assuming that the inflation rate that will be projected in the second half of 1989 and next year will be short of our projection, I do not think it will be bad to give an additional increase, because that would mean that we are improving the economic condition of the workers. In fact, I think that should be the main purpose of wage-fixing.

Senator Guingona. If that is the rationale, then, why do we not extend it to the regions?

Senator Herrera. I think the problem here is that some people have already a bias opinion when we talk of regionalization. What comes to mind immediately is that the rates in the region will automatically be lower than in Metro Manila. It might be possible that one region can be higher than Metro Manila because what we are providing in the bill is that the regional wage rate should be consistent with the economic realities of the region based on certain defined criteria.

So, in one region, assuming Cagayan de Oro, if the economic realities there are more difficult than that of Metro Manila, and the industries there are capable of paying more than Metro

Manila, then there is that possibility that the regional wage rate in that area will be higher than in Metro Manila. Although I agree with the Gentleman that the possibility is that most regions will have lower rates than Metro Manila.

Senator Guingona. Would the wage councils have the duty also of determining the increased productivity, for example, if the inflation rate expected does not go beyond the P10 which is intended to be granted under this bill? Would the wage councils also have the power to determine the increased productivity of the workers as a result of the increase of P10 here, at least, in Metro Manila?

Senator Herrera. There is the other certified bill, Senate Bill No. 1089, and there is also a bill Senate Bill No. 1020, proposing for the creation of the National Wages and Productivity Commission. One of the functions of this office is also to promote productivity. Of course, included therein is to come out with measures to determine labor productivity hoping that we can thresh out a relation between wage increase and labor productivity. There is a companion bill on this certified wage bill, Mr. President.

Senator Guingona. The distinguished Sponsor mentioned earlier the need for the standards of these wage councils so that there will be no undue delegation of legislative power, and we mentioned earlier the indexing of consumer prices. Would the distinguished Gentleman in the period of amendments agree to this, as to standards?

Senator Herrera. In fact, I must be frank that I would be hopeful that it will be included as among the criteria in establishing regional wage rates.

Senator Guingona. Thank you. What about the sectoral or industry-by-industry study as a basis for granting wage adjustments?

Senator Herrera. In that companion bill which is certified, it is included in the functions of the National Wages and Productivity Commission the possibility that we can go also into industry basis. In fact, that is the original function of the National Wages Council.

Senator Guingona. Would the distinguished Sponsor not feel better if we leave also the P10 determination to the Wages Council for Metro Manila?

Senator Herrera. Let me put it this way.

Senator Guingona. In other words, not only for Metro Manila, but for all areas in the Philippines, would the Wages

Council then be mandated to make immediate studies and, within the first quarter of 1990, make the necessary wage adjustments?

Senator Herrera. Let me give two reasons why it is more practical to define now as to what should be the second stage of wage increase in the case of Metro Manila:

First, in Metro Manila we have a restive labor movement here. They are asking for a P30-wage increase; but, many of them, if not all of them, are also aware that while they deserve that, some kind of a measure, say staggered increase, may be worked out.

Second is that, what we have now is only the National Wages Council. We do not have yet the Regional Wage Board. To overburden the National Wages Council of determining now the regional wage rates, including Metro Manila, and if the distinguished Senator will consider the tremendous pressure that it has to undergo with the active, dynamic unions here, the employers, and the other sectors, we might not be able to diffuse the tension now in the labor front.

So I feel, Mr. President, that it is more practical now to determine in Metro Manila how much should be the second stage which, as committed in the bill, the P10. Then in the other regions, let it be worked out by the National Wages Council and the labor unions.

Senator Guingona. But how soon will the National Wages Councils in the different regions be in a sufficient capacity to discharge their functions?

Senator Herrera. In my consultation with the National Wages Council, they assured me that within six months, they can do so. That is why, the distinguished Senator will find in the bill that the National Wages Council is mandated to fix, if necessary, the wages in the other regions within six months after the effectivity of the Act.

Senator Guingona. Thank you for that. I have here the rules and regulations pursuant to Republic Act No. 6640 and we do not find anything concerning retail establishments, except the definition also stated in the law.

Senator Herrera. It might be possible, Mr. President, that the National Wages Council has adopted what is provided in the implementing rules of the various wage decrees during the time of Marcos, because there was also an exception on retail enterprises.

So, what we will do is I will ask my staff to get all of these as their basis. Maybe, they did not include it in the implementing

rules of R.A. No. 6640 because they have already existing rules on this.

Senator Guingona. Yes, considering that this is a vital point exempting retail establishments. I think, we owe it to the people to define clearly what is a retail establishment employing less than ten persons which will be exempted from this bill.

Senator Herrera. If I am not mistaken, the viability also of the retail enterprises is one of the factors that will be considered in granting the exemption.

So, one might be engaged in a retail, but has the capability to pay, then he is still required to pay. That is why, under Republic Act No. 6640 and under this present bill, the exemption is not automatic. They have to apply with the National Wages Council.

Senator Guingona. So, when the distinguished Sponsor gets the different definitions of the Decrees compiled by the Wages Council, maybe, we should specify the definition during the period of amendments.

Senator Herrera. Maybe, Mr. President, during our recess we can get in touch with the National Wages Council or take advantage of the presence of one of the Commissioners of the National Wages Council, Mr. Danny Edralin, who is here. I am sure he is in a position to provide us information as to how they determine the granting of exemption to retail enterprises.

Senator Guingona. Yes, and if necessary, we can incorporate the definition during the period of amendments.

Senator Herrera. I wonder whether that should be left to the implementing rules rather than to the bill itself. I feel that, as to how the National Wages Council determines the viability of the retail enterprise in order to avail itself of the exemption, can be left to the implementing rules.

Senator Guingona. One last point, Mr. President.

The distinguished Sponsor said that as far as the teachers are concerned, among schools, the violation is more than 40 percent.

Senator Herrera. It is 46 percent, I was told by the National Wages Council.

Senator Guingona. Yes. Therefore, the bill, although exempting them initially, will leave it to the Wages Council to determine as to what would be the proper wages applicable to them. Is that correct?

Senator Herrera. It is not really an exemption; it is more of a deferment.

In fact, yesterday, the Secretary of Labor called me and said that if it is true that they have already started increasing the tuition fees, then we should now include the immediate compliance of the new minimum wage law, if this will become a law.

Senator Guingona. Yes.

Senator Herrera. I got the information from one of the columnists, Mr. Louie Beltran, that, at least, five universities in Metro Manila have already increased their tuition fees by 15 percent. That is why I would like to look into this. Maybe, we can talk with Senator Angara on this matter; and during the period of amendments, we can discuss this.

Senator Guingona. And a portion of the increase is mandated for payment of wages.

Senator Herrera. My understanding is that 60 percent of the tuition fee increase should be given to the teachers and personnel.

Senator Guingona. Now, how about workers in hospitals, Mr. President, may we know what is the rationale for not giving a similar treatment that is accorded to teachers?

Senator Herrera. There is a wide distinction between the schools and the hospitals. In the case of the schools, they can only increase the tuition fees during opening of classes. In the case of the hospitals, they can always charge this to the patient.

Senator Guingona. But the statistics show that a great majority of the hospitals — we are not talking about Makati Medical — are in the borderline. Many of them are losing, and many of them are underpaying their workers. This is of public concern.

So, we were under the impression that if certain treatment is accorded to teachers, then it should likewise be extended to hospital workers.

Senator Herrera. What is interesting to note, Mr. President, is that, at the time we were deliberating on Republic Act No. 6640, it was only the educational institution which asked for deferment of six months in the compliance of said Republic Act No. 6640. But, in the case of the hospitals, they did not. I would like to think that they can afford to pay.

Senator Guingona. Does the Department of Labor have any statistics on this?

At this juncture, the Senate President relinquished the Chair to Senator Ernesto M. Maceda.

Senator Herrera. It is also interesting to note that, on several occasions that I consulted the Department of Labor, they never pointed out hospitals as one of the industries that should be given special consideration. In fact, what I understand from Secretary Drilon is that, he would recommend for the elimination of certain conditions in the case of hospitals. There is a traditional practice in a hospital where the wage rate is based on the number of beds. And the Secretary of Labor is recommending that that should not be included in this bill. That is why, we are not including that in the bill.

In the previous Decrees, there is always that provision that certain number of beds will be exempt. This could be an indication that the hospitals also are really making money, especially that they are taking advantage of the medicare program; but they are getting so much from the medicare program. I know in the provinces, in the case of Bohol, for instance, there is a P10-million anomaly there. There is an overpayment by the Social Security System. They are making money there.

Senator Guingona. In the medicare.

Senator Herrera. Yes. Some hospitals, when they have patients whose benefits in the medicare are already exhausted, report to the SSS other names which are covered under the medicare program. This is now the anomaly in the Province of Cavite and in the Province of Bohol. I understand that they are also investigating now Davao and Misamis Oriental.

Senator Guingona. These are fictitious names.

Senator Herrera. These are fictitious names, and they are really making money.

Senator Guingona. Thank you, Mr. President.

Senator Gonzales. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Mandaluyong is recognized.

Senator Gonzales. Mr. President, will the distinguished Sponsor of this bill yield to some questions?

Senator Herrera. Gladly, Mr. President.

Senator Gonzales. I associate myself with this bill.

Senator Herrera. Thank you very much.

Senator Gonzales. In support of the same, may I give the following input. That in 1985 the Union Bank of Switzerland surveyed 49 cities in the world and in comparing the wages in those cities with those in Manila alone, the findings reveal that

wages in Manila are the second lowest in the world. Compared to those of other cities, wages in Manila are one tenth of that in developed countries and one fourth the average in less developed countries.

And the passage by Congress and the approval into law of Republic Act No. 6640 in 1987 has not done anything in order to improve the situation.

On the other hand, one of the important features of the bill under consideration is the regionalization of wage-fixing, through the National Wages Council. Is that not correct, Mr. President?

Senator Herrera. Yes, Mr. President.

Senator Gonzales. In fact, I am one of the original converts to that proposition. Because, if the Gentleman will recall, when he sponsored Republic Act No. 6640, I had already advocated that we should provide in RA No. 6640 that, thereafter, it should be the Wages Council, in accordance with certain guidelines to be established by the legislature, that should fix the wages.

Senator Herrera. I remember that, Mr. President.

Senator Gonzales. And if the Gentleman will recall, when we considered this matter in the caucus, in voting to support the Gentleman's and others' bill on this particular matter, I expressed the hope that this will be the last time that we will have to legislate a wage increase, trusting that the job will be done by the National Wages Council. Because, it is indeed very difficult for Congress that, every year, or every span of every summer of discontent, so to speak, we are then literally under siege by both labor and capital, and with a gun, a political gun pointed to our heads. It is very difficult to legislate under those conditions.

On the other hand, however, I have read the summary of workshop proceedings of the National Symposium Workshop on labor's position on wages, conducted by the UP School of Labor and Industrializations, held on April 6, 1989. One of the subjects taken therein is the regionalization of wage-setting. In their summary, they declared that a consensus against regionalization of wage setting has been reached for the following reasons:

One, the proposed regionalization of wages will tend to heighten interregional competition to attract investments. Each region will try to come up with an incentive package, which most likely will include cheap labor. In effect, the regionalization of wages may lead to greater exploitation of labor in the rural areas.

Second, ...

Senator Herrera. Let me comment on the first issue, Mr. President.

Senator Gonzales. Yes. For an orderly procedure, how do we answer this? Because, I am deeply disturbed by this finding. Since, I thought that regionalization of wage-setting is, indeed, the answer to the labor situation in our country.

Senator Herrera. Let me comment on that particular issue that this will lead to further exploitation of labor because of the interregional competition. That cannot happen, because under the bill, there is a very clear provision that the regional wage rate should not fall below the national minimum wage. Therefore, the workers are amply protected.

The other is, in terms of interregional competition. I will agree that that will result; but that would be good for the region, because, then, that will make the region more innovative and more dynamic in their economic development program, and in no way can they make the labor cost very cheap because of that built-in or safety net that we are providing in this present bill. That is really the concept of the National Minimum Wage, that it will be a safety net; that workers will not be exploited.

Senator Gonzales. The second finding of the said workshop is this: The proposed regionalization is part and parcel of the Orbus Bill or the Kalakalan 20 in which establishments with 20 or less work force may be exempted from complying with labor standards. In view of this, the proposed regionalization, and in general, the Kalakalan 20 will lead to the legalization and proliferation of subcontracting. How do we answer this finding, Mr. President?

Senator Herrera. I am afraid, Mr. President, that that conclusion is without basis. In the first place, the "Kalakalan 20" would exempt community-based enterprises employing 20 or less. Under our bill, only those retail enterprises employing 10 or less than 10 can apply for exemption, not even automatic exemption.

The other, Mr. President, is that, under "Kalakalan 20" there is a provision there exempting the coverage from the Social Security System, Medicare, and the Workmen's Compensation. That is not true as far as this bill is concerned.

Now, "Kalakalan 20," to my mind, is primarily addressed to family-based enterprises.

Senator Gonzales. Then the third finding of this workshop is that the proposed regionalization was aimed to attract investments in the countryside. This may not be realized since there are other important considerations such as the availability of infrastructures, the peace and order situation, et cetera, for investments to flow to the rural areas.

Senator Herrera. Maybe, those who subscribed to that conclusion were thinking of Samar or the hinterlands of

Mindanao or Siquijor as the only areas outside of Metro Manila. What we are envisioning is that, industries will go to areas outside of Metro Manila, but which have comparable infrastructure. For instance, here in Luzon, we can think of Angeles City, San Fernando, Lucena; and outside of Luzon, we can think of Cebu, Iloilo, Bacolod, Davao, Cagayan de Oro, and other urban centers which have comparable infrastructures. And maybe, from these regions when they have already industries there, they can also think of other ways on how they can induce the industry in the urban centers in these regions to go to provincial level. I think we have to do it step by step.

Senator Gonzales. Now the fourth finding of the workshop against regionalization is that the proposed regionalization vests on the local officials the authority to fix wages. This will further encourage patronage in the political system in the country.

Senator Herrera. That is not correct, Mr. President, because, under the bill, it is the National Wages Council which is tripartite in composition. There is a representative from labor; there is a representative from the employer. And under the certified bill, Senate Bill No. 1089, there is also a regional wage board which is also tripartite, in no way that the other government officials — perhaps, referring to elective municipal and provincial officials — to be part of the structure of the National Wages Council; although, under the bill, there will be consultation with the leaders in the region, including, of course, the unions, the employers, and the political leaders there. For, after all, we cannot discount or overemphasize the rule of the elective officials there in the development of their province, of the region. And so, I think, it is a wise approach that they have to be also heard in the discussion of this issue in the region.

Senator Gonzales. In short, they represent an important segment of society itself that needs to be heard as far as the regional wage is concerned.

Senator Herrera. I agree with the Gentleman. In fact, I think, it is the conclusion in that workshop. It is quite unfair to the political leaders in the region. There seems to be an assumption that these people are not interested to provide employment to their people and to provide measures that will increase or uplift the economic conditions of the people in the region. I think that is very unfair and that is uncalled for.

Senator Gonzales. And the last reason that the workshop cited is that proposed regionalization will lead to a more skewed national or regional development.

Senator Herrera. Will the Gentleman kindly repeat that?

Senator Gonzales. I do not know if I pronounced it correctly, but it is s-k-e-w-e-d. I think, distorted.

Senator Herrera. Distorted. I really do not know how come that it will result to that situation. Because this authority that we will give to the region to decide on what is good for them is, in effect, giving substance to our commitment to decentralization and give autonomy to the regional areas. I think it will be presumptuous on our part here in Metro Manila to decide on what is good for the people in the region. I think we should have that confidence in our people in the region that they are capable, and perhaps, in a better position to look for solutions to the problems prevailing in the region.

Senator Gonzales. In fact, it is claimed, by way of conclusion, that the regionalization of wages is part and parcel of the overall economic growth and development plan of the Philippines that labor should remain cheap; and according to them, that is a national development policy. And they have sustained the view of Ibon, published in 1987, that cheap labor, according to the official view, is the key to economic progress, low wages results to low cost exports, giving the country an edge in the world market. So, in short, is this really a deliberate scheme on the part of Congress? Should Congress enact it, to provide for cheap labor in our country?

Senator Herrera. I do not think so, Mr. President. Our government, and I think all of us and any right-thinking Filipino, would like to see our country progressive. And when we talk of progress, certainly, that cannot be achieved if we have cheap labor. Because after all, our main thrust, our target of development is the common man. So, I cannot agree with that conclusion; that is not the intention of Congress; that is not the intention of this bill. On the other hand, our intention is to provide employment to our people; increase the income of our workers; and increase the income of the family. And perhaps, when we are able to attain that level, then we can say that our country has already attained that degree of progress that all of us are looking forward to.

Senator Gonzales. I think that is the irony we in Congress find ourselves subjected to. That even as we attempt to provide for a just, reasonable and equitable wage increase for our workers, we are still being condemned for pursuing a policy that leads to the exploitation of our laboring mass. Does the Gentleman feel this thing of such accusation, Mr. President?

Senator Herrera. I think that is unfair, Mr. President, but that is part of life. I do not want to equate ourselves with that of Jesus Christ but, if the Gentleman will remember, during the time of Jesus Christ, he was also subjected to criticisms by certain people. And yet, he is the son of God. I am not saying that we are the son of God. But what I am trying to impress here is that we are very confident; we know what we are doing, and all our actuations here will certainly be judged. But, we are doing what is good for our country and for the common people. I know

there are detractors in our midst, but, it is our responsibility to let them understand. Let us sympathize with them.

Senator Gonzales. Thank you, Mr. President, for removing some of the doubts engendered by this paper which was the result of a workshop conducted by the UP School of Labor and Industrial Relations only a week back, and that was on April 6, 1989.

Thank you, Mr. President.

Senator Herrera. If I may comment, Mr. President. At the time this workshop was conducted, there were apprehensions that the purpose of regionalization was really to establish wage rates in the region that will be below the minimum wage, and that was farthest from our intention.

The Presiding Officer [Senator Maceda]. The Gentlewoman from Sulu, Tawi-Tawi and Sabah is recognized.

Senator Rasul. Thank you, Mr. President.

First of all, I would like to commend the distinguished champion of labor from Cebu on the bill which he filed. I am proud to be a cosponsor of this bill, which reflects the sensitivity of the Sponsor to the plight of the marginal workers. But I would like to ask some clarificatory questions, if the distinguished Senator would care to answer.

Senator Herrera. Gladly, Ma'am.

Senator Rasul. I am a little disturbed by the implications of this bill on the standardization measure which we reported out last year, a bill that will rationalize and standardize the compensation of government employees. I would like to ask the distinguished Senator what does he think of the impact and effect of this bill on the standardization bill that was already reported out, considering the fact that even in the discussions and the debate, the issue of inflation was raised, if this bill is approved? The 1989 Budget, Mr. President, already contained an allocation for the implementation of the standardization bill. It is supposed to cover the period July to December. If the issue of inflation was raised in connection with this increase in the minimum wage of the private sector, would this not be used as an issue in the event Congress will pass the standardization bill and again, use the issue of inflation to go against the implementation of this bill which my Committee has already reported out?

Senator Herrera. I think it is safe to conclude that the workers in the government sector are also expecting that they will be given the same financial benefits as those of the employees of the private sector. But on the other hand, we should also understand that our government has a certain limited capability

to answer the needs of our workers in the public sector. But maybe this substantial increase that will be given to the employees of the private sector can be an inspiration to us, people in the government, that we should strive hard to equate the benefits in the public sector with that in the private sector.

Senator Rasul. Mr. President, the Gentleman himself has said that we are liberal in spending the people's money. Sometimes the government is said to be the worse employer because while it increases salaries in the private sector, it is very slow in increasing the salaries of its own government employees.

If this bill is passed into law, would this not further widen the gap between the salaries of workers in the private sector and government employees, considering the fact that as of now, the minimum wage of government workers is only P32, which is one half of what the minimum wage workers in the private sector get. If the additional P30 is approved, a worker in the private sector will, in effect, be getting P94 compared to P32 in the government sector. If the standardization bill is passed into law, that will only upgrade the salaries of government employees to the first level of salaries being received in the private sector, which is P64. So, it will still be lagging behind the compensation of those in the private sector. Would this bill not cause some resentment, Mr. President, and might even create some hostility among our government employees?

Senator Herrera. Certainly there will be a wide gap between the wage level in the private sector and that of the public sector. But I think this is a challenge to us who are leaders here in the government to raise the level of the government employees. Maybe, what we should do next time that we deliberate on the wage increase for the government employees, I think, we should consider the challenge that we have to raise the level of the government employees to that of the private sector.

Senator Rasul. Mr. President, if the Gentleman recalls, during that deliberation of the Committee on this bill, I proposed that the wage increase for private sector should also include the wage earners in government. I was wondering how come this bill no longer includes that proposal which we suggested and which the Committee approved.

Senator Herrera. We can discuss that during the period of amendments. The reason why it was not included is that we have been informed that in the Standardization Bill, the wage earners are already included there. But then, I have an open mind, I would be very sympathetic to that amendment. We can discuss this during the period of amendments. I would like also to look at the constitutional aspect of this whether this is possible within the constitutional requirements.

Senator Rasul. Mr. President, on page 2, Section 6 makes mention of certain exemptions. Exemptions from this act to be given to enterprises that may be established outside the National Capital Region. Would this also cover extensions of enterprises already existing in Metro Manila?

Senator Herrera. What is envisioned here is new investments. That is why, it needs really the clearance or the approval by the Department of Labor and the Department of Trade and Industry. If we will take note, Mr. President, in the original bill, there was no clearance or approval by the Department of Labor and the Department of Trade and Industry. But then, during my consultation with the Secretary of Labor and Secretary Monsod of the NEDA, Secretary Monsod pointed out that it might be possible that an old company in Metro Manila will just close its business and then register a new company just to take advantage of the exemption. So, we are providing this provision in order to make sure that those which will be exempted will only be new investments.

Senator Rasul. Mr. President, the phrase "a new enterprise" has no qualification. In other words, any new enterprise, any new investment will be exempted. And there is no distinction made whether it is a pioneering enterprise; in which case, it should be given exemptions. I was wondering why it is a very sweeping provision.

Senator Herrera. Mr. President, there was really no intention to classify whether they are pioneering, as long as they are new investments, they will be given that incentive and that the incentive will only be given if they will establish the new enterprise outside of Metro Manila. Because we are trying to hit two birds here: one is to disperse industry; the other is also to decongest Metro Manila. Because the congestion here in Metro Manila affected more the ordinary people rather than the middle class and the upper class. Many of our workers now, because of the problem of housing, are forced to stay even in slum areas.

Senator Rasul. Mr. President, I would like to know what is the rationale for the two years. Why not five years? If it is a new investment, maybe, two years is too short a time.

Senator Herrera. In fact, the Secretary of Labor pointed that out that, maybe, two years is short because, according to him, from the point that it is registered as a new company, it will take some time that one can start the operation. It might even take us one year before we can start the operation. So, there is validity to this claim. That is why, we can settle this during the period of amendments. Originally, in the bill, for those new enterprises that will be established in Region II and Region III, with certain exception on certain provinces in Region III, are

supposed to be given an exemption for two years; and in the other region, three years. But we reduced it to one year and two years, thinking that it might be too long. But then, we can discuss this during the period of amendments.

I think, what is important here to emphasize is that we have to attract new investments, in order that we can provide employment in areas outside of Metro Manila. Let us provide all the necessary incentives but not at the expense of the workers. So, with this standard, we can be flexible during the period of amendments.

Senator Rasul. Yes. Mr. President, I like what the Gentleman said: "Let us give incentives to businesses without prejudicing the interest of the workers." Could the Sponsor propose something that would incorporate what the Gentleman just said for industries that would want to go to Southern Philippines, for example, where we need factories and businesses and where people need employment, but at the same time, give incentives to possible investors in the area?

Senator Herrera. In fact, Mr. President, I mentioned the other day during the interpellation that my technical staff now is preparing a resolution — hopefully, this can be a joint resolution, the House of Representatives and the Senate — that would mandate the existing quota of the garment industry. I understand that we have a million dozen quota and then, there is an additional 50,000 quota every year. Thirty percent will be allocated to Mindanao. So, the garment factories now in Metro Manila will have to transfer their operation to Mindanao, if they would like to take advantage of the 30 percent quota; 30 percent for the Visayas; 40 percent for Metro Manila. And I am happy that we have labor leaders present here in the gallery, so that they can also be forewarned that, maybe, this should strengthen the organizational drive in these areas. Because the garment industry in this country is the number one employer. They have the most number of workers. So, this way, we can really disperse industries.

Senator Rasul. Thank you very much for that information, Mr. President. I hope in the allocation of that quota, our region, Mindanao, will not be left out.

Thank you, Mr. President.

Senator Lina. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Manila, Senator Lina is recognized.

Senator Lina. Thank you, Mr. President. First of all, I would like to associate myself with this bill, beautifully crafted by the Committee on Labor, Employment and Human Resources

Development. I have a few questions to ask, if the principal Sponsor would care to answer.

Senator Herrera. Gladly, Mr. President.

Senator Lina. Mr. President, on page 2, Section 6, on lines 30 and 31, it is stated here that in Region IV, the exemption from the operation of this bill shall only be for one year. This is in Southern Tagalog, except those established in the provinces. And the provinces are enumerated. I noticed that the Province of Mindoro is specifically mentioned. I wonder if this refers to both Occidental and Oriental.

Senator Herrera. The entire Mindoro Island, Sir. The two provinces.

Senator Lina. Therefore, there is a need to clarify that point.

Senator Herrera. We shall clarify that during the period of amendments.

Senator Lina. Thank you. Another observation, Mr. President, is that an island province named Marinduque is conspicuously excluded from the list of provinces where the operation of Section 6 will apply. Will the Sponsor cite any particular reason why Marinduque should not benefit from the same privilege that is given to provinces like Mindoro, Romblon, and Aurora?

Senator Herrera. Marinduque is in Region IV.

Senator Lina. Yes, Southern Tagalog. It is also an island province.

Senator Herrera. Then that should be included. I think there was just a mistake in the enumeration of these provinces.

Senator Lina. During the period of amendments...

Senator Herrera. We shall accommodate that.

Senator Lina. On page 3, Mr. President, Section 8, the observation that we would like to advance is that, when there is any wage distortion, since the organized labor is less than the unorganized labor, many of the unorganized labor will have no avenue to ask for the correction of the wage distortions, unlike the organized labor where they can, through the grievance procedure under the collective bargaining agreement. However, in the unorganized labor sector, it is stated in the bill that the employer is given the burden of taking the initiative to correct such wage distortion.

Is that the intention of the bill — to put the burden of correcting the wage distortion on the employer, or, should we make it clear also that the initiative can also come from the employee? In fact the initiative, the onus or the burden, meaning the initiative really should come from the employee, otherwise, it should appear again that the privileges will have to be given by the employer. That is how the bill is crafted at this point regarding correction of the wage distortion, Mr. President.

Senator Herrera. My interpretation of the bill, Mr. President, is that, it is the responsibility on the part of the employer to correct the distortion. It does not bar the employee from taking the initiative. In fact, we will note that if the employer will not do that, then the worker can go to the Department of Labor through the National Conciliation and Mediation Board for Conciliation. If they fail to resolve this within ten days, then it will proceed to the National Labor Relations Commission. That is through compulsory arbitration.

Senator Lina. Yes, that is the statement on lines 26 and 27 of page 3. However, if we are going to interpret the sentence on lines 23 to 25, one gets the impression that the correction of the wage distortion will depend basically on the benevolence of the employer taking the initiative to correct such wage distortion.

Senator Herrera. No. This is a mandate on the employer — to make the correction.

Senator Lina. Mr. President, if that is the intention, then maybe we have to rephrase the phrase on line 24, which states: "...the employer shall endeavor..." which connotes that the employer shall attempt or make an effort. When we say "shall endeavor", then...

Senator Herrera. During the period of amendments, let us strengthen this phrase in order to reflect the real intention of the bill which is really to mandate the employer to make the correction.

Senator Lina. I thank the Gentleman for that statement, Mr. President. I really feel that lines 23 to 25 should be rephrased to make it really mandatory on the part of the employer to make the necessary correction of the distortion, and also to reflect the concept that such a correction is not the prerogative of the employer only. The employees, as well, can bring up the matter as can be gleaned from lines 26 and below.

Senator Herrera. I would like to assure the Gentleman that that is the intention of the Members of the Committee on Labor.

Senator Lina. Those are basically the questions that I would like to ask.

One last point, Mr. President. Does the Gentleman foresee many enterprises or companies that will have to undertake correction of distortions?

Senator Herrera. I can foresee that, Mr. President, especially in unionized companies; because, many of them are receiving higher than the minimum wage. But then we have the new workers or the newly regularized workers receiving the minimum wage. And, because of the increase of P30, this will trigger distortion. So, they have to correct this distortion. Although, we will find under the mandate here that only those receiving less or below P5,000 will be entitled to distortion. The reason for this, Mr. President, is that those who are receiving P5,000 as basic salary are normally with the management staff. Then we are shortening the gap between the rank-and-file and the management employees.

Senator Lina. In the Gentleman's estimate, Mr. President, what is the percentage of the labor force in relation to the total labor force that will be affected or covered by the so-called "wage distortion?"

Senator Herrera. There will be many of them.

Senator Lina. Maybe, 80 percent.

Senator Herrera. It could even be higher than that. There are only a few receiving P5,000 basic salary.

Senator Lina. The next question, therefore, Mr. President, is: On that basis, does the Gentleman think that the mechanism that he has suggested here will be adequate to handle these possible disputes that may arise as a result of the existence of wage distortions?

Mr. President, under lines 26 and below of page 3, the dispute will have to be resolved through the National Conciliation and Mediation Board. And then there is the phrase: "if it remains unresolved after ten (10) calendar days of conciliation, it shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC)" which shall be mandated to conduct continuous hearings, and so on and so forth, "within twenty (20) calendar days from the time said dispute is submitted to it for compulsory arbitration."

Mr. President, my concern is that, since many laborers will be covered and affected, the National Conciliation and Mediation Board may not be efficient enough, through reasons not of their own doing, but because of the magnitude of the problem that might be created. And, therefore, while there is this law increasing the minimum wage, and at the same time including a provision that will correct the wage distortion, the benefit of the

same cannot be immediately felt by those who should benefit as a result of the increase in minimum wage. That is my concern, Mr. President.

Senator Herrera. I share also, Mr. President, the distinguished Gentleman's apprehension on this, but the disputes that will be referred to the National Conciliation and Mediation Board and to the compulsory arbitration are those that will arise from unorganized companies. In organized, they have the grievance machinery and the voluntary arbitration. But then, we have experience on this in Republic Act No. 6640, because this is also the same provision that we lifted from RA No. 6640. So far, the performance of the NCMB is quite impressive. This can be gleaned from the fact that we have lesser strikes now compared to previous years. I think the distinguished Gentleman is following the assumption that many of the employers will not voluntarily correct the distortion. I would like to be very positive. I think many employers will correct voluntarily the distortion, because they are also interested to maintain the morale of their workers. Maybe, when there may be problems like this, this will also encourage the workers to approach the union, so that they will be represented by a union.

Senator Lina. I have no reason to doubt the statement and the assurances made by the distinguished Sponsor.

In Metro Manila, as the distinguished Gentleman mentioned in our caucus, noncompliance goes as high as 26 percent —

Senator Herrera. Six percent.

Senator Lina. — six percent, and outside is 23 percent. I just hope really that there will be no problem regarding this distortion of wage. And as I said, I have no reason to doubt the assurances made by the distinguished Sponsor.

Mr. President, that will be all, and I wish to thank the distinguished Sponsor for his answers.

Thank you.

Senator Enrile. Mr. President.

The Presiding Officer [Senator Maceda]. The Minority Floor Leader is recognized.

Senator Enrile. I will be very brief, Mr. President.

Mr. President, may I propound some questions to the distinguished Gentleman if he cares to answer them?

Senator Herrera. Gladly, Mr. President.

Senator Enrile. Mr. President, in today's issue of the Business World, in the front page, there appears a news item which says: "How A Filipino Spends."

According to this news story, it says that for every P100 of earned income by a Filipino today, he spends at least P53 for food. Does the Gentleman agree with this?

Senator Herrera. I think so, Mr. President.

Senator Enrile. And that for housing, he will have to earn at least P10.50 a day to have a place to live in. Does the distinguished Gentleman agree with this?

Senator Herrera. In fact, that is a bit conservative estimate.

Senator Enrile. And that for services, such as for the cost of sending children to school, having his haircut, or manicure or pedicure, or shampoo, or whatever, if you are a woman, and for medicine, medical services, and yaya or help for those working mothers, et cetera, they have to earn P10.55 a day for that purpose. Does the Gentleman agree with me?

Senator Herrera. I agree with the Gentleman, Mr. President, although these are not necessary expenditures.

Senator Enrile. But for clothing they must have to earn at least P8.00 a day to be able to give a decent clothing to the members of one's family.

Senator Herrera. For a family of six, yes.

Senator Enrile. For light, fuel, and water they have to earn P5.23 a day to cover the cost of fuel, light and water. Does the Gentleman agree with this, Mr. President?

Senator Herrera. Yes.

Senator Enrile. So that for these five items alone, P53 for food; P10.55 for services; P5.23 for fuel, light, and water; P10.50 for housing and P8.00 for clothing, these will add up to already more than the minimum wage that the Gentleman is suggesting with the addition of P20. Does the Gentleman think that we can give a decent daily life to our workers with just an additional P20 on the minimum wage?

Senator Herrera. I agree that a family of six needs something like P200 plus a day, but, I think the Gentleman will agree with me that we cannot also charge the entire family expenditure to the employer, especially if there is only one employee in the family. What I am saying is that these problems of the family of our workers need several solutions. First is, that

let us increase their individual income. This is what we are doing now. Second is, let us increase the number of employees in the family. I think, this is one of the programs of the government which I think the Gentleman is one of the major supporters. The other is the government must have also to increase its services. That is why we are investing in health services and other social services because we know that the income of the workers is not sufficient.

Senator Enrile. I am not suggesting, Mr. President, that we should burden the employer with all the necessities of the family, but we are talking here of a minimum wage. I would imagine that when we talk of a minimum wage we base the minimum wage on what we consider to be an adequate income of a certain average family to sustain the life of his family if there is only one breadwinner. This is my understanding of a minimum wage. Please correct me if I am wrong in this understanding.

Senator Herrera. That is a correct understanding, but it does not mean that he has to get only from one source.

Senator Enrile. Now, if there are two breadwinners and they are earning two sets of minimum wages then, of course, that is their good fortune to have a better life. But we are assuming that there is only one breadwinner in the family earning a minimum wage that would give the family a decent amount to sustain life.

Senator Herrera. That is why I said, that should be our target, that should be our goal that the income of the worker would be enough or more than sufficient to pay for the cost of the entire family expenditure.

Senator Enrile. The amount that I have mentioned does not include the beer of the breadwinner, the soft drinks of the children, the cigarettes or tobacco that he will use or the ice cream of the kids. This is the bare minimum. I am just talking of the necessities: food, services, fuel, light, water, housing and clothing, these will come up to at least P85 or P87. But if we add only P20 to the minimum wage which is P64 this will come up only to P84 a day. Does the Gentleman think, Mr. President, that the workers who are not fortunate enough to get a pay higher than this will be able to sustain life, considering that they will have to pay SSS, they will have to pay other charges, maybe withholding taxes, and so forth and so on. So that in fine, the take home pay is less than the P84 that the Sponsor is envisioning.

Senator Herrera. We are envisioning P94, Sir, but this should be given in a staggered way within a period of six months.

Our proposal is P10 higher than the Gentleman's estimate.

Senator Enrile. I understand the P94. But does the Gentleman think, Mr. President, that postponing it for six months

would be a reasonable arrangement considering that apart from the impact on this postponement of prices, the needy workers cannot postpone their hunger for six months?

Senator Herrera. The ideal, Sir, is to give it in one blow but we have also to consider certain economic realities. Some industries, when they testified in this Committee, are pleading that they give the increase on staggered basis because they have a problem also in meeting with the new cost that they have to absorb, especially in labor intensive industries. One company, for instance, estimated that with that P20 increase, immediately he will need for additional amount of P460,000 a month.

Senator Enrile. How much?

Senator Herrera. Four hundred sixty thousand pesos a month, based on the number of company workers. So, especially in the garment industry, where, according to them, which I think is correct, that their production up to the end of December is already covered by an old contract. So, we have to understand that by disregarding this we might be creating more problems. Because, there is a problem in the enforcement. So, a period of six months, I think, would be reasonable. Our workers will understand that, because they know, in fact that they are in a better position to know the capabilities of the company where they are working.

Senator Enrile. Anyway, Mr. President, I am raising this point because I believe that P84 now would not be enough. In fact, I feel that the minimum that we should give is at least P12 per hour or P96 per day to our workers if we really want to do justice to them. But I will propose that at the proper time when we come to the period of amendments.

Senator Herrera. Mr. President, if I may just comment on that, in fact that is the feeling of all the members of the Committee on Labor and I think that is also the same feeling of all the members of this august Body. But somehow, there are certain realities that we have to consider. If I have my way, if only that all companies can afford, we should give them more than P96. But then we have to consider that those who will be affected with an increase that would be difficult to comply with immediately are the Filipino entrepreneurs, because these are the owners of small enterprises. These are the shell craft owners, the rattan factory, the small metal craft and it is, I think, our responsibility to also protect these types of industries.

Senator Enrile. Mr. President, I am struck by the dichotomy of the Gentleman's proposal. Meaning... if I understand it correctly, it is P20 immediately and P10 come January. Am I correct in this?

Senator Herrera. Yes.

Senator Enrile. Mr. President, is it the Gentleman's assumption that by January the increase in the cost of living will rise to no more than P10 equivalent for our workers?

Senator Herrera. That, I would say, is a studied projection, but in the event that there is really a "crisis" next year, we now have a mechanism under the bill that would take care of that, and that is the National Wages Council. It will not entail so much debate after consulting with the necessary sectors. They can immediately fix the wages.

Senator Enrile. But, Mr. President, would such a procedure be available in the Manila area, considering the fact, that under the proposal of the distinguished Sponsor, the increase in Manila will be fixed at P10.00 regardless of the movement of prices then?

Senator Herrera. That is the amount recommended by this bill next year, but it does not say that the National Wages Council is prohibited or inhibited to recommend an additional increase. After the P10.00, increase and the economic realities by that time really necessitate the fixing of additional increase that is within the prerogative of the National Wage Council.

Senator Enrile. Why do we not just say, Mr. President, that we are giving P20 now and then forget about next year. Then we will leave it open. If by the end of this year the price movement will warrant more than P10.00 increase to the workers in Metro Manila and all over the country, then we should be prompt enough to legislate an increase for the workers at that time without putting this P10.00 in the statute. Because, the way I look at it, this is just a palliative to soften the request of the labor unions for a P30 increase, and we are meeting their request through this mechanism of staggered increase: P20 now which is the real increase, and the P10.00 will come later on. Why not just say: "We will increase your minimum wage for P20" and if there is any reason to increase again the minimum wage come January, then, I think, this Congress will be in session and then we can reopen the issue and legislate again a new addition to the minimum wage existing at that time.

Senator Herrera. The advantage with this additional P10.00 is that this will now assure the workers that they have something to look forward to in January. And, even assuming that the inflation rate will be lower than our estimate, then they can say that, at least, the additional increase will improve their economic condition.

Senator Enrile. But, suppose, Mr. President, the price movement between now and January is more than P10.00, I think they might demand that they should be given already the P10.00 ahead of time.

Senator Herrera. The advantage here is that they can ask for more. Because they already have the P10.00, they can ask for more.

Senator Enrile. But then, would it not be better, flexibility-wise, Mr. President, to leave this matter open; for after all, there is a need for Congress to reconvene, to consider a new increase between now and December 31. The President, by virtue of her power to call a special session, can call us to special session and consider a new addition to the minimum wage over and above the P20 that the Gentleman is proposing, instead of writing in the law an additional P10.00 that will be prospective, that will come later. Why, is the readiness of Congress to respond to the needs of our needy people, like our workers, not enough guarantee that we will perform our duties and do justice to them?

Senator Herrera. I think, with the proposal of the bill, there is still that flexibility, and at the same time, there is an assurance that they will already get P10.00. In the proposal of the Gentleman, their only assurance is P20 and the flexibility. Here, the assurance is P20, P10.00, and flexibility.

Senator Enrile. Maybe, that is why I am proposing, Mr. President, that the increase should not only be P20. We should already anticipate the increase because it is inevitable.

Senator Herrera. And what is the Gentleman's proposal?

Senator Enrile. That is why, I am proposing P96 minimum wage, instead of giving our workers the *consuelo de bobo* of saying P20 now and P10.00 later when the price movement might be more than P10.00.

Senator Herrera. We can discuss that during the period of amendments, Mr. President.

Senator Enrile. Thank you, Mr. President. That is all. That is my only point and I would like to thank my Colleague from Cebu for his forbearance.

The Presiding Officer [Senator Maceda]. If there are other interpellators, we will give the Sponsor a chance to rest.

Senator Herrera. I can still withstand the rigor of answering questions, Mr. President.

SUSPENSION OF THE SESSION

The Presiding Officer [Senator Maceda]. The Chair would like to know how many other interpellators there are besides Senator Aquino. Only one? Two? So, we will go on recess for our usual break, if there is no objection. *[There was none.]*

It was 4:56 p.m.

RESUMPTION OF THE SESSION

At 5:20 p.m., the session was resumed.

The Presiding Officer [Senator Maceda]. The session is resumed.

The Gentleman from Tarlac is recognized.

Senator Aquino. I would like to ask a few questions from the Gentleman from Cebu, if he is willing, Mr. President.

Senator Herrera. Too willing, Sir, to answer questions from the Gentleman from Tarlac.

Senator Aquino. Thank you. Mr. President, I hope in this bill we also consider the income of independent farmers, meaning to say, self-employed farmers. Many of them do not receive the minimum wage, and are dependent on the sale of their products. So, may I know how this bill will also help a big number who are self-employed, known as "independent farmers."

Senator Herrera. The self-employed workers, especially those who are working in the farms, the farmers, will certainly be benefited in this bill, because the additional increase that we give to the workers in the private sector will result in the increase of the purchasing power of these workers who are themselves consumers. These workers will not keep their money in the bank, in fact, they will be using their money to buy goods and services. They will be buying more food, clothing, fruits, and others. So, the farmers will be benefited because there will be an increase in the demand for agricultural products.

Senator Aquino. So, Mr. President, what the Gentleman is saying is, there will be an indirect benefit to the farmers by the increase of the minimum wage.

Senator Herrera. Yes, Sir. In fact, it is not just the farmers but the entire economy will be stimulated because there will be an increased demand for more goods and services.

Senator Aquino. Will the Gentleman be in favor, sometime in the future, of some more direct benefits to the farmers? For example, a higher price for the buying of palay. Right now the price is P3.50 per kilo, and nobody is selling to the government anymore, because this is below the market price which goes all the way up to P4.50. A buying price, for instance, of P5.00 by the government, would the Gentleman be in favor of this?

Senator Herrera. I am not against that, Mr. President, but if I may suggest, I think, the better strategy is, we should help our farmers increase the productivity of the farm by providing them agricultural technology, irrigation, credit facilities, better

seedlings. I think, that should be the approach, because with the increase of the productivity of our farms that will not just maintain the price level of farm goods; but, this may even reduce the price of farm goods, and we will increase the income of the farmers since they have more goods now to sell.

Senator Aquino. The Gentleman said something about irrigation, Mr. President. Is the Gentleman in favor of removing charges on irrigation, because right now the charge is about five cavans per hectare?

Senator Herrera. That should be removed by all means.

Senator Aquino. How about increasing the budget of the NFA, Mr. President? Is the Gentleman in favor of this so that the NFA can buy rice at a higher price?

Senator Herrera. I think, primarily, the problem of NFA is not only the financial support to buy rice, but also to construct more warehouses. Because even if we provide them with sufficient funds to buy rice, but if they do not have warehouses to store this rice, then they will not be able to buy more rice from our farmers.

Senator Aquino. And one last question regarding support for the farmers. They, right now, would like to have a separate fund for rural credit so that they can borrow up to, P5,000 per hectare.

Is the Gentleman in favor of this positive step, Mr. President, in line with our intention to help not only laborers but also farmers?

Senator Herrera. How can I not be in favor of that positive step, Mr. President? I think the P5,000 credit facility is, in fact, too small. We should increase that. Our farmers should be provided the necessary credit support so that we can eliminate traders charging so much amount, so much interest in the money that they loan to the farmers.

What I understand is that, in my province, some of these traders and rice millers are extending credit to the farmers and these are payable in kind; so that whatever produce of the farmers, they are already consigned to the millers and the traders, and the interest there is so exorbitant. The government should come in and provide cheap credit facilities to our farmers.

Senator Aquino. One last item, Mr. President, while I am in favor of the P20 increase immediately and also knowing that this is not sufficient for a decent living wage, if there is only one breadwinner. I know that big industries can afford this, but the majority of our industries are small, Mr. President.

Has the Gentleman also considered the possibility that many medium- or small-scale industries might suffer from this increase and might be dislocated?

Senator Herrera. In fact, that is the main idea of the staggered increase in order to give them sufficient time to adjust to the new financial requirements that they will need in order to meet the increasing cost of labor.

On the other hand, Mr. President, by making labor... Well, I would not say expensive, because even with this increase, this will not mean that labor will become expensive, but simply that labor is not cheap, this will induce the owners of enterprises to harness fully the productive potential of labor and, therefore, will increase productivity. This will enhance the income of the owners of the enterprise and at the same time, this will also prevent the upward trend of inflation.

Senator Aquino. So, since the Gentleman is prepared to support our campaign to have a better life for farmers by direct and indirect methods, Mr. President, he has my support on this wage bill. I really hope we can give our labor force more than what is proposed.

Thank you.

Senator Herrera. Thank you.

Senator Alvarez. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Isabela is recognized.

Senator Alvarez. Mr. President, will the Gentleman from Cebu, the leader confronting the very vexatious labor issues in this Chamber, yield to a few questions?

Senator Herrera. Gladly, Mr. President.

Senator Alvarez. Mr. President, the original proposal was 6-10-15, and I had the distinct impression from many sources that these have been confirmed in a conference in Malacañang with the President and all of the sectors of the labor movement. It seems that this was confirmed based on a recommendation by an interagency body of NEDA and the other relevant financing and economic departments of the government, working on an econometric table which has calculated as intelligently or as scientifically as possible the impact of a P6, P10, P15 on the inflation rate. Is this fairly an accurate statement of what happened in the very recent past, Mr. President?

Senator Herrera. There was this consultation with labor, although there was a disagreement on the analysis of the data, as

analyzed by the NEDA and the National Wages Council. In that conference, the labor sector, although it stood pat in its position that there is a need to increase the national minimum wage by P30.00, also told the President that it has confidence in the wisdom and the judgment of the President on this issue. The crux of the whole issue is really the interpretation of these data, as well as the reality on the real wages of the workers, as well as the capability of the industries to absorb additional costs; in particular, the labor cost.

Senator Alvarez. But in any case, there was such a computation, an econometric computation, presented by the government, worked out by the inter-agency committee, which seems to have been acceded, at that time, by the labor leaders.

Senator Herrera. In that conference attended by 20 or so labor leaders, the labor representatives in that meeting did not accede — as the Gentleman used the word. In fact, there was a debate on the interpretation of this data. The labor sector presented also its views and they were supported also by some known economists. And so there was, I would say, a variance of opinion at that time. And although there was that expression of sentiment on the part of labor, it also has confidence and faith in the judgment of the President.

Senator Alvarez. Therefore, Mr. President, it is not accurate to say that at that point, there was already a consensus based on some econometric measure over P6.00, P10.00, P15?

Senator Herrera. Actually, what was discussed at that time was only P15 and P6.00. There was a different consultation with some labor leaders which I can confide to the Gentleman not during this interpellation regarding the discussion about this P10.00.

Senator Alvarez. Yes, I understand the computation. But the point that I am trying to drive home is that when we strive for certain numbers, they are not numbers in the wind. They are products of very serious quantitative calculations. They are computed either by government or by the labor movement or some economic group, taking many variables into account. And then we figure out certain numbers, it is not a number that I, as a senator of the realm, would say: "Let us put it at P30; let us put it at P40 or at P90, P93." These are figures which are conclusions from assiduous and careful pencil work.

Senator Herrera. I agree with the Gentleman, Mr. President. In fact, the labor sector, the employers, as well as the government, also presented their respective positions. In our case also, when we prepared the bill, we made our own study. Now, what is important to emphasize is that all sectors are in common agreement that there is a need for an increase. What varies is the amount on the part of the Executive Branch, and I

am referring to the NEDA and the National Wages Council. They are more concerned of the impact on inflation. It was never debated that the workers need an additional P30 or P40, because there is that recognition. But as far as the Executive Branch is concerned, the reason why they are proposing an amount of P15 and P6.00 originally, then later we have P10.00, was that in their study, there will be a manageable impact on the inflation rate.

Senator Alvarez. Yes, I agree with the Gentleman, Mr. President. I share with the Gentleman that there has to be an increase. But I think the problem is, how much of an increase without provoking a wage price spiral — will it be? Are we not agreed across the spectrum of leadership, Mr. President, from the labor to the government and to this Chamber that if we are going to have an increase, it must be an increase that will genuinely benefit the working class, something that will not provoke a wage-strike spiral. Tataas nga ang suweldo, pagkatapos tataas ang bilihin, tataas na naman ang suweldo, maghahabulan iyan, and then, we will not be able to control inflation because we will let loose a certain momentum of economic supply and demand. Magkakatalo roon. We will have a bigger problem on hand.

Senator Herrera. I agree with the Gentleman. The only problem here is that there are varying views as to what should be the impact on labor cost if we increase a certain amount on the inflation rate. The NEDA is saying that if we will increase by P15, the impact on the inflation rate would be something like 13.75 percent. The labor sector is saying that that would not be so because the cost of labor, in relation to the total cost of production, is probably between 5 and 10 percent. But according to the NEDA, in its study, for every 1 percent increase on the labor cost, that would mean .7 percent impact on the inflation rate. I disagreed with that. The members of the Committee disagreed with that because I think that is overstated. If the cost of labor, in relation to the total cost of production would only be between 5 and 10 percent, therefore, even if we will increase the labor cost by 30 percent, the minimum impact on inflation rate would be 1.5 percent and a maximum impact of 3 percent. Let me explain further, Mr. President.

The Mariano Model used by NEDA in determining the impact on inflation based on the increase of the minimum wage is predicated on certain assumption that all workers will receive the increase. That particular assumption alone is already full of flaws; because, in the first place, not all workers will receive the increase. Those who are receiving way above the minimum wage will not be covered. Second, there is an exemption for those retail enterprises employing ten or less employees. The government workers have different rates. Of course, we have also to consider that there will be a violation in compliance. Our experience, as far as Republic Act No. 6640 is concerned is that there is a violation of 23 percent outside of Metro Manila, 6

percent in Metro Manila. So, putting all these, the expected increase on the money supply which will be the yardstick on the estimated inflation rate, as projected by this Mariano Model, will not be as much as projected by NEDA. It will be very much less. Then the analysis that for every one percent increase, it will result in .7 percent increase on the inflation rate, again, has no basis because that would mean that following that argument or analysis of NEDA, the conclusion there is that the labor cost would be about 70 percent in relation to the total cost of production which is too high. The Gentleman and I know very well, that this is an overstatement.

Senator Alvarez. I agree with the Gentleman. From his explanation it seems clear that there have been some miscalculations or undercalculations on the part of the government sector, and there should be more knowledge for expanding the benefits of growth on the labor sector. However, does the Gentleman not feel that this seems to be a question of quantitative calculations, and the setting of right formula that both viewpoints should go back to their drawing boards and refine their tools, and discuss this further so that the policy will be clearly articulated by those of us who are going to make the law instead of us making some calculations of our own not drawn from the quantitative tables, otherwise we will be formulating a policy which may not hit the heart of the problem. We want here an increase that will truly benefit the working class, and we do not want an increase to spark an inflation, a wage-price spiral that will take away from the working class what we give them. We give with the left hand; and we take with the right hand with double digit inflation because the first group in our economy to suffer are the fixed wage earners.

Senator Herrera. I agree with the Gentleman. In fact, that is the wisest way to do it, that is the most prudent way in determining the amount that we have to legislate for the increase. And that is what, precisely, the Committee did. We invited the NEDA; we invited the National Wages Council; we invited the employer; we invited economists, both from the academe and in the private sector. And then we studied also the historical performance of national wages since 1951 in order to determine the impact of minimum wage increases on the economy based on empirical data. And we are very confident that the recommendation of the Committee on Labor is the most reasonable. This will be acceptable to all sectors. There is apprehension by certain quarters in the government. But we have to make this decision and I think what is important is that after this legislation, after this additional increase, we have already provided a mechanism in the bill that will assure us of more realistic wage levels in the region, because in the bill we provided the regionalization of wage-fixing.

We would like the leaders in the region, to decide for themselves based on the study, the research, the consultation that

will be conducted by the National Wages Council as to what should be the wage rate in the region. So the bill that we are proposing to be approved by this august Body, Sir, is not only confined to providing a monetary increase on the present minimum wage, but we are also providing a mechanism that will provide a practical, reasonable, and realistic way of establishing wage rates in the future.

Senator Alvarez. Is the Gentleman referring to the Regional Wage Board?

Senator Herrera. Yes.

Senator Alvarez. Let me touch on one issue which is also a concern of many, Mr. President. The organized force of our working class of the labor force in our community is only 10 percent or 23 million. Am I right on that, Mr. President?

Senator Herrera. Yes.

Senator Alvarez. If we do give increases, are there any safeguards in the Gentleman's proposed legislation so that in points of fact, the beneficiaries will not be only the potent organized force of labor but even those outside organized groups?

Senator Herrera. In fact, Sir, our proposal is to provide "safety net" primarily to the unorganized because this is the labor sector which needs our protection. And that is the primary concern of establishing a minimum wage. I would like to assure the Gentleman that it is the unorganized that will be most benefited. No doubt the organized will also be benefited.

Senator Alvarez. Are we assured in the proposal that the Gentleman is offering, that, indeed, this will not trigger an inflationary force that will ultimately hit the working class?

Senator Herrera. Let me put it this way, because this is always a subject of debate between those who believe that the best way to attain economic progress is by encouraging more investments. On the other side, they are saying that the best way to attain economic progress is to make it a consumer-led economy wherein we strengthen the purchasing power of the consumers in order that it will trigger an increased demand for goods and services, and in the process, force employers of the owners of enterprises to increase their production and, therefore, will open up a new employment opportunities.

For many years we have been adopting the principle that: "Let us give more to investors; let us maintain cheap labor." That was the main aspect of the policy of Marcos. But the economy was a failure. Maybe it is about time that we should really develop our domestic market and the best way to do that is to increase the purchasing power of the consumers in order that

we can make the domestic market dynamic and there will be more demand for goods and services. And I feel very strongly and I think that is the feeling of the Committee when we proposed this increase that we should now change the direction. We should have a consumer-led economy.

Senator Alvarez. The Gentleman is saying that a well paid labor force is efficient and, therefore, more efficient they will produce competitive goods and services. And there will also be a good market for a developing and a more productive economy.

Senator Herrera. Yes, Mr. President.

Senator Alvarez. I definitely share that, in that light and view. Thank you very much.

The Presiding Officer [Senator Maceda]. The Majority Floor Leader is recognized.

Senator Mercado. Mr. President, if there are no other interpellations, I move that we close the period of interpellations.

The Presiding Officer [Senator Maceda]. Is there any objection? [*Silence*] Hearing none, the period of interpellations is closed.

Senator Mercado. Mr. President, I move that we go to the period of committee amendments.

SUSPENSION OF THE SESSION

The Presiding Officer [Senator Maceda]. The Chair will call a minute of recess to allow the Sponsor to gather his Committee amendments, if there is no objection. [*There was none.*]

It was 5:48 p.m.

RESUMPTION OF THE SESSION

It was 5:49 p.m.

The Presiding Officer [Senator Maceda]. The session is resumed.

If there are no Committee amendments...

Senator Herrera. There are no Committee amendments, but I understand that Senator Paterno has some amendments, Mr. President. Unfortunately, he wanted that this should have been taken up by the Committee; but then, there was difficulty in convening the Committee because he submitted his proposed amendments yesterday. So, I suggest that we just take these up as individual amendments.

Senator Mercado. Mr. President, I move that we close the period of committee amendments and proceed to individual amendments.

The Presiding Officer [Senator Maceda]. The period of committee amendments is closed. We now proceed to individual amendments.

Senator Paterno. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Cavite is recognized.

Senator Herrera. We can do this page by page, Mr. President.

The Presiding Officer [Senator Maceda]. I think the major amendments are from the Gentleman from Cavite. So I suggest that we take care of the amendments of the Gentleman from Cavite first; then, we go page by page.

Senator Herrera. All right, Mr. President.

Senator Paterno. Mr. President, I would have preferred that we had time to duplicate this so that the Members can see the amendments.

The Presiding Officer [Senator Maceda]. I think we can xerox them. How many pages are there?

Senator Paterno. Only four.

The Presiding Officer [Senator Maceda]. We will xerox them. In the meantime, we will go page by page. This is a very short bill. We will go about it slowly. Hopefully, since this is a certified bill, we can pass it tonight.

First page, Sections 1, 2, and 3.

Senator Lina. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Metro Manila.

LINA AMENDMENT

Senator Lina. Thank you, Mr. President.

On Section 2, it is just a matter of style; On line 5, after the word "regionally" insert a comma (,) and delete the word "to"; on line 6, the word "to" is also proposed to be deleted; and on line

7, the word "to" is also to be deleted. Therefore, the Section will read as follows:

"It is hereby declared the policy of the State to rationalize the fixing of minimum wages nationally or regionally, promote the decent standard of living of the workingman and his family, stimulate dispersal of industries, and enhance viability and competitiveness of the Filipino enterprise by increasing its productivity and ensuring reasonable return on investment."

And it is further proposed that the phrase "to expansion and growth" be deleted, and just put a period (.) after the word "investment", Mr. President.

Senator Herrera. I have no objection to that, Mr. President. It is accepted.

The Presiding Officer [Senator Maceda]. Are there any objections? [*Silence*] Hearing none, the amendment is approved.

Senator Guingona. Mr. President.

The Presiding Officer [Senator Maceda]. The President Pro Tempore is recognized.

GUINGONA AMENDMENT

Senator Guingona. I do not know if this will be subject to style or overlap the amendment which is just approved, Mr. President. But, I would like to propose that on line 10, after the word "growth", the phrase be added: "IN THE SETTING OF MINIMUM WAGE, THE STATE SHALL ENSURE THAT LABOR IS PAID A LIVING WAGE WHILE RECOGNIZING THE NEED TO EQUITABLY DISTRIBUTE INCOMES AND WEALTH." This is on page 1.

The Presiding Officer [Senator Maceda]. That is, in effect, a restatement of the constitutional provision.

Senator Guingona. Yes, to either be an amendment or an addition to line 10.

The Presiding Officer [Senator Maceda]. What does the Sponsor say?

Senator Herrera. That is accepted, Mr. President.

The Presiding Officer [Senator Maceda]. Subject to style. Is there any objection? [*Silence*] Hearing none, the amendment is approved.

Senator Rasul. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentlelady from Sulu, Tawi-Tawi and Sabah.

RASUL AMENDMENT

Senator Rasul. Thank you, Mr. President.

Mr. President, I do not think it was the intention of the distinguished Sponsor to discriminate against women in this bill. But on line 6 of page 1, there is a clear bias against women there, when he speaks of the workingman and his family, but the fact is that there are many women who support their husbands.

So, I would like to propose to amend this line, by substituting "WORKERS AND THEIR FAMILIES", instead of "workingman and his family".

The Presiding Officer [Senator Maceda]: What does the Sponsor say?

Senator Herrera. That is accepted, Mr. President.

The Presiding Officer [Senator Maceda]. Is there any objection? [Silence] Hearing none, the amendment is approved.

Is there any other amendment? Page 2?

Senator Guingona. Mr. President.

The Presiding Officer [Senator Maceda]. The President Pro Tempore is recognized.

Senator Osmeña. Anterior amendment, Mr. President.

The Presiding Officer. The Gentleman from Cebu is recognized.

OSMEÑA AMENDMENT

Senator Osmeña. Page 1, Mr. President, line 13: It now reads "Productivity Commission shall", and I propose to insert the phrase "IN COOPERATION WITH THE REGIONAL DEVELOPMENT COUNCILS conduct studies, et cetera".

Senator Herrera. Will the Gentleman from Cebu agree if we will just state, instead of "COOPERATION", "will consult" or "in consultation"?

Senator Osmeña. Between "COOPERATION" and "CONSULTATION" precisely, the consultation does not require that the National Productivity Commission adopt the recommendations or the views of the RDC. Consultation simply

means they will ask, they do not have to comply. So, in my mind, that is the connotation there.

Senator Herrera. But my concern here, Mr. President, is that there is a strong apprehension by organized labor that the politicians in the region, which may not be that fully justifiable, might manipulate the wage-fixing in the region.

So, maybe we can make the head of the Regional Development Council as an ex officio member of the Regional Wage Board. We can do that in the other bill.

Senator Osmeña. Is it the intention of the author of this bill that the other bill will later on amend this bill? We are passing another bill, which, in effect, will give the wage-setting power to the regional area. Right now, the way this bill is written, it is still a national board that sets the wage.

The Presiding Officer [Senator Maceda]. The Chair would like to point out that the section that is actually more in place is Section 4.

Senator Osmeña. Yes, I can see the provision there in Section 4. The word in Section 4 is "consultations".

The Presiding Officer [Senator Maceda]. So, it is really Section 4 that is proposed to be amended.

Senator Herrera. This particular provision is more transitory, since we are talking here of the National Wages Council. I think what the Gentleman from Cebu is proposing is that in the Regional Wage Board, that is where we have the participation of the Regional Development Council. This one is transitory. This is for this year only. After that...

Senator Osmeña. With the understanding that in the other bill, we will implement the philosophy of regional inputs into wage. We will then change the word "COOPERATION", and just put "CONSULTATION", as suggested by the Author.

Senator Herrera. So, we will just retain Section 4 here.

Senator Osmeña. In SEC. 3, we shall also say "SHALL IN CONSULTATION". In other words, we will just repeat in SEC. 3 what is already stated in SEC. 4.

Senator Herrera. It is accepted, Mr. President.

The Presiding Officer [Senator Maceda]. Is there any objection? [Silence] Hearing none, the amendment is approved.

Senator Guingona. Mr. President.

The Presiding Officer [Senator Maceda]. The President Pro Tempore is recognized.

GUINGONA AMENDMENT

Senator Guingona. On page 2 on the existing letter (e) we propose to add "THE PREVAILING AVERAGE WAGE LEVEL" between lines 1 and 2.

Senator Herrera. What was the proposal?

Senator Guingona. The criteria in determining the applicable minimum wage increases shall be between lines 1 and 2 letter (e) "THE PREVAILING AVERAGE WAGE LEVEL".

Senator Herrera. Between lines 2 and 3?

The Presiding Officer [Senator Maceda]. Yes, a new letter (e) and then the other letters shall be relettered.

Senator Herrera. It is accepted.

The Presiding Officer. Is there any objection? [*Silence*] Hearing none, the amendment is approved.

Senator Guingona. And, on existing letter (f) after arranging, Mr. President, the letters correspondingly, on line 4 delete "industries" and put "IN ENTERPRISES". Thereby deleting "industries" and substituting it with "IN ENTERPRISES".

Senator Herrera. It is accepted, Mr. President.

The Presiding Officer [Senator Maceda]. Is there any objection? [*Silence*] Hearing none, the amendment is approved.

Any further amendment on page 2?

Senator Guingona. On SEC. 4, just to jibe it with SEC. 3 "in consultation" ...

Senator Herrera. There is already a provision here.

Senator Guingona. All right. SEC. 5, Mr. President, line...

Senator Angara. Excuse me, Mr. President. Anterior amendment. With the permission of the Gentleman.

The Presiding Officer [Senator Maceda]. The Gentleman from Aurora is recognized.

Senator Angara. Mr. President, in SEC. 4, it says here that the consultation will be with the Regional Development Councils and provincial officials. Should we not provide that "THE

CONSULTATION BE WITH THE PUBLIC, MR. PRESIDENT, JOINTLY WITH THE REGIONAL COUNCIL AND PROVINCIAL OFFICIALS?" So that the consultation is not official to official, but official to the public.

ANGARA ANTERIOR AMENDMENT

So that my amendment would be on line 10 "... the National Wages Council shall conduct consultation JOINTLY With The Regional Development Council and provincial and municipal officials."

Senator Herrera. Can we have a one-minute suspension, Mr. President?

SUSPENSION OF THE SESSION

The Presiding Officer [Senator Maceda]. Let us have a one-minute suspension, if there is no objection. [*There was none.*]

It was 6:08 p.m.

RESUMPTION OF THE SESSION

At 6:13 p.m., the session was resumed.

The Presiding Officer [Senator Maceda]. The session is resumed.

Senator Angara. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Aurora is recognized.

ANGARA AMENDMENT

Senator Angara. Mr. President, let me propose the following language in lieu of Section 4: "In the determination of the appropriate regional minimum wage increases under this Act, the National Wages Council JOINTLY with the Regional Development Councils shall conduct PUBLIC consultations, giving notices to employees and employees' ORGANIZATIONS and other interested parties."

Senator Herrera. It is accepted.

The Presiding Officer [Senator Maceda]. Is there any objection?

Senator Pimentel. Mr. President.

The Presiding Officer [Senator Maceda]. Yes, Gentleman from Cagayan de Oro.

Senator Pimentel. This is really not an objection, but I want to find out if the amendment has struck out the reference to provincial and municipal officials? Was that the intention?

Senator Angara. Yes, Mr. President, on the theory that the Regional Development Council is already composed of provincial and some municipal officials.

Senator Pimentel. That is the whole trouble, Mr. President, because it is not correct to assume that every municipal, let us say, the executive, thereof, is necessarily a member of the RDC. So that I do not think it will harm any if we retain the reference to provincial and even include city and municipal officials.

Senator Angara. I have no objection because the wider the consultation, I think, the better.

Senator Pimentel. So, if the amendment can be amended....

Senator Herrera. If I may suggest, on line 12, after "giving notices to employers and employees groups", insert the "PROVINCIAL AND MUNICIPAL OFFICIALS."

Senator Pimentel. And "CITY", Mr. President.

Senator Herrera. And "CITY OFFICIALS." Subject to style.

The President. Is there any objection? [Silence] Hearing none, the amendment is approved.

Any further amendments on page 2? The Gentleman from Cavite is recognized.

Senator Paterno. This is on Section 6. There is an anterior amendment.

The Presiding Officer [Senator Maceda]. Mr. President Pro Tempore is recognized.

Senator Guingona. On Section 5, Mr. President, on line 15 after the word "shall", delete "comma (,)" up to line 17. In other words, the section will now read: "The National Wages Council shall issue the corresponding Wage Orders." Delete the phrase from "shall" up to "Act" on line 17.

The Presiding Officer [Senator Maceda]. What does the Sponsor say?

Senator Guingona. "...shall issue the corresponding Wage Orders."

Senator Herrera. Medyo kulang.

Senator Guingona. Because we have already set the standard.

SUSPENSION OF THE SESSION

Senator Herrera. Even then, mukhang kulang. Can we have a one-minute consultation, Mr. President?

The Presiding Officer [Senator Maceda]. The session is suspended, if there is no objection. [There was none.]

It was 6:17 p.m.

RESUMPTION OF THE SESSION

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

The Presiding Officer [Senator Maceda]. The session is resumed.

Senator Herrera. Accepted, Mr. President, subject to style.

The President. Subject to style, accepted. Is there any objection? [Silence] Hearing none, the amendment is approved.

The Gentleman from Cavite is recognized.

The xerox copies have been distributed.

Senator Paterno. Thank you, Mr. President. On Section 6, may I explain the thrust of the amendment, Mr. President.

In Section 6, the way Section 6 is now worded, the period within which exemptions may be made shall be only for two years following the effectivity of the Act. In other words, if an enterprise is established one-and-a-half year after the Act is effective, then it cannot enjoy the exemption for more than the remaining period. It would only be six months. And since it takes time for an enterprise to be conceived and put up, then this may not accomplish its objective.

So, the proposal then, Mr. President, is to provide a period of five years within which the exemptions may be granted, but an individual enterprise will not enjoy it for more than two years. In that connection then, the amendments proposed in the xerox copy are advanced, and the amendments then would be the following:

On line 21, before the word "New", insert the phrase "WITHIN A PERIOD OF FIVE YEARS FROM THE EFFECTIVITY OF THIS ACT." And, between the words "New" and "enterprises", insert the phrase "LABOR-INTENSIVE". Then, on line 22, eliminate the phrase starting from "whose" on line 22, up to "assistance" on line 25.

Senator Enrile. Mr. President, may I know if the proposed amendment is a substitute amendment or we are amending the text of Section 6?

The Presiding Officer [Senator Maceda]. We are amending Section 6.

Senator Enrile. Then, may I suggest that we take it line by line.

The Presiding Officer [Senator Maceda]. That is what the Gentleman from Cavite is doing now.

Senator Enrile. But, we have already passed the first line and we have not approved the inserted phrases.

The Presiding Officer [Senator Maceda]. That is right, but the Sponsor has not yet indicated an acceptance of the concept, first of all, of changing the reckoning point, so to speak, of the exemption from the effectivity of the Act up to the start of the operation.

Senator Herrera. Anyway, listening to the Senator from Cavite, Mr. President, my concern is the five-year period which is not too long. I can understand that from the date of the filing of a new company, maybe it will take one year before that company can start its operation. So, what we have to decide is whether the exemption will start on the date of the operation, or on the date of the registration of the company. I think, it is valid that it should start on the period of operation, but whether we extend the period to five years within which a new company can still avail itself of the exemption is a very substantial deviation from what was approved by the Committee so we can vote on that.

Senator Paterno. I would suggest, at least, three years, Mr. President, because, as I said, it takes at least a year before a company can be conceived and put into operation so that there will be a two-year period within which it can enjoy the exemption.

Senator Herrera. Would the Gentleman be agreeable that we will limit it to one year, but the exemption will start on the day of the operation?

So, within one year after the effectivity of this Act, a new enterprise can apply for the exemption, but the exemption will start on the day that it starts operation. Would that be acceptable?

Senator Paterno. Yes, I hold no brief, one way or the other.

Senator Herrera. I think, the main concern here is the date of the operation, because it would be useless to grant an exemption if the company is not in operation. I think, that is your main point.

Senator Paterno. That is right.

Senator Herrera. Then, in that case, we can just reword the section, taking this as the substance of the amendment.

Senator Paterno. Yes. Since we are talking of concepts, Mr. President, I also would like to propose that instead of having a determination by the Department of Labor, in consultation with the Department of Trade as to whether the enterprise needs initial assistance, we just say that the enterprise must be labor intensive. In other words, it provides a lot of employment.

Senator Herrera. My concern here is to prevent existing companies to close their business, and then register after the effectivity of this Act in order to take advantage of the exemption. That is why, purposely, we are including here the approval by the Department of Labor, so that there will be an investigation that will be conducted by them that this is really a new investment.

Senator Paterno. I am just trying to avoid a lot of red tapes on this one, Mr. President. That is the only reason.

The Presiding Officer [Senator Maceda]. The Chair would like to point out that when it is limited purely to a cutoff date, there will be no debate as to whether there is a start of production operations or not. The definition of production operations now comes into play. Now, there will be questions like: Will the minimum wage law apply during the construction phase if the new enterprise is itself constructing the facilities? How about the temporary office staff of the new enterprise that it hires to follow up the permits and all of that? There will have to be specifications now of what is production operations; what is temporary start-up office staff operations? Maybe the Sponsor can explain the nuances of this.

Senator Paterno. Yes, Mr. President. I thought that the question of start of production operations could be left up to the National Wages Council, which, in effect, will have to be the one to implement this law anyway.

Senator Herrera. I think so. And now, on the question of whether the construction workers will be covered by the new minimum wage? Yes. What should be exempted are those employed by the company to help in the principal business of the company.

So, we can leave that maybe to the National Wages Council.

Senator Angara. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Aurora is recognized.

Senator Angara. Point of inquiry just to clarify the concept.

Suppose within the one-year period, or whatever we decide upon, within that period the National Wages Council, from the recommendation of the regional wage council, recommends an increase in the minimum wage; suppose within the period of availment of this benefit — whether it is one year or whatever — the regional wage council increases the minimum for that particular region, would this new enterprise also enjoy that exemption from any new wage determination?

Senator Herrera. That seems to be more consistent with the intention of this, that the new enterprise should be exempted.

Senator Angara. Also exempted.

Senator Herrera. Yes, because the purpose here is to encourage investments on the regions outside of Metro Manila.

Senator Angara. Then the second point, the Gentleman already adverted to this point, is the danger of runaway shops. If this exemption is granted to any and all enterprises, then there is great possibility especially for labor-intensive industries to relocate in order to escape from high-wage regions to low-wage regions. So, what is the intent of this provision?

Is it limited entirely to new enterprises?

Senator Herrera. That is the intention. Only new enterprises. That is why there is a need for an approval by the Department of Trade and Industry and the Department of Labor.

Senator Angara. Thank you, Mr. President.

The Presiding Officer [Senator Maceda]. Before I call on the President Pro Tempore, the Chair would like to know again the concept of the word "production." Is that generic enough to include if they are not producing, sales operations, marketing operations, service-providing operations, because the term "production operations" seems to technically refer to the setting up of a factory or manufacturing or production facilities.

Senator Paterno. That is right, Mr. President.

The Presiding Officer [Senator Maceda]. But supposing, the new enterprise really is just going to do things other than production? They are a sales enterprise; they are a service enterprise.

Senator Paterno. That was not contemplated, and this is why the phrase "production operations" was put in, so that this exemption would apply not to trading enterprises or service enterprises, but only to labor-intensive production enterprises.

The Presiding Officer [Senator Maceda]. Maybe, the original formulation can stay with a proviso that in the case of new operations entailing the establishment of factories or manufacturing process, et cetera, then ... Is that what the Gentleman is really concerned with?

Maybe, the President Pro Tempore can put his inputs into this.

Senator Guingona. Mr. President, if the concept, as proposed, is already clear, I am going to propose an amendment to the proposed amendment to include new small, medium or farm-nonplantation enterprises, so that we do not limit the exemption to the big firms only, but to small, medium or farm-nonplantation enterprises.

Senator Herrera. The intention of this exemption is for new investments, regardless of whether they are plantation or manufacturing. What is important here is that there will be a new investment in the region, because what is being encouraged here is a new investment in the areas outside of Metro Manila.

Senator Guingona. If it applies to all

SUSPENSION OF THE SESSION

The Presiding Officer [Senator Maceda]. The Chair will call a one-minute recess, if there is no objection. [*There was none.*]

It was 6:31 p.m.

RESUMPTION OF THE SESSION

At 6:34 p.m., the session was resumed.

The Presiding Officer [Senator Maceda]. The session is resumed.

The Gentleman from Cavite is recognized to restate the final version of his amendment.

PATERNO AMENDMENTS

Senator Paterno. Thank you, Mr. President.

After the consultation, Mr. President, the amendment will be the following: On line 21, Section 6, before the word "New", insert "WITHIN A PERIOD OF THREE YEARS FROM THE EFFECTIVITY OF THIS ACT". So that that line would then read: "WITHIN A PERIOD OF THREE YEARS FROM THE EFFECTIVITY OF THIS ACT new enterprises that may be established".

The Presiding Officer [Senator Maceda]. What does the Sponsor say?

Senator Herrera. It is accepted, Mr. President.

The Presiding Officer [Senator Maceda]. Is there any objection? [Silence] Hearing none, the amendment is approved.

Senator Paterno. Then on line 26, delete the phrase "following its effectivity", and in lieu thereof insert "FROM THE START OF THEIR OPERATIONS".

The Presiding Officer [Senator Maceda]. Is there any objection? [Silence] Hearing none, the amendment is approved.

Senator Paterno. And similarly, on lines 29 and 30, instead of the phrase "from the effectivity of this Act", in lieu thereof, insert "from THE START OF THEIR OPERATIONS."

Senator Herrera. Accepted, Mr. President.

Senator Enrile. If the Gentleman is through...

The Presiding Officer [Senator Maceda]. Let us dispose of that amendment first.

Is there any objection to that? It is the same amendment.

The President Pro Tempore is recognized.

Senator Guingona. After "in consultation with the Department of Trade and Industry", add "AND THE DEPARTMENT OF AGRICULTURE, AS THE CASE MAY BE", on line 25, Mr. President.

Senator Herrera. Accepted, Mr. President.

The Presiding Officer [Senator Maceda]. Is there any objection? [Silence] Hearing none, the amendment is approved.

On lines 29 and 30: "FROM THE START OF THEIR OPERATIONS". Is there any objection? [Silence] Hearing none, the amendment is approved.

The Chair takes note of the amendment of Senator Lina to specify Occidental and Oriental Mindoro and Marinduque. What does the Sponsor say?

Senator Enrile. I was going to suggest Marinduque, but, anyway, that was already inserted.

The Presiding Officer [Senator Maceda]. Yes. The joint amendment by the Gentleman from Metro Manila and the

Minority Floor Leader is to include Marinduque. Is there any objection? [Silence] Hearing none, the amendment is approved.

The Gentleman from Batangas is recognized.

Senator Laurel. Mr. President, before proposing my amendment, may I first ask the Sponsor, relative to Section 5, which says that the wage orders shall have the force and effect of law, whether and how the wage orders will be publicized by the National Wages Council.

Senator Herrera. I think there is a need to publicize that.

Senator Laurel. Yes, Mr. President. But, is there any provision here which states that it should be done this way or through this way?

Senator Herrera. Maybe, in the later portion of the bill, we can provide that.

Senator Laurel. Mr. President, I am not familiar with how the National Wages Council will publicize, but, I think, the date of effectivity of the wage orders should be provided for. And so, immediately after the word "wages", on line 20, add another sentence which would read this way: "SAID WAGE ORDERS SHALL TAKE EFFECT 15 DAYS AFTER THEIR PUBLICATION..."

Wait. We will just follow the same wording in the last part of this bill, Section 17: "... in the Official Gazette or in at least two (2) newspapers of general circulation IN THE REGION, whichever comes earlier."

Senator Herrera. Mr. President, may I request that Senator Saguisag and Senator Laurel first consult each other, because Senator Saguisag has also an amendment which will affect the proposal.

The Presiding Officer [Senator Maceda]. The Gentleman from Pasig, Makati, Mauban, and Pangasinan is recognized.

Senator Laurel. Mr. President, are we going to talk to each other?

The Presiding Officer [Senator Maceda]. The Gentleman from Pasig will now propose his amendment to the amendment, in effect.

Senator Saguisag. Thank you, Mr. President.

I note that Section 5 is the first subject matter of the dissent of the distinguished Minority Floor Leader. And I tend to agree that there is merit in the observation that there may be undue delegation of power.

In Senate Bill No. 1020, filed by the brilliant triumvirate of Senators Herrera, Romulo, and a third Senator who will remain unnamed, in Section 12, there is a provision for congressional review or a sort of a veto mechanism. So, maybe, what I would like to suggest is that, aside from the 15-day period, that should coincide with the period that should be given the Congress to file a resolution suspending the effectivity of the wage order. In other words, if either House does not file a resolution to amend it, then it will proceed. So, ito po ang gusto kong pag-usapan namin, kasi pag nakalagay po rito parang iyon na ang final authority. And I tend to agree with Senator Enrile that that sounds like an undue delegation of power.

SUSPENSION OF THE SESSION

The Presiding Officer [Senator Maceda]. I think there is a need for the two Gentlemen to speak with each other. The session is suspended, if there is no objection. *[There was none.]*

It was 6:41 p.m.

RESUMPTION OF THE SESSION

At 6:42 p.m., the session was resumed.

The Presiding Officer [Senator Maceda]. The session is resumed.

The Minority Floor Leader wants to propose an amendment to another Section.

Senator Enrile. May I suggest, Mr. President, that we proceed to the other pages, pending the resolution of the proposed amendment of the two distinguished Members so that we can finish this.

The Presiding Officer [Senator Maceda]. Yes. Is the Gentleman from Batangas ready now with the final amendment?

Senator Laurel. Mr. President, while I see the point of the Senator from Pasig, I think, in this case, wage legislation or delegation of power to fix wages has been sustained for a long, long time by courts of justice, both in this country and in the United States, as long as there is some standard which could be broad enough to cover differences in situations obtaining in the country.

The Presiding Officer [Senator Maceda]. The standard is in Section 3.

Senator Laurel. Yes, Mr. President, in Section 3. They are all enumerated here; so many standards, and so many guidelines.

The Presiding Officer [Senator Maceda]. Is the Gentleman from Pasig insisting on his veto mechanism, in effect?

Senator Saguisag. I really just find it inconsistent that in another bill, touching on the same subject matter, this is how it goes, and this is sponsored by the main Sponsor of the bill before us now, and it says:

The National Commission shall, on the basis of its determination of the appropriate national minimum wage made pursuant to this Act, issue the corresponding wage order in the event Congress fails to pass the pertinent measure within three months from its submission of the pertinent recommendation.

So, I am trying to reconcile these two versions, kung ito po ay lumagos na ngayon, and then we also pass this other bill.

Senator Laurel. Mr. President, this bill already provides for delegation of power, wage fixing to the National Wages Council. Why should the National Wages Council now wait for three months? I think that might be detrimental to the best interest.

Senator Saguisag. Mr. President,

POINT OF ORDER

The Presiding Officer [Senator Maceda]. Point of order. The bill under discussion now is this particular Committee Report No. 613. The Chair is wondering whether we should bring another bill, not yet even reported out by the Committee, into play.

Senator Saguisag. It just seems to me that the right hand should know what the left is doing. I mean, hindi po ibig sabihin komo nasa Committee ay babalewalain, dahil I really share the concern of the Minority Floor Leader na baka mayroon pong undue delegation. Sapagkat parang wala pong katapusan.

Senator Laurel. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Mandaluyong has been raising his hand, I think, he wants to help us in this matter.

Senator Gonzales. May I add my five-centavo worth of input on this particular matter, Mr. President. Well, I agree with the Gentleman from Batangas that wage fixing can be validly delegated by Congress to an administrative body, like the Wages Council set up herein, provided that, first, there is a declared policy; second, there are standards which are sufficiently determinate in order to guide or leave the discretion to the

administrative body. And in that particular case, the determination by the administrative agency shall have the force and effect of law. On the other hand, when we say that it becomes effective only if not disapproved by Congress within a certain period of time, then it becomes legislation by inaction.

I remember the decision of our Supreme Court in the case of *Miller vs. Mardo*, and that involves the Government Reorganization Act. It specifically empowered the Government Reorganization Commission to approve reorganization plans for the Executive Branch of the government which shall take effect when not disapproved by Congress within 30 days from the date of its presentation. The Supreme Court ruled that this is legislation by inaction, meaning, that it became effective because of the failure of Congress to disapprove it, not because it has been approved by Congress. Here, the Constitution specifically provides in a very detailed manner the process of legislation which requires positive action, not negative action by both Houses of the Congress. So, if that may help in this dispute, I am merely putting it as a part of my input to the same.

Senator Saguisag. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Pasig is recognized.

Senator Saguisag. It only means, it seems to me, Mr. President, that if the Congress fails to act, it is because the principal has adopted as its own the action of the agent or delegate.

In the U.S., where we have patterned our system, this legislation by inaction is really the very clever way that the U.S. Congress has adopted the manner by which it can increase its compensation. It is delegated to a blue ribbon committee. The recommendation is deemed approved, if not disapproved by the U.S. Congress and the President. Well, of course, as we all know, they failed to get the 51 percent increase recently because of the public clamor against it. And that was why, they had to act and disapprove. So, the device, in other words, is not unknown. But I will really defer to the distinguished main Sponsor, if it is understood, anyway, that we are honoring simply a principle here that was articulated by the Minority Floor Leader that, we always have the power to disapprove it even without it being stated here. I can live with that, Mr. President.

The Presiding Officer [Senator Maceda]. What does the Sponsor say?

Senator Herrera. Let me explain, Mr. President, because there was mention about the bill which, I think, was referred to, Senate Bill No. 1020. This is the integration of the National Wages and Productivity Commission. There is also a certified

bill which give full delegation to the National Wages Council. So, what I am trying to say here is that there is this conflict in this provision. The likelihood is that the certified bill, as far as this particular provision is concerned, might be adopted by the Committee during the discussion.

But, anyway, on the point raised by Senator Saguisag, as pointed out by him, there is in the *Record* that Congress will not lose that authority or that power — which it will not lose, anyway — to revoke or come out with another legislation; then maybe we can just do away with these proposed amendments by Senator Saguisag and we can now proceed with the amendment of Senator Laurel.

The Presiding Officer [Senator Maceda]. Yes. With that explanation, the parliamentary situation — before I call on Senator Gonzales — is: There is a proposed amendment by the Gentleman from Batangas in connection with Section 5, specifying a publication requirement similar to that stated in Section 17 for the effectivity of the wage order.

The Gentleman from Mandaluyong is recognized.

Senator Laurel. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Batangas is recognized.

Senator Laurel. That is correct, Mr. President, but with a few changes.

The Presiding Officer [Senator Maceda]. May we listen to the Gentleman from Mandaluyong.

Senator Gonzales. Mr. President, I just want to state in the *Records* that when I made my exposition, it does not mean that a wage order cannot be changed or repealed by a law that will be passed by Congress. For one thing, nothing is irrevocable. In fact, that is one of the basic principles in a Republican Government — that Congress or the legislature cannot pass an irrevocable law. I mean, that is within the plenary power of the legislature.

The Presiding Officer [Senator Maceda]. Will the Gentleman from Batangas finalize now his amendment, as he said it is subject to certain other changes?

Senator Laurel. Before finalizing my amendment, Mr. President, may I be allowed to give some practical reasons also for my proposal?

Senator Herrera. Can we now proceed to the amendment?

Senator Laurel. Nag-withdraw na ba? Nag-withdraw na?

The Presiding Officer [Senator Maceda]. No. The proposal is acceptable in principle. All we need is the final form of the amendment.

Senator Laurel. I was going to reinforce my argument.

The Presiding Officer [Senator Maceda]. I think there is no longer anybody arguing against the Gentleman from Batangas.

LAUREL AMENDMENT

Senator Laurel. Thank you, Mr. President.

On line 20 after the word "wages" the following sentence shall be added: "SAID WAGE ORDER SHALL TAKE EFFECT FIFTEEN DAYS (15) AFTER THEIR PUBLICATION IN THE OFFICIAL GAZETTE OR IN AT LEAST TWO NEWSPAPERS OF GENERAL CIRCULATION IN THE REGION, WHICHEVER COMES EARLIER."

The Presiding Officer [Senator Maceda]. What does the Sponsor say?

Senator Herrera. It is accepted, Mr. President.

The Presiding Officer [Senator Maceda]. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Guingona. Mr. President.

The Presiding Officer [Senator Maceda]. Senator Guingona is recognized.

GUINGONA AMENDMENT

Senator Guingona. Page 2, Mr. President, line 27 all the way to page 3, line 2, after the word "further". I propose, Mr. President, that we delete the words beginning with "Provided" from lines 27, 28, 29, 30, 31 up to the word "further" on line 2 of page 3.

Senator Herrera. This has been amended already, Mr. President.

The Presiding Officer [Senator Maceda]. The effect of the amendment is that, all regions shall be entitled to a three-year period, without any special one year period for these regions. That is the proposed amendment.

Senator Guingona. Yes, to equalize the regions outside.

The Presiding Officer [Senator Maceda]. What does the Sponsor say?

Senator Herrera. I think that has already been amended by...

The Presiding Officer [Senator Maceda]. No, not yet.

Senator Herrera. Mr. President, can we make a vote on this? The intention here why we would like to reduce the number of years as far as Region III and Region IV are concerned, with the exception of those provinces, is because these provinces comprising these regions have already a high employment rate, and we would like to encourage the industries to go farther than these regions. That is why we give one year for Region III and Region IV and then two years for the other regions.

The Presiding Officer [Senator Maceda]. The Sponsor would like to submit it to a vote. The proposed amendment to delete from line 27 up to line 2 on page 3 is to remove the shorter period of exemption being accorded to Region III, Central Luzon, and most provinces of Region IV. Are we ready for a vote?

Those in favor of the amendment to delete, meaning to say, everybody will have a three-year exemption period, please raise your right hands. [*Few Senators raised their hands.*]

All those against the proposal to delete. [*Several Senators raised their hands.*] The amendment is lost.

Senator Enrile. Mr. President.

The Presiding Officer [Senator Maceda]. The Minority Floor Leader is recognized.

Senator Enrile. Unless there are anterior amendments, I will propose an amendment on page 5.

The Presiding Officer [Senator Maceda]. I thought earlier you had an amendment on ... Any amendment on page 3?

Senator Guingona. Mr. President.

The Presiding Officer [Senator Maceda]. The President Pro Tempore is recognized.

GUINGONA AMENDMENT

Senator Guingona. On line 9, Mr. President, to add the phrase, "AS DETERMINED BY THE NATIONAL WAGE COUNCIL IN ACCORDANCE WITH PRESENT APPLICABLE RULES AND REGULATIONS."

Senator Herrera. Accepted.

The Presiding Officer [Senator Maceda]. Is there any objection? [*Silence*] Hearing none, the amendment is approved.

Is there any further amendment on page 3?

Senator Lina is recognized.

Senator Lina. It is just a minor one, Mr. President, on line 23. Delete the word "is" and in its place, put the word "ARE" — "in cases where there ARE no collective agreement or recognized labor union".

Senator Herrera. Accepted.

The Presiding Officer [Senator Maceda]. Page 3, line 23, a change of the word "is" to "ARE".

Senator Lina. And then add the letter "S" to "agreement".

Senator Herrera. Accepted.

The Presiding Officer [Senator Maceda]. Is there any objection? [*Silence*] Hearing none, the amendment is approved.

Page 4. Page 5, the Gentleman from Cavite, on Section 12. It is in the circulated copy.

Senator Enrile. Mr. President, I am precisely proposing an amendment on Section 5 and a very simple amendment.

The Presiding Officer [Senator Maceda]. All right. The Minority Floor Leader first.

Senator Enrile. Mr. President, on line 11...

Senator Herrera. Are we on page 5?

Senator Enrile. Page 5, Section 12, delete the phrase "twenty pesos", including the figures and insert the words "THIRTY TWO PESOS" and in parenthesis, the figure "P32".

The Presiding Officer [Senator Maceda]. All right. Since we recognized the Minority Floor Leader first, that proposed amendment is ready on the record, we will now recognize the Gentleman from Cavite to propose an amendment to the Gentleman's amendment because he also has a proposed amendment.

Senator Enrile. I would like to complete this proposed amendment. And as a consequence of this proposed amendment on line 11, I propose to delete the words beginning from line 13 all the way to line 26.

SUSPENSION OF THE SESSION

The Presiding Officer [Senator Maceda]. All right. The amendment of the Minority Floor Leader, in effect, is for a P32 one-shot increase. The amendment of the Gentleman from Cavite is for a P20, P15 and P10 formula. The session is suspended, if there is no objection. [*There was none.*]

It was 6:59 p.m.

RESUMPTION OF THE SESSION

At 7:00 p.m., the session was resumed.

The Presiding Officer [Senator Maceda]. The session is resumed.

The parliamentary situation is that the Minority Floor Leader has presented an amendment to Section 12 the effect of which is to call for P32 increase and if approved, also deleting line 13 to the end of that paragraph. After the voting on the Minority Floor Leader's amendment, if necessary, the proposed amendment of the Gentleman from Cavite, as well as any other Senators who may have proposed amendments on this particular matter of amount shall be considered by the Body.

All those in favor of the amendment to increase the amount by P32, please raise their right hands. [*Few Senators raised their right hands.*]

All those against the amendment, please raise their right hands. [*Several Senators raised their right hands.*]

The amendment is lost.

The Gentleman from Cavite is recognized.

Senator Paterno. Thank you, Mr. President.

Mr. President, the thrust of the proposed amendment in Section 12 (a) is to provide immediately an increase in the daily minimum wage rates by P20 in the National Capital Region, P15 in the provinces of Bulacan, Cavite, Laguna, Rizal and the cities of Cagayan de Oro, Davao, Iloilo and Metro Cebu; and P10 in the other regions and areas of the country.

The Presiding Officer [Senator Maceda]. What does the Sponsor say?

Senator Herrera. Shall we vote on that, Mr. President?

The Presiding Officer [Senator Maceda]. All right.

All those in favor of the Paterno amendment on the wage scale, please raise their right hands. [*Few Senators raised their right hands.*]

All those against, please raise their right hands. [*Several Senators raised their right hands.*]

The amendment is lost. The P20/P10 stays. So any further amendments on page 5? The Gentleman from Tarlac and Quezon City is recognized.

Senator Aquino. Mr. President, on page 5, line 15 and 16, I am happy with the P20 increase and the additional P10 increase effective January 1, but I am not happy that this is only in the Capital Region, because I think there should be no discrimination between those working in the National Capital Region and those working outside. And, therefore, I propose to delete on line 15 starting with "in". In other words, "in the National Capital Region (NCR)", that is what I propose to delete, Mr. President.

Senator Enrile. Anterior amendment, Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Cagayan Province has an anterior amendment.

Senator Enrile. As a part of my proposal a while ago which was lost, I propose to delete paragraph (b) altogether, from line 13 all the way to line 26. My reason, Mr. President, is that we are sure of what the economic situation in the country come 1990, and I believe that if the real intention of the majority coalition in this Chamber is to give simply a P20 increase to our workers making the minimum daily wage to reach P84 a day, then we should end there and then consider another increase for our workers next year when we know the actual economic situation instead of dangling a P10 hope to them which may not be commensurate with the increase in prices and living conditions then.

The Presiding Officer [Senator Maceda]. The Chair would like to clarify that when it called for a vote on the amendment of the Gentleman, the Minority Floor Leader, the deletion of lines 13 to 26 was included in the vote. So that, in effect, it has already been decided by the Chamber.

Senator Enrile. But that was only because of my proposal to increase the present minimum wage by P32. But since we have retained the P20, I am now suggesting that I respect the decision of the majority in maintaining a P20 increase to the existing minimum wage to be given immediately, but that we should remove the other portion of this proposal which is to dangle a P10.00 increase come January because we do not know the actual economic situation at that time.

The Presiding Officer [Senator Maceda]. If the Gentleman insists, for purposes of clarification, we will take another vote to expedite the matter once and for all.

Senator Herrera. Mr. President, before we will go to the voting, I would just like to make a remark that the intention of giving P10.00 here is not just to dangle the amount. We are sincere in giving the P10.00. We feel there is a need for that and it is not intended to just dangle this amount. It seems to me that there is an implication here which is uncalled for. I am sure that the P10.00 may not be so much to some people, but for an ordinary worker, that is something.

Senator Enrile. Mr. President, I never dispute that P10.00 is something; it can really buy something. But the fact is that it is not being given now. So, it is really being dangled to the workers. That is my semantical understanding of what it is.

The Presiding Officer [Senator Maceda]. Anyway, the matter has been sufficiently discussed. There is a proposed amendment and the Chair will submit it to a vote so that the Minority Floor Leader will be fully satisfied that all his proposals are being entertained. The proposal is to delete Section 12 (b), specifically, the P10.00 effective January 1, 1990.

All those in favor of the proposal to delete the "ten pesos," raise their hands. [*Few Members raised their hands.*]

All those against, raise their hands. [*Several Senators raised their hands.*]

The amendment is lost.

The Gentleman from Tarlac has a proposal.

Senator Herrera. Mr. President, may I ask for a one-minute consultation with the Gentleman from Tarlac.

SUSPENSION OF THE SESSION

The Presiding Officer [Senator Maceda]. The session is suspended, if there is no objection. [*There was none.*]

It was 7:07 p.m.

RESUMPTION OF THE SESSION

At 7:08 p.m., the session was resumed.

The Presiding Officer [Senator Maceda]. The session is resumed.

The Gentleman from Tarlac is recognized.

Senator Aquino. Mr. President, after due consultation with the proponent of the bill, and he informed me about the deliberations in the Wages Council, I am prepared to withdraw my amendment.

The Presiding Officer [Senator Maceda]. The amendment is withdrawn. Any amendment on page 6?

Senator Laurel. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Batangas and Baguio City.

Senator Laurel. Naninirahan po lamang ako doon sa Baguio. I am the tenant of Mrs. Laurel. [Laughter]

Mr. President, line 12, page 6.

The President Pro Tempore has an anterior amendment, Mr. President.

The Presiding Officer [Senator Maceda]. The President Pro Tempore is recognized for an anterior amendment.

Senator Guingona. Mr. President, I am distributing...

Senator Herrera. Can we have a suspension of two minutes just to go over the typewritten amendments of the Gentleman?

The Presiding Officer [Senator Maceda]. While it is being distributed, can we dispose of the amendment of the Gentleman from Batangas. I think it is a simple amendment. And if there are any other written amendments, will they be please distributed now?

SUSPENSION OF THE SESSION

At this juncture there was a short suspension of the session.

It was 7:09 p.m.

RESUMPTION OF THE SESSION

At 7:10 p.m., the session was resumed.

The Presiding Officer [Senator Maceda]. The session is resumed.

Senator Laurel. Mr. President, my amendment is, as he said, is just simple. On line 12, page 6, after the word "that," insert the words "WILLFULLY AND KNOWINGLY."

The Presiding Officer [Senator Maceda]. What does the Sponsor say?

Senator Herrera. Accepted.

The Presiding Officer [Senator Maceda]. Approved.

Senator Laurel. Line 14, after the word "fine", insert the word "OF". And after the word "not", insert the words "LESS THAN".

The Presiding Officer [Senator Maceda]. "By a fine OF NOT LESS THAN twenty five (25)..."

Senator Laurel. After the word "THAN", the words "exceeding twenty-five thousand pesos(P25,000.00)", be deleted, and instead put there "TEN THOUSAND PESOS (P10,000.00)".

The Presiding Officer [Senator Maceda]. Will the Sponsor please read the proposal as amended?

Senator Laurel. And then one more is lacking, Mr. President, so I can read more thoroughly and completely. On line 16, instead of the word "year", substitute the word "MONTH". And then on line 22, after the word "limited to", insert the words "ALL BOARD MEMBERS". And on line 23 after the word "president", insert the word "TREASURER".

The Presiding Officer [Senator Maceda]. All right. Can we first dispose of the amendments on lines 14 and 15 which are in effect, a reduction of the fine? Will the Gentleman read the proposed amendment as now finalized?

Senator Laurel. "Any person, corporation, trust, firm, partnership, association or entity that WILLFULLY AND KNOWINGLY refuses or fails to pay any prescribed increase in the minimum wages shall be punished by a fine OF NOT LESS TEN THOUSAND PESOS (P10,000.00) and/or imprisonment for not less than one (1) MONTH nor more than two (2) years: Provided, That any person convicted under this Act..."

Senator Herrera. Mr. President, can we vote on this because in Republic Act No. 6640, this is the penalty, the twenty-five thousand pesos (P25,000.00) and two years imprisonment.

Senator Laurel. May I now speak in favor of my amendment and the reason why?

The Presiding Officer [Senator Maceda]. The Gentleman may proceed to speak on his amendment and the reason why.

Senator Laurel. As stated earlier, Mr. President, this bill once enacted into law will cover small-medium industries. We might have 11, 12, I think, the penalty of twenty-five thousand (P25,000) is too heavy for a small industry or firm. And then this "NOT LESS THAN TWO YEARS IMPRISONMENT", sobra

naman, Mr. President, para sa isang maralita or salat na negosyo. Those are the reasons.

The Presiding Officer [Senator Maceda]. All right, the amendment has not been accepted. All those in favor of the amendment, the effect of which is to reduce the amount of the fine to Ten Thousand (P10,000) and to reduce the minimum period of imprisonment from one (1) year to one (1) month, please raise your right hand.

Three Senators are in favor of the amendment.

All those against the amendment? [Silence] The amendment is lost.

Senator Laurel. Now, Mr. President, the next amendment, I hope this one will pass. [Laughter]

I said that, Mr. President, because doon naman sa na-rejected minimum lamang, puedeng tumaas.

The Presiding Officer [Senator Maceda]. What is the proposed amendment?

Senator Laurel. On line 22, Mr. President, insert the words "ALL BOARD MEMBERS". That means that includes the Chairman.

The Presiding Officer [Senator Maceda]. What does the Sponsor say?

Senator Herrera. Accepted.

The Presiding Officer [Senator Maceda]. Accepted. Is there any objection? [Silence] Hearing none, the amendment is approved. The amendment is passed.

Senator Laurel. Thank you.

Senator Herrera. The Gentleman is welcome.

Senator Laurel. Mr. President, then on line 23 —

The Presiding Officer [Senator Maceda]. Excuse me Gentleman from Batangas, the Gentleman from Cagayan de Oro has a related amendment.

Senator Pimentel. Mr. President, the imprisonment of all Board Members may not be fair. Supposing there was a Board Member who disagreed with the decision of the Board?

Senator Laurel. When we say "all Board Members", it does not mean that all of them have to be condemned. Only those

who are really responsible, but if they are all responsible, then they should be included.

Senator Pimentel. So, probably, "Upon all responsible Board Members" or "Board Members who are responsible."

Senator Laurel. I accept the amendment to my amendment, Mr. President.

Senator Paterno. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Cavite is recognized.

Senator Paterno. Mr. President, if we imprison all of the officers of the corporation, it will cease to do business.

Senator Laurel. That is the reason, Mr. President.

Senator Paterno. What will the employees do, Mr. President, if all of the officers are imprisoned?

Senator Laurel. Yes, they should all go to jail in case they do not pay all these poor people. I think that is the penalty. The idea is — as stated here earlier and I think that is the implication — we are penalizing a small industry and the people responsible for it, two years imprisonment and/or P25,000 right away. That has been maintained.

So, if that is the objective, to really discourage violation of this signal and very important law or bill, then let us maintain it.

Senator Herrera. Mr. President, I think the proposal of Senator Pimentel is a very wise proposal — "Only those who are responsible."

The Presiding Officer [Senator Maceda]. There is a motion to reconsider the amendment proposed by Senator Pimentel. Is there any objection?

Senator Laurel. I accepted that amendment, Mr. President.

The Presiding Officer [Senator Maceda]. There has been a previous approval. So, we have to reconsider first.

So, the approval of the amendment is reconsidered. The amendment is to include the word "RESPONSIBLE", and, is the Gentleman from Batangas accepting it?

Senator Laurel. It is accepted, Mr. President.

The Presiding Officer [Senator Maceda]. Is the Sponsor accepting it?

Senator Herrera. Approved.

The Presiding Officer [Senator Maceda]. Is there any objection?

Senator Paterno. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Cavite is recognized.

Senator Paterno. I will have no objection, provided, Mr. President, it does not imply that all of the officers of the corporation will be jailed. It is only those who are responsible. If it is the President who made the decision, then it is the President.

The Presiding Officer [Senator Maceda]. So noted for the record.

Senator Herrera. I think that is also the intention of the provision, Mr. President.

We will read it just for the satisfaction of my esteemed Colleague from Cavite. It says, "Including, but not limited to, ALL RESPONSIBLE BOARD MEMBERS, President, Vice-President..." Let us omit the word "the".

Senator Saguisag. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Pasig.

Senator Saguisag. Ang pagkaintindi ko po ng susog kanina na "WILLFULLY AND KNOWINGLY", iyan nga po yata ang layunin natin. Hindi naman komo kasapi sa Board ay automatically na mapaparusan. Iyon lamang talagang matigas ang ulo na ayaw sumunod sa batas.

Senator Laurel. That is the reason why I inserted that. Hindi nalalaman. Walang kasabihan. Hindi nakahalubilo.

The Presiding Officer [Senator Maceda]. But, maybe, it should be clarified. It is not technically limited to those na matigas ang ulo lamang, but those who are really responsible.

Senator Laurel. At saka, ibig kong idagdag, by way of explanation, but not by way of making any change in this amendment just approved, that the words "BOARD MEMBERS" include ex officio.

The Presiding Officer [Senator Maceda]. All right, what does the Gentleman from Cavite say? Is the final formulation now acceptable?

Senator Paterno. I would accept it, Mr. President, on the basis that: 1) The officer was willfully and knowingly involved in the decision.

The Presiding Officer [Senator Maceda]. That is already stated in line 12. So, that is accepted.

Senator Paterno. And on the understanding, Mr. President, that it is not the intention of this section to jail all of the officers of the company. It is exemplary, punitive, yes, but exemplary and not oppressive.

The Presiding Officer [Senator Maceda]. That is clearly noted for the record.

Senator Paterno. Thank you, Mr. President.

The Presiding Officer [Senator Maceda]. Are there other objections?

Senator Angara. Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Aurora is recognized.

Senator Angara. Just for clarity. How will the provision now run, Mr. President, because Senator Laurel still mentions about responsible officers, including presidents, vice-presidents. So, I was just wondering what would be the language now, because if there is none, I will recommend a suitable language.

Senator Laurel. I see the point of the Senator from Quezon, Mr. President. There is the word "responsible" already on Line 21.

Senator Angara. Can I recommend this language, Mr. President, so that the intent will be clearer?

The Presiding Officer [Senator Maceda]. Yes.

ANGARA AMENDMENT

Senator Angara. "... the penalty of imprisonment shall be imposed upon the OFFICERS AND MEMBERS OF THE BOARD responsible FOR THE VIOLATION."

Senator Laurel. Is the Gentleman, Mr. President, asking for a reconsideration of the vote taken?

Senator Angara. I am trying to reflect the intent.

The Presiding Officer [Senator Maceda]. We have reconsidered the amendment and we have not finally re-voted on it.

Senator Laurel. Thank you, Mr. President.

The Presiding Officer [Senator Maceda]. Will the Gentleman from Aurora restate his amendment?

Senator Angara. Yes, Mr. President. I will just start with line 20 from the phrase: "the penalty of imprisonment shall be imposed upon the OFFICERS AND MEMBERS OF THE BOARD responsible FOR THE VIOLATION."

The Presiding Officer [Senator Maceda]. What does the Gentleman from Batangas say?

Senator Laurel. May I hear that again, Mr. President?

Senator Angara. "... the penalty of imprisonment shall be imposed upon the OFFICERS AND MEMBERS OF THE BOARD responsible FOR THE VIOLATION."

The Presiding Officer [Senator Maceda]. There would be no harm in adding "including, but not limited to," which is just a further explanation of who are the officers —

Senator Laurel. Yes, amplification.

The Presiding Officer [Senator Maceda]. — if the Gentleman from Aurora will agree.

Senator Angara. But that is the implication we are trying to avoid, Mr. President. Because, a vice-president may not necessarily be responsible; and yet, by specifying him here, we may be indicating that he is responsible. So, what we are trying to do is to state who will be responsible for the violation, and the accusing person will identify him —

Senator Herrera. He may be a member of the board or the president.

Senator Angara. — which is the usual formula, Mr. President.

Senator Laurel. Mr. President, may I suggest an amendment to the amendment?

Senator Angara. By all means, if it will be clearer.

Senator Laurel. I think, this was suggested also by long distance by the Senator from Mindanao. *[Laughter]* He said, and I adopt the suggestion, starting also from line 21: "...imprisonment shall be imposed upon the entity's officers responsible THEREFOR, including, but not limited to, THE BOARD MEMBERS, the president, vice-president, TREASURER, chief executive officer, general manager, managing director or partner." Iyong lamang "responsible THEREFOR".

The Presiding Officer [Senator Maceda]. The Gentleman from Pasig wants to say something on the subject matter.

Senator Saguisag. If I may just move for the removal on lines 20 and 21 of the phrase "of imprisonment". Puwede na po siguro iyong penalty lamang para malinaw na puwede rin pong multahan lamang lalo kung maliit lamang na kompanya, but otherwise, kailangang...

The Presiding Officer [Senator Maceda]. All right. Is that acceptable to the Gentleman from Batangas?

Senator Laurel. But that was not my amendment, Mr. President. *[Laughter]*

Senator Aquino. Mr. President, may we have a one-minute recess?

The Presiding Officer [Senator Maceda]. No, I think, the Gentleman from Aurora is now agreeing to the formulation.

All right. Is there any objection? Approved.

The President Pro Tempore is recognized.

Senator Herrera. Mr. President, we have not yet decided on the amendment of Senator Angara.

Senator Angara. And what I accepted, Mr. President, is the amendment of Senator Saguisag to remove the words "of imprisonment". We have yet to decide on the proposed amendment of Senator Laurel to my amendment.

Let me state, Mr. President, that the proposed language of Senator Laurel is not acceptable because we are, precisely, trying to avoid mentioning these different officials who may happen not to be responsible; and yet, because we mentioned them in the law, they may be the accused in future cases.

So, what we are suggesting is a simple formulation of this penalty clause which is usual in many statutes of similar nature. Just to restate, we will just simply say that "the penalty shall be imposed upon the OFFICERS AND MEMBERS OF THE BOARD responsible FOR THE VIOLATION."

The Presiding Officer [Senator Maceda]. Yes, the situation is clear: The Gentleman from Aurora wants it limited to the generic word "OFFICERS" without specifications.

Senator Angara. Yes, Mr. President.

The Presiding Officer [Senator Maceda]. The Gentleman from Batangas wants to strengthen the law and wants to insist on the specification of the titles and positions.

Senator Laurel. Yes, Mr. President.

The Presiding Officer [Senator Maceda]. The original amendment was proposed by the Gentleman from Batangas. The parliamentary situation is: It is the Gentleman from Aurora who is trying to delete part of the original amendment of the Gentleman from Batangas.

Senator Angara. Yes, Mr. President, because even the specification here is defective. We say president, vice-president, chief executive officer, general manager, managing director/partner. In many companies, the office of president and chief executive are one. But that is just to illustrate that we do not have to go into this enumeration. It is quite unnecessary.

The Presiding Officer [Senator Maceda]. The Gentleman from Cavite. Could we finish this after this?

Senator Paterno. Mr. President, may I bring to the notice of the Gentleman from Batangas that in his effort to try and make the law scary, it might really scare away people who would make investments. Because if I were a foreign person, faced with a threat of imprisonment, if my personnel officer should knowingly just fail to pay the minimum wage to one employee to get back at me for personal reason, that I would go to jail; I would really be worried about this sort of things.

Senator Laurel. Then that is not knowingly.

Senator Paterno. When we say "knowingly," Mr. President, I wish to put to the attention of the Gentleman from Batangas that is it "knowingly" in the case of the person, corporation, trust, firm, partnership, association, or entity, but it is not "knowingly" on the part of the officer of the company?

Senator Laurel. It says "any person"...

Senator Paterno. Yes, but it is the corporation that fails to pay the minimum wage, Mr. President.

The Presiding Officer [Senator Maceda]. Will the Gentlemen from Batangas and the Gentleman from Aurora now be willing to submit this to a division of the House?

Senator Herrera. I would suggest, Mr. President, that let us have a division of the House, so that we can abbreviate the discussion on this.

The Presiding Officer [Senator Maceda]. All right. What we will vote on now is an amendment of the Gentleman from Aurora to the amendment and that is, to delete all the specification of positions, but just keep the words "responsible officers of the company, including the Board of Directors". If that amendment

is carried, then the deletions are made. If the amendments are lost, then the Laurel proposal for specific positions is retained.

All those in favor of the amendment to the amendment of the Gentleman from Aurora, please raise your right hands. [*Several Senators raised their hands.*]

All those against, please raise your hands. [*Few Senators raised their hands.*]

The amendment of the Gentleman from Aurora is carried. The specification of positions is deleted.

The Gentleman from Agusan and Guimaras and Quezon City is recognized.

Senator Guingona. Mr. President, we have distributed copies of the proposed amendment. This may come in after the, and any section there, after Section 12. And this refers to indexation. We wish to stress, Mr. President, this is not the only criteria. This will be one of the criteria, but it is a mandate for the Wage Council to consider.

Senator Herrera. Mr. President, I have no objection to this, but we can treat this in the other bill on the certified bill creating the National Wages Council, the National Wages and Productivity Commission. It is reflected in that bill. So, maybe we can treat this in the other bill which is also certified. I expect to report that out next week. Should the Gentleman from Mindanao and all over the country will agree, we can just consider this in the other bill.

Senator Guingona. After that explanation, I will agree, Mr. President.

The Presiding Officer [Senator Maceda]. On that condition, the amendment is withdrawn. There is one amendment left by the Gentleman from Cavite in a set of four pages, a proposed new Section 12(d).

Senator Paterno. I will not propose this amendment, Mr. President.

The Presiding Officer [Senator Maceda]. All right, the amendment is no longer proposed.

Is there any other amendment?

The Gentleman from Batangas is recognized.

Senator Laurel. Hindi po amendment. I just want to clarify.

The Presiding Officer [Senator Maceda]. Clarification.

Senator Laurel. In the amendment of the Senator from Quezon and Aurora, may I ask if the words starting from line 20 "of imprisonment" has been deleted too?

The Presiding Officer [Senator Maceda]. That has been previously approved, the deletion.

Senator Laurel. Thank you.

The Presiding Officer [Senator Maceda]. The Majority Floor Leader is recognized.

APPROVAL OF SENATE BILL NO. 1084
ON SECOND READING

Senator Mercado. Mr. President, if there are no other amendments, I move that we close the period of amendments and approve on Second Reading Senate Bill No. 1084.

The Presiding Officer [Senator Maceda]. We shall now vote on the bill, on Second Reading. As many as are in favor of the bill, will please say *Aye*. [*Several Senators: Aye*] As many

as are against will please say *Nay*. [*Silence*] Senate Bill No. 1084 is approved on Second Reading.

Senator Mercado. Mr. President, tomorrow we shall take up local bills and the Committee Reports that I mentioned previously.

I move that we suspend the session until tomorrow at ten o'clock.

The Presiding Officer [Senator Maceda]. I would like to inquire from the Majority Floor Leader when the Third Reading of this Bill is scheduled to be taken.

Senator Mercado. We are going to provide a clean copy for everyone, Mr. President. We can take care of it tomorrow.

The Presiding Officer [Senator Maceda]. So the third reading is scheduled for tomorrow.

SUSPENSION OF THE SESSION

The session is suspended until ten o'clock tomorrow morning, if there is no objection. [*There was none.*]

It was 7:31 p.m.