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MIÉRCOLES, 15 DE MAYO DE 1957

APERTURA DE LA SESIÓN

Se abre la sesión a las 11:25 a. m., ocupando el estrado el Presidente, Hon. Eulogio Rodríguez, Sr.

El PRESIDENTE. Se declara abierta la sesión.

DISPENSACIÓN DE LA LECTURA DE LA LISTA Y DEL ACTA

El Sen. PRIMICIAS. Señor Presidente, pido que se dispense la lectura de la lista y del acta.

El PRESIDENTE. ¿Hay alguna objeción a la moción? (Silencio.) La Mesa no oye ninguna. Se dispensa la lectura de la lista y del acta.

DESPACHO DE LOS ASUNTOS QUE ESTÁN SOBRE LA MESA DEL PRESIDENTE

Léase el orden de asuntos.

El SECRETARIO:

MENSAJES DE LA CÁMARA DE REPRESENTANTES
MANILA, May 13, 1957

Mr. PRESIDENT:

I have been directed to inform your honorable body that the House of Representatives on May 13, 1957, passed the following House Bill (H. No. 116, 3rd C. R. P.), entitled:

An Act amending section eleven hundred and fifty-one of the Revised Administrative Code, as amended by Republic Act Numbered Two hundred and eighty-four, by adding 'Balanacan', Mogpog, Province of Marinduque, as port of entry and authorizing the appropriation of funds therefor,

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in which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) N. PIMENTEL
Acting Secretary
House of Representatives

The Honorable
The PRESIDENT OF THE SENATE
Manila

El PRESIDENTE. Al Comité de Transportación y Servicios Públicos.

El SECRETARIO:

MANILA, May 14, 1957

Mr. PRESIDENT:

I have been directed to inform your honorable body that the House of Representatives on May 13, 1957, passed the following House Bill (H. No. 4651, 3rd C. R. P.), entitled:

An Act providing that rates for electricity and telephone shall be such as will enable the electric and telephone public utilities to obtain a reasonable profit, amending for the purpose the Public Service Act, in which it requests the concurrence of the Senate.

Very respectfully,

(Sgd.) N. PIMENTEL
Acting Secretary
House of Representatives

The Honorable
The PRESIDENT OF THE SENATE
Manila

El PRESIDENTE. Al Comité de Transportación y Servicios Públicos.

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CONSIDERACIÓN DEL C. R. NO. 5816
(Continuación)

Senator PRIMICIAS. Mr. President, I ask that we resume consideration of House Bill No. 5816.

The PRESIDENT. Resumption of the consideration of House Bill No. 5816 is in order.

Senator PRIMICIAS. Mr. President, the Chairman of the Committee on Finance will resume sponsoring this bill.

The PRESIDENT. The gentleman from Pampanga and Manila is recognized.

PONENCIA DEL SEN. PÚYAT
(Continuación)

Senator PÚYAT. Mr. President and gentlemen of the Senate: we are already in the period of amendments with regard to this bill, but in order to refresh the memories of the gentlemen of the Senate, I would like to restate that this bill seeks a new basis for the determination of the tax on income of life insurance companies. We approved in the last session of Congress an increase on the fee collected from premiums paid off from one per cent to three per cent, but in the computation of the income tax payable of these insurance companies, we do so on the basis of premiums collected, and that is, I think, very unfair because the gross premiums collected, while they represent the income of these companies, do not represent the net income.

Now, the proposal here is to collect a 6½ per cent on the net investment income. In making this proposal, Mr. President, your Committee consulted with the Bureau of Internal Revenue and the figures show that this new basis will produce an even greater revenue than the present one. Also there are some amendments being introduced so that local companies would be on a better basis in competition with foreign companies. Those are the two important provisions of this bill, Mr. President.

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

Senator PÚYAT. The Committee has no amendments, and if there are no amendments from the floor, I move that we approve this bill on second reading.

APROBACIÓN EN SEGUNDA LECTURA DEL
C. R. NO. 5816

The PRESIDENT. As many as are in favor of the bill will please say *aye*. (Several Senators: *Aye*.) As many as are opposed will please say *no*.

(Several Senators: *Nay*.) The bill is approved on second reading.

SEGUNDA LECTURA Y CONSIDERACIÓN
DEL S. NO. 664

Senator PRIMICIAS. Mr. President, I ask that we now consider Senate Bill No. 664.

The PRESIDENT. Consideration of Senate Bill No. 664 is in order. The Secretary will please read the bill.

El SECRETARIO:

AN ACT FURTHER AMENDING SECTION TWELVE OF COMMONWEALTH ACT NUMBERED ONE HUNDRED EIGHTY-SIX, AS AMENDED, BY PRESCRIBING TWO OTHER MODES OF RETIREMENT AND FOR OTHER PURPOSES.

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

SECTION 1. Section twelve of Commonwealth Act Numbered One hundred eighty-six, as amended, is hereby further amended by adding two new paragraphs after paragraph (a) which read as follows:

"(b) NOTWITHSTANDING THE PROVISIONS OF THE PRECEDING PARAGRAPH, A MEMBER MAY BE ALLOWED TO RETIRE AFTER RENDERING A TOTAL SERVICE OF THIRTY YEARS, REGARDLESS OF AGE, THE RETIRING EMPLOYEE TO RECEIVE A MONTHLY ANNUITY FOR LIFE, BUT THE BENEFIT FOR SERVICE RENDERED AFTER JUNE SIXTEEN, NINETEEN HUNDRED AND FIFTY-ONE, SHALL BE WHATEVER AMOUNT OF ANNUITY CAN BE PURCHASED BY THE ACCUMULATED GOVERNMENT AND PERSONAL CONTRIBUTIONS TO THE CREDIT OF A MEMBER PLUS INTEREST ALLOWED BY THE SYSTEM ON THE DATE OF RETIREMENT. SAID ANNUITY SHALL BE COMPUTED IN ACCORDANCE WITH THE MORTALITY TABLE AND THE RATE OF INTEREST ADOPTED BY THE SYSTEM. THIS BENEFIT SHALL BE IN ADDITION TO THE BENEFIT FOR SERVICE RENDERED PRIOR TO JUNE SIXTEEN, NINETEEN HUNDRED AND FIFTY-ONE AS PROVIDED IN SECTION ELEVEN (A) OF THIS ACT.

"(c) RETIREMENT IS LIKEWISE ALLOWED TO A MEMBER, REGARDLESS OF AGE, WHO HAS RENDERED AT LEAST TWENTY YEARS OF SERVICE. THE BENEFIT SHALL, IN ADDITION TO THE RETURN OF HIS PERSONAL CONTRIBUTIONS PLUS INTEREST, BE ONLY A GRATUITY EQUIVALENT TO ONE MONTH SALARY FOR EVERY YEAR OF SERVICE, BASED ON THE HIGHEST RATE RECEIVED, BUT NOT TO EXCEED TWENTY-FOUR MONTHS. THIS GRATUITY IS PAYABLE BY THE EMPLOYER OR OFFICE CONCERNED WHICH IS HEREBY AUTHORIZED TO PROVIDE THE NECESSARY APPROPRIATION OR PAY THE SAME FROM SAVINGS IN ITS APPROPRIATION."

SEC. 2. Officials and employees paid gratuity under this Act shall be entitled to the commutation of the unused vacation and sick leave which they may have to their credit at the time of retirement.

SEC. 3. Paragraphs b, c, d and e of Section Twelve of Commonwealth Act 186, as amended, are hereby changed to paragraphs d, e, f and g, respectively.

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

Senator PRIMICIAS. Mr. President, the Chairman of the Committee on Civil Service, Senator Zulueta, will sponsor the bill.

The PRESIDENT. The gentleman from Iloilo is recognized.

PONENCIA DEL SEN. ZULUETA

Senator ZULUETA. Mr. President and distinguished colleagues: this bill proposes to further amend the Government Service Insurance System Act so that members of the Government Service Insurance System who have rendered no less than thirty years or twenty years of service may retire regardless of age, under conditions which will not endanger or adversely affect the solvency of the retirement fund. Under the terms of this bill, optional retirement at an earlier age than fifty-seven is allowed to a member of the System, after rendering a total service of thirty years, with a monthly annuity for life, but the benefit for service rendered after June 16, 1951, shall be whatever amount of annuity can be purchased by the accumulated government and personal contributions to the credit of a member plus interest allowed by the System on the date of retirement, in addition to the benefit of service rendered prior to June 15, 1951, as provided for in Commonwealth Act No. 186 as amended. It also provides for optional retirement to a member, regardless of age, who has rendered twenty years of service by granting, in addition to the return of his personal contributions plus interest, a gratuity equivalent to one month salary for every year of service based on the highest rate received but not to exceed twenty-four months payable by the employer concerned who will be authorized to provide the necessary appropriation or pay the same from existing appropriation. These safety valves are necessary in order to protect the Retirement Fund from depletion to the prejudice of the younger men in the service who obviously contribute more in the fund than the older ones who are due to retire.

Senator DELGADO. Mr. President, will the gentleman yield?

The PRESIDENT. The gentleman may yield, if he wishes.

Senator ZULUETA. Very gladly.

Senator DELGADO. I am in favor of the objective of the bill, but may I inquire if the manager and the officials of the GSIS have been consulted about this and, if so, what is their report? Is it favorable or unfavorable?

Senator ZULUETA. Very favorable, and I will read this letter from the GSIS.

Senator DELGADO. Do they say they have funds? Please read the letter.

Senator ZULUETA. The letter reads:

"Dear Senator Zulueta:

With reference to your letter dated May 8, 1957 requesting my views on Senate Bill No. 664 entitled "An Act further amending Section 12 of Commonwealth Act Numbered 186, as amended, by prescribing two other modes of retirement and for other purposes", I wish to inform you that the bill is a good piece of legislation. It would not only liberalize conditions for retirement by permitting an employee to retire after completing 20 years of service, regardless of age, but also preserve the solvency of the retirement fund of the Government Service Insurance System.

"I, therefore, strongly recommend approval of the aforementioned bill.

Very sincerely,

(Sgd.) R. P. ANDAL
(General Manager)"

Senator DELGADO. I am satisfied.

Senator ZULUETA. Mr. President, I move that the bill be approved on second reading.

APROBACIÓN EN SEGUNDA LECTURA DEL
S. NO. 664

The PRESIDENT. Those in favor of the bill will please say *aye*. (Several Senators: *Aye*.) Those against will please say *no*. (Silence.) The bill is approved on second reading.

SEGUNDA LECTURA Y CONSIDERACIÓN DEL
C. R. NO. 4852

Senator PRIMICIAS. Mr. President, I now ask that we consider Senate Bill No. 4852.

The PRESIDENT. Consideration of Senate Bill No. 4852 is now in order. The Secretary will please read the bill.

The SECRETARY:

AN ACT GRANTING AGUINALDO DEVELOPMENT CORPORATION A TEMPORARY PERMIT TO CONSTRUCT, ESTABLISH, MAINTAIN AND OPERATE PRIVATE FIXED POINT-TO-POINT RADIO STATIONS FOR THE RECEPTION AND TRANSMISSION OF RADIO COMMUNICATION WITHIN THE PHILIPPINES.

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

SECTION 1. There is hereby granted to Aguinaldo Development Corporation, its successors or assigns, a temporary permit to construct, establish, maintain and operate in the Philippines, at such places as the said company may select, subject to the approval of the Secretary of Public Works and Communications, private fixed point-to-point radio stations for the reception and transmission of wireless messages on radiotelegraphy or radiotelephony, each station to be provided with a radio transmitting apparatus and a radio receiving apparatus.

SEC. 2. The President of the Philippines shall have the power and authority to permit the location of said private