

**2005 CONSULTATIVE COMMISSION  
To Propose the Revision of the 1987 Constitution**

**COMMITTEE ON NATIONAL PATRIMONY AND ECONOMIC REFORMS  
TRANSCRIPT OF THE MEETING  
Monday, 17 October 2005**

**OPENING OF THE MEETING**

*At 2:30 p.m., the Chairman of the Committee, Vicente T. Paterno, called the meeting to order.*

CHAIRMAN PATERNO.

The meeting is called to order. Our Floor Leader for this meeting is the Honorable Commissioner Sergio Apostol. Commissioner Jurado will lead the invocation for our meeting...

**PRAYER**

COMMISSIONER JURADO.

Dear God, we thank you from the bottom of our hearts for giving us the strength of body and clarity of mind to assemble in this hall again today to study some difficult rules and regulations that have an impact on the welfare of our people. Please give us this wisdom, give us this clarity of mind, give us the determination to accomplish our mission, which is acceptable to our people. We ask these through Jesus Christ our Lord. Amen

**ROLL CALL**

COMMISSIONER APOSTOL.

Mr. Chairman, I move that we dispense with the calling of the roll.

CHAIRMAN PATERNO.

Is there any objection to the suggestion of the Floor Leader to dispense the calling of the roll for the meantime? No objection. Approved.

COMMISSIONER APOSTOL.

The Chairman is now recognized.

CHAIRMAN PATERNO.

Thank you, Mr. Floor Leader. Dear Colleagues, we have before us a draft agenda if you will please refer to that piece of paper that says "Draft Agenda, Committee Meeting, 17 October." We propose to have an opening statement from the Chairman just to get us started on the path. Then we will elect the chairpersons of the two sub-committees...Incidentally, we have initially proposed three sub-committees for this Committee but since there were only two who were interested in the middle sub-committee, it has been decided that together with the co-chair that we will have only two sub-committees. So those who have elected to be members of the Committee on National Patrimony will remain with National Patrimony and those who asked to be members of the Committee on Franchises, Public Utility, etc., will join the sub-committee on Foreign Participation on the Economy.

But before we go to the election of the chairmen of the two sub-committees, may I give you my idea of what this Committee might tackle today. We hold our first meeting, incidentally a copy of

this draft is with you. We hold our first meeting under time pressure. And it's the time pressure to craft the Committee's presentation of the public consultations which are scheduled next week.

Our membership will be spread out among three teams...and it is important, I believe, that every member speaking on our Committee's topic at each of those meetings will make presentations of the topic along the same lines...as every other member makes at any other team. Otherwise, we will be a Tower of Babel speaking with different voices on the same thing.

Hence, we are constrained at this meeting to arrive at a common presentation of our subject matter for use of every member of the Committee. And I propose that be the objective of our meeting. It would expedite our deliberation today if we keep in mind that at the consultation of next week we expect an audience of diversified backgrounds and interests. Although not everyone may be very concerned with our topic, those who are that concerned will come from varying backgrounds. It is therefore incumbent on us to make a presentation on our topic in simple layman terms, clearly understood to all, especially to non-businessmen, non-lawyers and people's organizations.

So I urge that we refrain from drafting text of possible amendments and revisions. Let us instead try to encapsulate the intent of the provisions that we shall highlight at the first round of public consultations and explain the reasons this Committee believes, revision may be considered on them and on how such revisions could improve the nation's economy in the near and long term.

Our Committee is divided into two sub-committees, the first on national patrimony and the second on foreign participation on the economy. Our first order of business is to select the chairpersons. To expedite our selection, I consulted some members of the Committee on whom to nominate and then asked the possible nominees their willingness to accept the task. So at the proper time my Co-Chairman, if he arrives on time...My reading of the current consensus of our Committee is towards liberalizing the economy in both of these aspects, patrimony and foreign participation.

And in order to better define the climate of opinion in our Committee, I propose that our first plenary discussion this morning, or this afternoon, focus on two provisions which express generally the attitude of the state towards foreign investment and nationalism of the economy. These two provisions are Section 19 of Article II and Section 6 of Article XII of the 1987 Constitution. After that discussion which shall be limited by half hour, we shall go into the sub-committee meetings in different rooms already identified by the Secretariat. I propose that our sub-committee deliberations be concluded in preferably two and not more than two and a half hours followed by a coffee break.

To expedite this first meeting of the sub-committees, I propose we limit proposal to be tackled at committee and sub-committee discussions to those contained in the "Nachura" amendments and in the report of the 1999 Preparatory Commission, the texts of which are already distributed. Reference may also be read in the 1973 Constitution's corresponding sections which I listed on the second page for your convenience.

At the ensuing committee plenary session after the sub-committee meetings, we shall listen to the report of the chairs on the two sub-committees. And the plenary session will consider their reports and discuss how to explain their gist in clear layman terms at the public consultations. The Chairman and Co-Chairman will be tasked to prepare and draft a Committee report and a Committee resolution if such is required for submission to the Commission's plenary session on

20<sup>th</sup> October. So I'd like to open the floor to any discussion that you might want...about the proposed election and objectives of this meeting as contained in the opening statement. Mr. Floor Leader...

COMMISSIONER APOSTOL.

The next item on the agenda is the election of the sub-committee chairperson. So I move, Mr. Chair, that we go into the election of the sub-committee chairperson.

CHAIRMAN PATERNO.

Commissioner Azurin would like to ask a question.

COMMISSIONER AZURIN.

I was just wondering, Mr. Chairman, in light of the fact that the provisions are both on the national patrimony and economy, are very much related, in other words, they have to be consistent with each other...if it would be better if we just have one Committee rather than break it up.

CHAIRMAN PATERNO.

That certainly should be the case. But would it not expedite our deliberations if we had two sub-committees discuss and then at the sub-committee discussions, it can be pointed out how another section, which is not covered in the sub-committee, would be related to the sections covered by the sub-committee?

COMMISSIONER AZURIN.

I think that would be all right too, Mr. Chairman, except that I suspect...that what might happen is that the discussion at the sub-committee level will be duplicated again at the Committee level. Because the same issues may be raised by those who were not part of the Committee discussions, so I suspect it will be more efficient and effective if the issues are aired once and for all for everybody to hear.

CHAIRMAN PATERNO.

Commissioner Garcia.

COMMISSIONER GARCIA

I agree with the observation because the issues on the national patrimony and economy would touch on the foreign participation, in the development of natural resources, national patrimony and that will also involve the economy. I think the purpose here is to lift certain restrictions on foreign participation. I think that is the heart or the direction in the changes that we propose to introduce in this article of the Constitution.

CHAIRMAN PATERNO.

Commissioner Espina.

COMMISSIONER ESPINO.

Thank you, Mr. Chairman. I also take the position that this Committee should stay as it is, not broken up into sub-committees so that we will have a unified discussion. Whereas if we go into sub-committees, baka iba ang ano roon, saka na lang ire-resolve. Mas maganda iyong dito na lang. We have one presiding officer and I suggest Mr. Chairman that i-kwan...A presentation should be made by the staff of the Committee...iyong comparison ng provisions of the same article of the 35, 73, 86...if there is need then...of the previous study of the Committee if there is any. You know I attended one committee meeting of one of the ...and we had a very organized

presentation of the various articles of various constitutions and sa last ay mayroon silang remark. If we can do that then mas maganda, then isang Committee na lang tayo.

CHAIRMAN PATERNO.

Well, our problem is that this is the first meeting of the Committee and therefore there has not been any effort to do what has been suggested by Commissioner Espina. My problem with having a committee of the whole is that as we go section by section, of course this is how we would go. We will probably be caught in the question of different people having different ideas on which sections relate to the particular sections under consideration. And I envision a long and probably difficult debate resulting in our not having a presentation for next week. And this is the reason I have proposed that we limit our discussions to the proposals contained in the two principal versions of amendment given to us, namely the "Nachura amendment" and the 1999 Preparatory Commission. Other proposals, of course, can surface but maybe we can wait for the consultations to surface others and then consider all of these in a plenary meeting of the Committee subsequent to this meeting.

Commissioner Garcia.

COMMISSIONER GARCIA.

I believe that there are two central or core issues here. The land ownership and exploration, development and utilization of natural resources...

CHAIRMAN PATERNO.

Those are part of the national patrimony.

COMMISSIONER GARCIA.

Yeah, but I think that can also be embraced by the general subject of the economy because with objection...the common objection to nationalistic provision is that it is too stringent and discourages foreign investment. And the easing up of the restrictions would hopefully encourage or invite foreign investment. So I believe that we should have a consensus on these issues. If we allow foreigners to own land, to what extent and under what conditions? If we allow foreigners to develop our natural resources, to what extent and under what conditions? All are agreed that the present 60-40 arrangement is too limiting. So I think we should address these two core issues. Thank you.

CHAIRMAN PATERNO.

May I request that we hold discussion on the question of one or two committees until after we have...and defer of course the election of the chairpersons, until we have come to agenda meeting number 5 which is a discussion on the Committee's shared general perspective on matters...in Article II, Section 19 and Article XII, Section 6. If I might just repeat to you the content of the Article II, Section 19 says: "The State shall develop a self-reliant and independent national economy effectively controlled by Filipinos." I think when we start to discuss the meaning of this phrase and our attitude towards that particular section we may arrive at some consensus on the general attitude of the Committee towards foreign participation. Now, Article XII, Section 6, on the other hand, talks about use of property versus "social function and all economic agents shall contribute to the common good. Individual and private groups including corporations, cooperatives and similar collective organizations shall have the right to own, establish and operate economic enterprises subject to the duty" ...and I like to underline that phrase..."subject to the duty of the state to promote distributive justice and to intervene when the common good so demands." This is to my mind an expression of the attitude of the 1987 Constitution towards the participation of foreigners and perhaps in general. So a discussion of

these two sections might reveal to us the general attitude of our Committee on these matters and we don't have to refer to specific sections of Article XII, we can talk about a general debate on this matter.

Commissioner Jurado.

COMMISSIONER JURADO.

First, I agree with the thinking that we should remain one Committee intact, because the issues are really very closely interrelated. Now, I think in fact the Chairman already have started very well when he said that two general issues confront us: the general issue of liberalization and restriction of foreign investments. I think if we debate the issue on that level, what is so good about liberalization, is so bad, etc., and then after that level of debate we can go down as the Chairman says, to express the whatever is the sentiment that emerges from that debate at that general level, bring it down to revising the specific provisions that are in front of us. So as our Chairman has said, why don't we debate on the wisdom of those two major issues that are in front of us whether to liberalize, whether to open up, things like that. And that after the discussion at that level, Mr. Chairman, some light might have come at the end of the tunnel, so to speak, to enable us to deal with these concrete provisions.

COMMISSIONER GARCIA.

I think it is good for us also to go back to, we might say time of creation. EO 453 states that we propose amendments and refocus on constitutional provisions which sort of deprive our country of its competitiveness. And another also is about global competitiveness. And I believe that under the EO it is assumed that present constitutional provisions do not afford our country to such desired global competitiveness. So discussing Article 2, Section 6, perhaps can provide us the general framework for our discussions when we go down to the details already.

CHAIRMAN PATERNO.

Do I take it that this has the agreement of the body?

COMMISSIONER ESPINA.

To formalize it, I would like to move that this Committee go into discussion on whatever is needed to amend the Constitution without going into sub-committees, following the idea of Commissioner Azurin, and with our Chairman Paterno, remain as Chairman of such Committee.

COMMISSIONER ANGELES.

Is it a motion? I second the motion.

CHAIRMAN PATERNO.

I'm not sure whether the remarks of Commissioner Garcia and the remarks of Commissioner Espina jive with one another.

COMMISSIONER ESPINA.

There is actually no conflict, Mr. Chairman, because after we approve the motion that we remain as one Committee then we can proceed to discuss the idea of Commissioner Garcia.

CHAIRMAN PATERNO.

It was my hope that we will discuss these two sections as one Committee and then after that decide whether we should break up in two committees or remain as one; because it will give us a general sense of our attitude toward these matters.

COMMISSIONER APOSTOL.

May I know if the proponent of the motion will admit an amendment; mainly on the deferment of the action on item 4, election of sub-committee.

COMMISSIONER ESPINA.

Accepted.

CHAIRMAN PATERNO.

Thank you. I take it that we may proceed with the discussion on agenda item number 5.

COMMISSIONER APOSTOL.

In the meantime, may I request for a two-minute break so that we can now check who will speak on one side and on the other side. Otherwise we will be rambling...

CHAIRMAN PATERNO.

Can we also agree that we establish limits on...? Three minutes...We have three-minute limits on...

COMMISSIONER APOSTOL.

Two minutes will do.

CHAIRMAN PATERNO.

Let us be generous and say 3 minutes.

COMMISSIONER APOSTOL.

Mr. Chair, we have five...

CHAIRMAN PATERNO.

Thank you, Mr. Floor Leader. Who is first on the speakers list? Commissioner Espina is recognized.

COMMISSIONER APOSTOL.

Mr. Chair, before Commissioner Espina talks, each speaker is only limited to 3 minutes.

COMMISSIONER ESPINA.

That is why I got my watch in front of me. *(Laughter)* Mr. Chairman, thank you. I have always been for liberalizing because I feel that with it we can hasten the opening up of more employment opportunities for Filipinos. I have discussed with several public groups that property should be opened for foreign ownership provided that within two or three years such property should be developed so that it will provide opportunities for employment. I feel that the country is rich in natural resources. However, we do not have the local financial capability to develop these natural resources and it is sad because we are growing at a very fast rate of 2.3%. Every minute, four Filipino babies are born and our economy hasn't been able to meet this demand of a growing population. So I feel that if we are able to invite foreign investors to own properties and to develop such properties, either put up industrial companies, develop large farms to produce food, maybe we can improve the lives of many people specially those in the rural areas.

I feel that the argument that we should not allow foreigners to own land because then wala nang pagkakataon ang mga walang lupa na magkaroon ng sariling lupa at sariling bahay, I don't agree with that argument because if they do not have employment, if they do not have sources

of income, they will never be able to buy a piece of land upon which they can build their house. Whereas if we open this ownership of Philippine land to foreigners then an unemployed Filipino may be employed and may have an income; he will have developed his purchasing power; he can be a very active element in economic activity in our country.

So with that as general concept and general idea of the direction that I wish this Committee would take in relation to the question as to whether we will open national patrimony for greater participation of foreigners that is the idea that this representation would like to invite his members to join. And as a matter of fact in some committees, Commissioner Jarius Bondoc will later tell us, that this has also been the trend and direction of other committees of the ConCom. So thank you very much, Mr. Chairman. I have not consumed my three minutes. Thank you for the opportunity to point out a direction in our national economy, which I have been discussing quite a lot for over 10 years. Thank you.

CHAIRMAN PATERNO

Thank you, Commissioner Espina, for setting the limit of time.

Commissioner Azurin is recognized.

COMMISSIONER AZURIN

I think from the outset of these Commission meetings, I have indicated my ideological bias to be for open markets, free competition, no barriers to entry, etc, and I also noticed that Professor Jurado has made a nice paper here so I will not repeat his particular arguments and let him make those arguments. Let me just state that I think the objective of the economy, of any economy, should be to increase the number of people employed. I mean, that should be the primary objective. The opening of sectors of the economy heretofore restricted will contribute towards this particular end. I think it is more important for us to create jobs than to protect businesses or businessmen who are the ones protected under the provisions of the Constitution which prevent entry of foreigners. I think barriers to entry in any industry diminish public welfare, social welfare, and should be therefore removed, all of these restrictions. I am for removing all of the restrictions. I would like to point out that in a borderless world, in the world that we are operating in now, capital that does not, that sees a barrier in a certain industry in the country will simply go elsewhere. They will go to Vietnam; they will go to China; they will go to Thailand. We would have lost this particular opportunity to attract these particular elements of capital. So we should understand and we should be conscious of the fact that we are competing for capital with many other countries, even just in the region. If we do not take the steps to liberalize and open up our economy and remove these barriers to entry, then we would have lost the particular opportunity for these companies to come in. Just as an example, I'm aware of certain advertising companies who wanted to set up here, to set up an operation here to service their global requirements, and they changed their mind and eventually did not do so because of the particular citizenship requirement that did not allow them to control that particular company that they would set up here. This is multiplied across many other sectors, in public utilities, in the exploitation of natural resources, media and advertising. So I would like to reiterate, I am for removing all of these restrictions. Thank you.

CHAIRMAN PATERNO

Commissioner Adamat is recognized.

COMMISSIONER ADAMAT

No, I did not manifest my intention.

CHAIRMAN PATERNO

Good, very good.

COMMISSIONER APOSTOL

We will now go to Commissioner Bondoc.

COMMISSIONER BONDOC

Mine is not so much a presentation than a sharing of what transpired in the deliberations of another committee, the Committee on General Provisions, Amendments and Transitory Provisions, because we discussed there in the General Provisions, we discussed one of the economic provisions that should be the purview of this Committee. I refer to Article XVI, Section 10, sorry, Section 11. This is a two-part section, my dear colleagues. Section 11-1 pertains to the ownership and management of mass media which is limited to 100% to Filipino citizens and 0% to foreigners. Section 11-2, the advertising industry, which is limited to 70% to Filipino ownership and 30% to foreigners. I would like to share, just a page of our deliberations here. We discussed in that committee that Constitution should be short and precise, and while it rose from the past, it should look far, far into the future. In discussing this provision, we also agreed that technology has overtaken this particular section. You can no longer, it was pointed out that there was a scare in the past about foreign content in the media or even in advertising but you can no longer control this constitutional provision, because even if we have for instance 100% Filipino ownership of mass media, there will always be foreign, because of technology, because of satellite for instance, there will be always foreign content like CNN, or even Russian television or Chinese television and other media. And so we ended up, for your information, strongly recommending that we delete this portion, this entire provision, from the General Provision, and we approved it unanimously.

COMMISSIONER APOSTOL

Our next speaker, Mr. Chairman, is Commissioner Carmen Pedrosa.

CHAIRMAN PATERNO

Commissioner Pedrosa.

COMMISSIONER PEDROSA

Just some remarks. I think one very important consideration for our deliberations in this National Patrimony is the rights and privileges given to our own Filipinos who go abroad, because a number of Filipinos who go to U. K., who go to the United States, can buy land and can own businesses. For example, they marry foreigners, they come back here and...the same thing. That's very important, because I just got a phone call from somebody and said, "Is that going to be taken out by the Constitutional Commission?" And I said, yes it's going to be taken out because it's terrible. It does not enhance good relations among these mixed marriages. That's one. The second one, amplify on so-called cost of land. I'll use this as an example because there are fears that cost of land will go up because more foreigners can afford it than Filipinos, and that's true. I think that's a legitimate fear. So some kind of administrative measure must be taken but it should not be in the Constitution. I don't know how we will phrase it in our legislation but I think that's important. When there are conflicts of interest, there will be, and abuses of foreigners, there will be, I think that should be left to Congress, or put into the hands of Congress. There's another area for relationship that I think is important here, and that is relations between the State and the people, because it looks like to me that when these articles are looked at, we seem to think that it's just capital abroad that hurts our economy. I think what hurts also our economy is that it is limited to the State and the people who have the means but it's not going down enough. Of course, if foreign capital comes in, it gives

opportunity of employment for the masses. But what about the small businessman who wants to take a business but he cannot get enough state protection...?

COMMISSIONER APOSTOL

Commissioner, you are given one minute.

COMMISSIONER PEDROSA

...or state encouragement. This is important, relations between the State and the people when it comes to business. Thank you.

COMMISSIONER APOSTOL

Our last speaker for the liberalization is Commissioner Joey Leviste.

COMMISSIONER JURADO

Mr. Chairman, excuse me, am I in your list?

COMMISSIONER APOSTOL

You're in contra.

COMMISSIONER JURADO

No, it's for liberalization.

COMMISSIONER APOSTOL

I was thinking of you as the devil's advocate. That's what you said.

COMMISSIONER JURADO

Not anymore. I withdraw that if indeed I made it.

COMMISSIONER APOSTOL

You are no longer the devil's advocate. You have changed your mind?

COMMISSIONER JURADO

No longer, no longer. So please list me down as a speaker in favor of..

COMMISSIONER APOSTOL

Okay, I withdraw my remark that Commissioner Joey Leviste is the last speaker. You will be the last speaker.

COMMISSIONER JURADO

That's okay.

CHAIRMAN PATERNO

Commissioner Leviste is recognized.

COMMISSIONER LEVISTE

Thank you very much, Mr. Chairman. I'll try not to take up the three minutes. My basic philosophy has always been, I think we need only minimum changes for maximum results. But there are some sensitive issues that I would like to voice my position on. I agree obviously with many of the thoughts that have been expressed ahead of me. Number one, on land. Land is very sensitive to highly densely populated country like ours. So I would suggest that while I am in favor of liberalization on land, that it be on the basis of reciprocity. Only those countries

which allow us to buy in their own country should be allowed to have land. On other sectors, Mr. Chairman, I agree on opening all sectors of the economy subject only to legislation. However, I think that our policy on employment should just not be pro-employee; it should be pro-employment, because there's a difference between those who are employed and those who are under-employed, so we can provide for everybody. On the question of natural resource, I would like to see it liberalized but the main resistance to the liberalization of natural resources is the local government units who do not get the proceeds. So we have to address that the process of law should perhaps be more fair to the local government units, so that the sharing, there is no more business problem of the national governments keeping from them. The second is of course sensitivity to the environment which I obviously also fully support. Mr. Chairman, two last points. One is, and I do not know the exact wording of this, I leave it to the Committee, but we have to support, I said support not protect, domestic industry whether they're domestic or foreign. I'm speaking about something very, I'm very familiar about because two of the refineries in this country was in my district in the Constitutional Convention, Caltex and Shell, and the reason Caltex had to shut down is not only because of the very stringent requirements of the law on the Clean Air Act, but also, even more serious, is the tariff differentials. Right now, there's a 15-dollar gap between the cost of crude and the cost of refining, and that gap is being utilized by refineries outside the country, and if we don't watch ourselves, even Shell might shut down like Caltex did. So this is just something that I am concerned about because of my local constituency. And lastly, Mr. Chairman, we have to be very clear, I think it's good to have an activist Supreme Court, but the constitution or the draft of which we will submit, must be very clear so that there is no gray areas in the matter of economic issues. Thank you, Mr. Chairman.

#### COMMISSIONER APOSTOL

Mr. Chair, the last speaker is the devil's advocate, Commissioner Jurado.

#### COMMISSIONER JURADO

Mr. Chairman, in order not to exceed my time, I prepared written remarks contained in one page. Before I read this, however, I would like to make a little bit of a distinction about the subject matter that is in front of us. The subject matter consists of two parts: the issue of liberalization, one, and the issue of freedom of foreigners to enter. There is a difference between the two. The issue of liberalization is broader than the second one. Liberalization means opposition to any barrier that will slow down competition. Hence, for example, if Congress gives a franchise to only one company, let us say to communicate, that prevents information from disseminating widely in the system, giving monopoly power to whomever is in access of that information. That is contrary to liberalization. If the government gives franchise to only one transport company instead of several others, that company will be in control. That is contrary to liberalization. Liberalization is broader. It only refers to whether we will allow foreigners to enter into our economy or not. It's a nationality issue. Now, having made that clarification, for example, tariffs. If you put up tariffs, you protect everybody whether he is Filipino or non-Filipino, things like that. You set up quota systems, the same thing. These are the issues involved when we talk about liberalization. When we talk about investment, then we limit...to give the opposing teams an equal opportunity to score. A filtered field will obviously favor one team and prejudice the other. In such a case, the score will be a farce. If a level playing field is necessary in sports where a few thousand spectators are involved for their amusement, why shouldn't it be in the economic field, when the outcome of economic activity affects the welfare of millions of people? In the Philippines, sad to say, the economic playing field is tilted against foreign investors. That is why foreign investors are not as anxious to come to the Philippines as they are to Thailand, Malaysia, Indonesia, Brunei and Singapore, to mention five of our Asian neighbors. We are receiving only a fraction of the foreign investments

that is coming to our region. The deficiency of our investment trade partly explains why our GDP is growing only at five to six per cent while that of our neighbors are expanding by eight to ten per cent. And yet we do need foreign investment, and indeed need it badly to augment our small investment capacity. With foreign investment our GDP similar to those of our neighbors can grow by eight to ten per cent to create employment opportunities for thousands of our working people and generate incomes of billions of pesos to them and their families. We need this growth to bring about prosperity to the Filipino people. The point of this comment is to arch a lifting of the restrictions on foreign investments that now abound in our Constitution so that the Filipino people can begin enjoying the benefits of higher growth, more employment and higher incomes. Thanks to the Preparatory Commission on Constitutional Reforms that completed its job at the end of 1999, we now have the benefit of carefully researched and well thought-out findings and conclusions that the time has come to delete from our Constitution those restrictive provisions. The fear that without these restrictions, foreigners will take over ownership and control of our natural resources are unfounded, even in the worst scenario foreigners can never take ownership and control of our natural wealth. I humbly make two recommendations. One, that we extend the same rights and privileges that we grant to Filipinos to non-Filipinos, except those citizens of countries denying equal rights to us. Two, that we delete in our Constitution all provisions that are inconsistent with this declaration. Thank you, Mr. Chairman.

COMMISSIONER APOSTOL

Mr. Chair, the devil's advocate is the last speaker. We have no more speaker.

CHAIRMAN PATERNO

Dear colleagues, it seems that there is a general attitude for liberalization and participation by foreign investment in the economy. I should like at this point to ask whether the meeting would insist on limiting to one Committee the deliberations or perhaps splitting up into two. May I modify the description of the second committee as follows: Instead of saying "foreign participation in the economy," we will amend it to "foreign participation in the non-land, non-natural resources sectors of the economy," because I anticipate that when we get to the knot of foreign ownership or the extent of foreign ownership in land and natural resources, we will have debate on how far do we go. Should it be all lands? Should it cover agricultural lands as well as commercial and industrial lands? These distinctions have been made in the 1999 Preparatory Commission Report. What Commissioner Leviste has said about tariff and other things, do those belong in the constitution, or do those belong in legislation? If in the constitution, what should the constitution say? So, it seems to me that there really are a number of issues to be discussed. And it's not just saying let us liberalize. I think we need to say let us liberalize to this extent in this sector. Commissioner Garcia.

COMMISSIONER GARCIA

Mr. Chairman, reading the Constitution, we will find that there are two areas for foreign participation, generally is limited, the development and utilization of natural resources and in engaging in the operation of public utilities. These two areas are found in the 1935, 1973 and 1987 Constitutions. The 1987 Constitution adds media. But generally, the restrictions pertain to development of natural resources, and in this subject, land is included, because land is a natural resource. And the other one, in the operation of public utilities, such as power and light, transportation. These are the two areas. By legislation, we limit also, under the General Banking Act, the ownership of banks. But, under the Constitution, these are the two areas.

CHAIRMAN PATERNO

That was the purpose of dividing the two committees: One would concentrate on ownership of land and natural resources, and the other one would focus on other aspects of economy, public

utilities, including perhaps media, advertising. I don't know about education because the 1999 Preparatory Commission also makes a point about education. But these are really separable matters and they come together at the plenary meeting after the sub-committees have made their reports. But if we separate the discussions of these two, understanding that the general sense of the members of the Committee is towards liberalization, my question will really be, what extent and what sectors? We need to go beyond the generalities and talk about the specifics because the Constitution in 1987 does make specific reference to specific sectors, not only land and natural resources.

COMMISSIONER AZURIN

Mr. Chairman, Mr. Chairman...

COMMISSIONER ADAMAT

I fully agree with the observation of the Chairman. I think we have to break up into two committees so that we will be able to flesh out the extent, particularly the extent that you mentioned about the restrictions, because we have to bear in mind that there are a great number of our sectors would be affected by this, especially the farmer sectors, the upland sectors, including the indigenous peoples for that matter, so that in trying to flesh out the restrictions, we have to think of the sensitivities of these people because they will be greatly affected by the result of this.

CHAIRMAN PATERNO

Thank you, Commissioner Adamat. I would just like to say that the audience to whom the liberalization of land and natural resources will be directed, because they are the most, you know, concerned about this, are the peoples' organizations, indigenous peoples, farmers, etc. Whereas, in other sectors of the economy, it would mainly be the merchants, businessmen and so on, shipowners, etc. who will be concerned. So they are audiences with different concerns, which have to be addressed by this Committee.

COMMISSIONER AZURIN

I would tend to disagree with Commissioner Adamat mainly because, as my original statement said, I suspect that the discussions in the sub-committee level will invariably be duplicated when we bring the issue to the whole committee level. I think it would probably be best if we ventilate the issues just once. Moreover, I suspect that some of the issues here may not be contentious. For example, what Commissioner Bondoc mentioned, the matter of mass media and advertising which we already discussed in the General Provisions Committee. If there would be no great objections there, then we can dispose of that provision quickly. So I suspect that some of the matters here may be disposed easily enough and then we can spend more time on the issues that maybe contentious, as Commissioner Jurado mentioned. So I would opt for a one-committee meeting wherein we address the issues once and for all. Thank you.

COMMISSIONER JURADO

One of the observations that the Preparatory Commission made in reviewing various constitutions was that our Constitution is so long. It covers just about every area that is in fact reserved for the national legislature to tackle. Hence, to me, that our Constitution would go down to the level of defining details like, education, television, blah-blah, all of these, to me are for deletion. But let me explain that statement. This is logical construction. First, let us define the national patrimony, alright. As I know, as I understand it, national patrimony means those wealth that had been bequeathed to us, as a people, by Divine Providence. Here they are. Now, having stated those, let us indicate that the preservation, the development, of all these could benefit the Filipino people, is the responsibility of Congress, see. The Congress must

preserve, develop, etc, and should pass laws in the achievement of those objectives. What the Congress will do specifically will be detailed naturally, which any constitution-builders will just be to, macro in their viewpoint, to appreciate. Therefore, if the general idea is to accept the principle of liberalization, falling in the ambit of that conception that schools, media, etc., should accept foreign competitors. I belong to a school. I would like to be able to compete with, let's say, this is not exaggerating, because I know, you know, but since I know that the quality of my school is first class. I would like to compete, let's say, with MIT. I want to see the University of the Philippines proving its worth by competing with Harvard, for example. So, the point, with respect to land, I think the Commission made it clear that, whatever happens, nobody can steal our land from us. If the owner, whether Filipino or foreign, fails to pay his taxes, we confiscate. The nationality doesn't matter. If, you know, the owner is in violation of the rights of its tenants, that person is subject to be...Alright, so there you are. I'm sorry I've exceeded my length. But the point is, let's reserve this detail, I think that's what the Chairman said. Let us debate first on a more or less general level before we go into the specifics. Thank you.

CHAIRMAN PATERNO

Thank you, Commissioner. It seems to me that we are at a point now where it would be useful to divide the House as to whether we will only have one committee deliberation or two.

COMMISSOINER ADAMAT

I so move, Mr. Chairman, to divide. Mr. Chairman, this is Commissioner Adamat.

CHAIRMAN PATERNO

Commissioner Adamat.

COMMISSIONER ADAMAT

I so move to divide the Committee into two sub-committees to expedite our deliberations.

COMMISSIONER AZURIN

I object.

CHAIRMAN PATERNO

No, second first. There is a motion, so we need a second in order to bring the motion before the House. The objection be made during the voting, not at this time...No, I'm asking whether there would be a division of the House. So, those who are in favor say, "Aye."

*(Commissioners said, "Aye.")*

CHAIRMAN PATERNO

In favor of dividing into two sub-committees. Who are in favor, please say, "Aye."

COMMISSIONER LEVISTE

Mr. Chairman, just a question.

COMMISSIONER BELLO

Clarification, Mr. Chairman.

CHAIRMAN PATERNO

Yes, sir.

COMMISSIONER BELLO

I just came in. I would like to be informed about what are these two committees that we are going to create. One is for National Patrimony and one is for Economic Reforms?

CHAIRMAN PATERNO

One is for, one is a sub-committee to tackle the provisions on the National Patrimony. The other proposed sub-committee is to tackle the question of foreign participation in the other sectors of the economy not involving ownership of land and natural resources.

COMMISSIONER BELLO

Further clarification, and there is a proposal that there should only be one committee to look into these two.

CHAIRMAN PATERNO

Yes, that's right. This is why the Chair is saying that perhaps it's time to make a division of the House as to whether there should only be one or two committees. I wish to bring to your attention that we need to have a common stand so that those who will participate in the consultations will be speaking with only one voice. In other words, we should finish our deliberations, get a sense of what the Committee wants on specific provisions next week. Otherwise, we are going to be a Tower of Babel speaking with different voices to different audiences, and we are going to incur the ridicule of media because we will be saying different things.

COMMISSIONER AZURIN

I think that argues for the one committee, Mr. Chairman.

CHAIRMAN PATERNO

Well, my worry is, that is why I wanted a division of the House. My worry is that if we have one committee, we are not going to finish our deliberations to an extent where we are ready to make a presentation at the consultations. We are not really expected to do a thorough review of the provisions of the Constitution with respect to National Patrimony and Economy. We are, we hope to have other meetings at which this can be tackled. As I proposed in the Chairman's opening statement, our objective at this meeting, I hope, will be to arrive at a set of issues and proposals in general layman terms on the revisions that we proposed to make at these consultations. But that is why this is the Chairman's idea. If the Committee deems otherwise, and once to incur the risk of one committee, which I believe we will not be able to tackle all that we should tackle for the purpose of the presentation, then I'd like the Chairman to be overruled by the Committee. So let's call a division of the House.

COMMISSIONER APOSTOL

Mr. Chair, we are now on voting. But just a little reminder, only members can vote.

CHAIRMAN PATERNO

Yes, of course.

COMMISSIONER APOSTOL

Non-members can talk, but not vote.

CHAIRMAN PATERNO

Maybe we should ask for a show of hands. Ex-officio members can vote. I would like to ask for a show of hands. Those who want only one committee, kindly raise your hands.

COMMISSIONER APOSTOL

Mr. Chair, the motion is to go to two committees.

COMMISSIONER ADAMAT

Yes, Mr. Chairman.

COMMISSIONER APOSTOL

So we should go to the motion, whether we will approve the motion or not. If the motion is defeated, then we will only have one committee.

COMMISSIONER ADAMAT

Can we restate the motion for the record, Mr. Chairman, and for the...

CHAIRMAN PATERNO

Commissioner Adamat.

COMMISSIONER ADAMAT

Yeah. The motion was to break the Committee into two so that we will be able to expedite deliberations on the matter, specifically on the issue of the extent of the restrictions, Mr. Chairman, because as I pointed out early on, a lot of sectors would be affected by this. We have to be very, very sensitive on this and it takes a smaller group to discuss on this. That's why the committee was placed on the floor.

COMMISSIONER LEVISTE

Mr. Chairman, perhaps we can vote already?

COMMISSIONER APOSTOL

Mr. Chair, we deferred the calling of the roll. I think it's time that we call the roll and ask them what is the vote, yes or no. If their vote is none, okay lang, abstention.

CHAIRMAN PATERNO

So you propose to call the roll and at the same time, ask for the vote? Thank you.

COMMISSIONER APOSTOL

Abarico

COMMISSIONER LEVISTE

Mr. Chairman, just to clarify. If you vote yes, you're voting for the...

COMMISSIONER ADAMAT

Two.

COMMISSIONER LEVISTE

Yes, okay.

COMMISSIONER APOSTOL

Abarico.

COMMISSIONER ADAMAT

If you go against, you vote for the retention of one committee.

COMMISSIONER APOSTOL  
Abueg. Abueva. Yes, okay. Adamat. Angeles. Azurin

COMMISSIONER AZURIN  
No.

COMMISSIONER APOSTOL  
Bello.

COMMISSIONER BELLO  
No.

COMMISSIONER APOSTOL  
Bengzon.

COMMISSIONER BENGZON  
No.

COMMISSIONER APOSTOL  
Bian.

COMMISSIONER BIAN  
Yes.

COMMISSIONER APOSTOL  
Bondoc.

COMMISSIONER BONDOC  
No.

COMMISSIONER APOSTOL  
Cariño.

COMMISSIONER CARIÑO  
No.

COMMISSIONER APOSTOL  
Chua.

COMMISSIONER CHUA  
No.

COMMISSIONER APOSTOL  
Dee.

COMMISSIONER DEE  
No.

COMMISSIONER APOSTOL  
Duavit. Espina. Commissioner Pedrosa, ano bang boto niya? Kasi kikwestiyunin na naman tayo.

*(Laughter.)*

COMMISSIONER APOSTOL

He is for liberalization. Anyway, we will not consider his vote in the meantime. Garcia.

COMMISSIONER GARCIA

No.

COMMISSIONER APOSTOL

Gonzalez.

COMMISSIONER GONZALEZ

No.

COMMISSIONER APOSTOL

Jurado.

COMMISSIONER JURADO

No.

COMMISSIONER APOSTOL

Laus.

COMMISSIONER LAUS

Yes.

COMMISSIONER APOSTOL

Leviste.

COMMISSIONER LEVISTE

No.

COMMISSIONER APOSTOL

Lim. Lorenzana.

COMMISSIONER LORENZANA

Abstain.

COMMISSIONER APOSTOL

Magno.

COMMISSIONER MAGNO

No.

COMMISSIONER APOSTOL

Marohombsar.

COMMISSIONER MAROHOMBSAR

Yes.

COMMISSIONER APOSTOL  
Matula. Mendoza. Ortega. Ortiz-Luis.

COMMISSIONER ORTIZ-LUIS  
Abstain.

COMMISSIONER APOSTOL  
Paterno

CHAIRMAN PATERNO  
Yes.

COMMISSIONER APOSTOL  
Pedrosa.

COMMISSIONER PEDROSA  
No.

COMMISSIONER APOSTOL  
Bakit ka no? Kanina ka pa yes nang yes eh. Rodriguez. Romualdo. Soriano. Tendero. Vilar.  
Villanueva. Yuchengco. Teves.

COMMISSIONER TEVES  
Yes.

*(Commissioner Apostol counts the votes.)*

COMMISSIONER APOSTOL  
Angeles.

COMMISSIONER ANGELES  
No.

*(Commissioner Apostol continues counting the votes.)*

COMMISSIONER APOSTOL  
Mr. Chair, those in favor, yes, 8. Those who voted no, 12. Abstain, 6. The rest are absent.

*(Laughter)*

COMMISSIONER APOSTOL  
Only one committee. We lost.

COMMISSIONER BONDOC  
Mr. Chairman...

CHAIRMAN PATERNO  
May I say something first? Since the committee has decided, or since the members have decided that there will only be one committee deliberation this afternoon, may I propose that we separate, or we have two parts to the deliberations. The first part would be the deliberation on the proposed revisions on Sections 2 to 7, which deal with land, natural resources, etc, and

having concluded that portion then we discuss the other sections of the Constitution. It is clear, however, that if anyone should like to bring in in connection with the discussion on Sections 2 to 7, other sections of Article XII, then they are free to do so. I'm just doing this for the sake of order because if we open up all of the sections to debate, I'm afraid we won't get anywhere.

COMMISSIONER APOSTOL

Mr. Chair, since you have foregone two numbers in the agenda, we are now supposed to be on the coffee break. So may I move that we will have a coffee break. In the meantime, the Chair will start now how to divide the Whole.

COMMISSIONER BONDOC

Mr. Chairman.

CHAIRMAN PATERNO

Commissioner Bondoc.

COMMISSIONER BONDOC

Mr. Chairman, corollary to your suggestion on how we conduct the discussions on the Patrimony and Economic provisions, may I also suggest that as much as we had the division of the House on the motion of Commissioner Adamat who I understand represents the agriculture, farmers sector, when he raised the issue of land ownership and agriculture and for the indigenous people. May we hear his presentation first because I'm sure that a lot of others who voted no, who voted for a plenary of this Committee, want to hear his arguments first and not necessarily are against the interest of the sectors that he represent. Thank you, Sir.

CHAIRMAN PATERNO

Mr. Floor Leader, since the vote had been taken.

COMMISSIONER APOSTOL

For the mean time, in order to give Commissioner Adamat a time to organize, let's have the coffee break. In fact, the Chairman would like to also have a break.

COMMISSIONER AZURIN

Actually, Mr. Chairman, I would instead go for your suggestion as to how to attack the particular debate, instead of...

CHAIRMAN PATERNO

That is the proposal.

COMMISSIONER AZURIN

Because there is the proposal to make Commissioner Adamat...

CHAIRMAN PATERNO

I think the Chair has the responsibility to lead the discussion and compartmentalize the discussion in the ways that he thinks proper.

**SUSPENSION OF SESSION**

## **RESUMPTION OF SESSION**

CHAIRMAN PATERNO

Session is resumed.

COMMISSIONER LORENZANA.

Mr. Chair, I have an announcement to make. Just administrative. We have been invited of course to the dinner tomorrow, for those who have not been given the notice. We have a dinner tomorrow with the President. At 6:30, we have to be seated at the Palace at the Ceremonial Hall, Main Building, Second floor, sa Ceremonial Hall. I don't know if that's 2<sup>nd</sup> floor or 1<sup>st</sup> floor, anyway we have guides there. At 6:30 we have to be there, therefore we have to redo some committee meeting tomorrow.

The Civil Service/Accountability of Public Officers will be at 12 p.m., okay na ito Room 1, INNOTECH, lunch will be served. We have lunch for the Civil Service/Accountability. Okay. Alas dose dito nakalagay. Eleven ba? Okay 11 o'clock, so I will redo this again. The Civil Service/Accountability of Public Officers is 11 o'clock tomorrow a.m., Room 1, INNOTECH.

Second, Structure of the Republic instead of 12 you go back to 2 o'clock because there is also a meeting with Electoral Reforms. So it's going to be 2 o'clock at the Main Hall, Soriano Hall tomorrow. Please put this in your calendar, Structure of the Republic Committee, 2 o'clock. We have to end at least before 5:00 because of the traffic situation to Malacañang--that's deadly; we have to be there at 6:30.

Judiciary Committee will be meeting also at 2 o'clock at the Executive Office, INNOTECH. Okay. On Wednesday, we will give you this Suffrage and Electoral Reform/Political Party Reform, 10 o'clock. And the Form of Government, Manny, Wednesday kayo. What time? Three?

There is another meeting for the Preamble, National Territory, Declaration of Principles, 2 o'clock. So Wednesday October 19. Form of Government 3 p.m., okay. We will give you this copy, Mr. Chairman. Thank you.

CHAIRMAN PATERNO.

Thank you.

COMMISSIONER ABUEVA.

Just a little administrative matter. As you know in every meeting, documents are being circulated. We want to be sure that these documents are sourced, who is distributing these documents. They have to be identified and also dated as to the time of distribution. The reason is, we have to also be concerned about the authenticity of the documents. Without the sourcing being identified, we are nowhere to know if this is an accurate copy of what is being circulated, like it is purported to be certain parts of the Constitution but somebody has to assure us that in fact that this is an accurate copy of the documentation.

The Secretariat tells me that they receive all kinds of request from us. And that's fine, but I asked them to identify who is asking for the distribution and also to date them. Because it may happen that there will be multiple reproduction of the same documents. Let them control this. They have a master file; we also have to be economical about the reproduction of documents. Thank you.

CHAIRMAN PATERNO.

Thank you, Mr. Chairman. Mr. Floor Leader?

COMMISSIONER APOSTOL.

Mr. Chair, the time now devoted is for reports of the sub-committee since we do not have a sub-committee; I would suggest that we break this group and started drafting a resolution again for discussion for the floor. Otherwise, we have no subject matter for discussion.

COMMISSIONER ORTIZ-LUIS.

Mr. Chairman, I agree. I think so that we can be able to present this on the Plenary on Thursday, we really have to draft this today and the Chairman who is leaving tomorrow can consolidate this for the Plenary. So I think one of the concerns of the members who will divide the house in two committees is many of them would like to be involved in the deliberation of both committees. If we do assign to break-out rooms where the drafting committees can work, the members can be involved in both. So with that I think I would like to support the suggestion that perhaps we can assign two drafting committee heads for the break-out session so that they can be involved in both.

COMMISSIONER APOSTOL

Mr. Chairman, after the draft is made then it will be back here to the Committee for discussion before we approve that.

COMMISSIONER AZURIN

Mr. Chairman, before the coffee break, we were going to discuss Sections 2 to 7. Why don't we discuss? Why are we changing the procedure?

CHAIRMAN PATERNO

We are not changing anything. This is a proposal of the Co-Chair to create drafting committees so that they can already have their assignment in mind as the deliberations are going on.

COMMISSIONER AZURIN

By the way, Mr. Chairman, just for the information of everyone, I distributed a...because I went through sections, the sections on the economy, basically Articles XII to XVI; and I made some proposed amendments which I distributed for everybody's consideration. The original text is principle and the corrections and the revisions are indicated so just for everyone's consideration. If you want to go article by article you can use this as basis if you want.

CHAIRMAN PATERNO.

I would propose tackling discussions in two sets, Articles II to VII and then VIII onwards so that we are more focused.

COMMISSIONER APOSTOL.

Mr. Chair, there is a pending motion. Will we approve it?

CHAIRMAN PATERNO.

Is there a second? To create drafting committees? Commissioner Marohombsar.

COMMISSIONER MAROHOMBSAR. *(off mic)*

I thought that was in the motion earlier to allow Commissioner Adamat to make his presentation...

COMMISSIONER AZURIN.

Mr. Chairman, why don't we just discuss first Articles II to VII so that we can start moving, perhaps Commissioner Ortiz-Luis has a suggestion. When we have disposed of the decision then we can breakup into drafting committees.

COMMISSIONER ORTIZ-LUIS.

That's okay. I think what we intended really is that to prepare the minds of those who will be drafting while we are having the presentation. That's okay and then later on we can decide if the drafting committees will break out. And perhaps what you have can be divided in two so the drafts can be... Maybe we can have Secretariat print out and divide all of the presentations.

CHAIRMAN PATERNO.

Mr. Chair, I understand that the Co-Chair is deferring his motion for a later time.

COMMISSIONER APOSTOL.

I think this time, we will have now again to get speakers who will speak for and in behalf of the article. Those who are in favor of the retention of the articles as approved now and the other one is those who would like to amend the present article.

CHAIRMAN PATERNO.

I think, Mr. Floor Leader, the sense of the Committee is to amend those sections of the article here. It was suggested, however, that Commissioner Adamat could provide valuable input as to the extent of liberalization on land and natural resources. May we call Commissioner Adamat?

COMMISSIONER ADAMAT.

Thank you, Mr. Chairman.

COMMISSIONER LAMBINO.

Mr. Chairman, with the indulgence of Commissioner Adamat, before he proceeds with his presentation, may I ask for a parliamentary inquiry whether a non-member of this Committee can present a motion?

COMMISSIONER APOSTOL.

Of course. Non-member can talk, deliver his speech but cannot vote.

COMMISSIONER LAMBINO.

But can I also present a motion, Mr. Chairman?

COMMISSIONER APOSTOL.

Sure, why not?

COMMISSIONER LAMBINO.

Mr. Chairman, with this may I make an omnibus motion that all the provisions beginning in article XII, XIII, XIV, which will be covered by a proviso as may be provided by law, in the manner provided by law or shall be dealt with by law, be totally removed from the discussion.

CHAIRMAN PATERNO.

With your permission, we would like to concentrate the discussion at this juncture to Sections 2 to 8.

COMMISSIONER LAMBINO.

With that explanation, I am withdrawing my motion.

COMMISSIONER ADAMAT.

Thank you, Mr. Chairman. I would like to make it of record that this representation is for liberalization except that it should be done outside of the indigenous peoples' ancestral domain. Why? Because the paramount advocacies or issues surrounding the aspirations of indigenous peoples are:

1) The issue on tenurial security. Tenurial security refers to the ownership of the indigenous peoples of their ancestral domains since time immemorial. If the liberalization issue will cover this, their land will be endangered because to them, land is life. Without the land, then their lives will be affected. If we will allow foreigners, for example, a piece of their land within their ancestral domain, that would endanger their intergenerational life support system.

2) Of course, if they want the land, their ancestral domain is where they practice their cultural integrity or cultural practices, their traditions. That is why first, they have the land so that they can practice their cultural or traditional practices, customary laws.

3) This is in line with their aspiration for self-determination and people empowerment.

So the general sentiment, Mr. Chairman, is to accept liberalization only for those that are outside the ancestral domain of indigenous peoples. Because, Mr. Chairman, as of today, there are already 600 million identified ancestral domain or pre-identified ancestral domain for the indigenous people. This has been identified way back when the issue of ancestral domain started at the early 90's. If I remember it right, it started when President Ramos promulgated the Social Reform Council or Social Reform Agenda wherein the different sectors were recognized, constitutionally recognized for that matter. Their rights will be protected and for the indigenous people, their right over the ancestral domain has to be guaranteed. As of this moment, Mr. Chairman, there are already 29 Certificates of Ancestral Domain Title issued to the different indigenous people all over the country, covering 604,000 hectares of lands. And the idea, Mr. Chairman, is to issue at least 2,000 hectares of lands, ancestral lands for the next 5 years to this group.

You may ask the question why the indigenous people? If you notice, Mr. Chairman, the indigenous people are supposed to be the original people of this country and that when globalization and colonization and civilization was introduced these people were made squatters in their own homelands because their lands are either titled to people in Makati, with due respect, and/or titled to private persons or corporations. The idea here is that we have to protect these people; otherwise, they will be victims of cultural genocide. Mr. Chairman, the whole idea, as I will repeat, we will adhere to the idea of liberalization except outside of the ancestral domain of indigenous people. I cannot speak for the farmers because I am sure farmers have reservations also in this except for public lands maybe, the government can easily submit that to a liberalization program. For private owners, it may be their own decision to do so. I cannot speak for that except for indigenous peoples. I will not speak here with finality, Mr. Chairman, that is why we have to consult our people. There might be some changes later on. Thank you, Mr. Chairman.

COMMISSIONER APOSTOL.

There are some Commissioners who requested that they be allowed to interpellate. The first one is Commissioner Bondoc.

CHAIRMAN PATERNO.  
Commissioner Bondoc.

COMMISSIONER BONDOC.

Tatlong tanong lang po, Commissioner Adamat. 1) Pwede niyo bang mabigay sa amin yung scope of what you call ancestral lands of indigenous people? You just mentioned the titling of so many hectares, 400,000, the titling of 702,000 hectares per year for the next 5 years. Ilan po ba ang tinutukoy natin dito?

COMMISSIONER ADAMAT.

As identified by DENR and the National Commission on Indigenous Peoples, there are, I mean, as of today, 600 million hectares of ancestral domain pre-identified by these concerned agencies. 600 million hectares...

COMMISSIONER GARCIA

We are only 30 million hectares.

COMMISSIONER ADAMAT

I mean...

COMMISSIONER APOSTOL.

Next question.

COMMISSIONER ADAMAT.

I have to check on that because my figure I am sure is not accurate. But, if I may satisfy your question, there are already 29 CADTs issued to this concerned sectors covering a land area of 604,000 hectares.

COMMISSIONER BONDOC.

Siguro the exact figure can come later.

COMMISSIONER ADAMAT.

Yeah, because I am not prepared for this, you know. I was put on the spot. I could have made my research properly.

COMMISSIONER BONDOC.

The second question is, will a provision barring liberalization of land, ownership of land, of ancestral lands of indigenous people, will this not tie the hands of our indigenous people in the future should they desire communally, collectively to sell, or do whatever they want with their ancestral lands?

My third and last question, how do you propose to accommodate such a future desire of our indigenous people? Thank you.

COMMISSIONER ADAMAT.

I share that observation, Mr. Chairman. If we go by law, the ancestral domain cannot be sold. This is a communal ownership by the clan, by the community and it cannot be sold but they can enter into a partnership working relations with any investor for example, for as long as the sharing schemes would be defined and they can work along that line. Certainly, definitely it cannot be sold to any prospective investor.

COMMISSIONER BONDOC.

Is there already a law?

COMMISSIONER ADAMAT.

Yes. The Indigenous Peoples' Rights Act of which I am one of the authors also.

COMMISSIONER APOSTOL.

The next speaker is Commissioner Azurin.

COMMISSIONER AZURIN.

I think the concern of Commissioner Adamat is not really be a concern because what mainly we are talking about in the Constitution is a prohibition or not, or lifting prohibition regarding the ownership of land. Lifting that prohibition in the Constitution does not mean that the indigenous people or anybody else is obliged to dispose, lease or encumber, sell or otherwise convert their lands. This is simply a provision that says that if a foreigner wants to buy lands and the seller wants to sell it, then he is perfectly free to own the land. I think that is the essence of the provision. If the indigenous people decide that they do not want to dispose the land, there is no problem here. But at a certain point in time they may wish to sell out their land to be explored for minerals or whatever, so they are free to do so. There is really no conflict. They simply remove the restriction that, in such a case, that the agreement is reached between a foreigner and somebody who has rights on a particular property then the agreement can go through.

COMMISSIONER ADAMAT.

I think that's a good point.

COMMISSIONER APOSTOL.

There is no question. Do you have any question?

COMMISSIONER ADAMAT.

I think the question is, if I would agree with this observation and I would agree but this has to be studied. Just the same, Mr. Chairman, this has to be studied carefully. The detail of these has to be fleshed out. That's is why early on, I proposed for the division of this Committee into two so that the smaller group would be effective enough for the details of possible safety nets along this line.

CHAIRMAN PATERNO.

Who's next?

COMMISSIONER APOSTOL.

The next is Commissioner Miguel Varela.

COMMISSIONER VARELA.

In the previous commission that made a study on this, they pointed out that the bulk of the private land as we all know is devoted to both agriculture and residential use and only small portion was identified as commercial or industrial. As a matter of fact, they said it was less than one per cent. If it's only in this area were the foreign investors are interested so we need capital, we need technology and if you bring in...You know, the foreigners would like to own the land where they build their factories. That means capital and jobs. So what can you say about that?

COMMISSIONER ADAMAT.

The idea if we go by law is that in case of an investor coming into ancestral domain, they can enter into a partnership agreement with these people. But in terms of ownership, as of today, it is prohibited under the Indigenous Peoples' Rights Act because the law speaks of communal ownership and it cannot be sold to any private person or corporation irrespective of either local or foreigners.

COMMISSIONER APOSTOL.

Our next interpellator is Commissioner Raul Lambino.

COMMISSIONER LAMBINO.

I think Commissioner Adamat is referring to Section 22, Article II of the Constitution and Section 6 of Article XII of which I have no problem. Mr. Chairman, we could possibly retain this. However, if you are going to look at the provision of Article XII on that policy of the state, the first part can be totally incorporated with the provision of Section 22, Article II. On the second part, referring to the power of Congress to determine the allocation of lands that would affect the domain of our indigenous cultural community people, can also be retained in the Constitution. I believe that Commissioner Adamat would agree with me that if we just transfer that provision from Article XII to Article II, it would be in accord with the style of the Constitution.

COMMISSIONER ADAMAT.

I don't have any objection on that for as long as the protection of the rights and interest of this particular sector, the indigenous peoples, could be guaranteed. That is the bottom line here, Mr. Chairman.

COMMISSIONER LAMBINO.

Yes, Mr. Chairman, because if you read the present provision of Article XII, Section 5 states that the Congress may provide for the applicability of customary laws governing property rights in relation with the determined ownership and extent of ancestral domain. Even if we remove this provision in the Constitution in order to make it shorter Constitution, still with the policy of the state stated under Article II, Section 22 of the Constitution, the rights of indigenous cultural communities will be amply protected. Will you agree with me, Mr. Commissioner?

COMMISSIONER ADAMAT.

What, can you please read the text of that particular?

COMMISSIONER LAMBINO.

Yeah, the text of Article XII, Section 5 provides that the Congress may provide for the applicability of customary laws governing property rights or relations in determining the ownership and extent of ancestral domain. But prior to that there is a paragraph which provides that the ancestral or the state subject to the provisions of the Constitution on national development policies and programs shall protect the rights of indigenous cultural communities to their ancestral lands to ensure their economic and social well-being. That is the same provision if you look at Article II, Section 22. It's just a repetition of what is stated in the policies under Article II, Section 22 which provides that the state recognizes and promote the rights of indigenous cultural communities within the framework of national unity and development. So I believe that Section 5 of Article XII is just a repetition. We can delete that and we just retain Section 22 in Article II and the rights of indigenous cultural communities will be amply protected.

CHAIRMAN PATERNO.

Commissioner Adamat, do you wish to reply to that or do you think we have already amply covered the question of indigenous people and their property, their land?

COMMISSIONER ADAMAT.

Yes to answer that briefly, Mr. Chairman, I think we have to study that well that particular part. If the issue is that certain provision is just a repetition of one provision, I think that is a matter of style. Mr. Chairman, I would like to repeat for as long as the rights and the interest of indigenous peoples are protected, then I don't have any disagreement or opposition against liberalization. That is the only idea, the bottom line.

CHAIRMAN PATERNO.

There are three others who have registered. Are these for interpellation or for other matters? Is this for interpellation of Commissioner Adamat?

COMMISSIONER APOSTOL.

We have the following who have signified that they would like to interpellate, Commissioners Pedrosa, Naval and Magno. We will have now, Mr. Chair, Commissioner Pedrosa.

CHAIRMAN PATERNO.

Does Commissioner Pedrosa wish to interpellate?

COMMISSIONER PEDROSA.

Just interpellate Mr. Adamat. He already gave the answer to his question that we have no problem with the section except the protection of the indigenous, so there is no discussion. You already said it. Then you are saying that you want the details. This would only prolong this discussion when you say to protect and then we...

COMMISSIONER ADAMAT.

No, no, you just missed my point. What I say is if there is a need to study this more, then it can be through a different venue or if you think that this is already done here, then I agree with that. I mean, for as long as hindi tayo sasabihin na ni-railroad natin yan. Kasi ang punto dito is that inulit ko lang, I cannot speak in finality here, I have to consult also other people but if you keep on asking questions, there is no other way for me except to answer them.

COMMISSIONER PEDROSA.

Yeah I do, I do. I just can't understand why he should feel that there is lack of protection while we are all saying is that we are for liberalization for as long as we protect. That is exactly I don't know why this is discussed.

COMMISSIONER ADAMAT.

I don't know with you, I have answered that already. But you keep on asking.

COMMISSIONER PEDROSA.

No, no you said we need to discuss it.

COMMISSIONER ADAMAT.

No, I didn't say we have to discuss it.

COMMISSIONER PEDROSA.

You did.

COMMISSIONER ADAMAT.

I just said if there is a need.

COMMISSIONER APOSTOL

Mr. Chair, may I interrupt? It seems already that they are arguing. We go to the next interpellator.

CHAIRMAN PATERNO

May we restrict the people we will recognize to those who wish to further interpellate Commissioner Adamat. I would like to bring to the attention of the meeting that it is already almost a quarter to five, we have consumed 2 hours and 15 minutes and we are still on indigenous people with respect to their lands.

COMMISSIONER BONDOC

Mr. Chairman, Point of Order. Can the Chairman please remind the Commissioners that an interpellation is not to argue with the presenter but to ask questions. Thank you, Sir.

CHAIRMAN PATERNO

Noted.

COMMISSIONER APOSTOL

The next interpellator is Commissioner Naval.

COMMISSIONER NAVAL

Mr. Chairman, just to be fast and be specific, may I know from Commissioner Adamat if he has any provision in mind to be inserted in our Constitution or any provision in the present Constitution which should be amended, deleted, or substituted in order that we can promote liberalization of these indigenous peoples? Any provision in mind so we can discuss it?

COMMISSIONER ADAMAT

Mr. Chairman, there are already provisions stated by Commissioner Lambino and I think these are enough provisions except that he was suggesting for the deletion of one particular provision which I answered we have to study that further. That is my point. We cannot just say black and white here we got to put together our heads so that we can come up with a more intelligent respond (sic) or provision.

COMMISSIONER NAVAL

So it is clear now, Mr. Adamat, that as of now, you have no specific provision to be proposed to be included in our Constitution. Perhaps you may think of some other provisions sometime later but not now.

COMMISSIONER ADAMAT

Yes that is the point, Mr. Chairman.

COMMISSIONER APOSTOL

The next interpellator is Commissioner Magno.

COMMISSIONER MAGNO.

Mr. Chairman, I have my issues with the Indigenous Peoples Rights Act. I wrote a very long critique of that and I received a very long reply from Senator Flavio. But my basic question is, does this not constitute class legislation?

COMMISSIONER ADAMAT

That has been questioned several times in the past but despite that question both the Lower House and the Senate have passed judgment on the constitutionality, of course including the Supreme Court for that matter. That is why that law is now in place.

COMMISSIONER MAGNO

In which case, I support the proposal of Commissioner Lambino that we take out Section 5 and allow that concern to be encompassed by Article II, Section 22.

COMMISSIONER ADAMAT

If you ask me to agree to that at this point in time, Mr. Chairman, as I have said early on, I cannot. I cannot. We got to study that very, very carefully. In due time, if my conscience would support me in agreeing with the suggestion, then I would do so. I think that is not a very controversial provision.

CHAIRMAN PATERNO

It seems to me that Commissioner Adamat has already expressed his position. It seems to me that further interpellation to compel him to make more specific answers is going to be fruitless. So may we move on to another topic?

COMMISSIONER APOSTOL

Will just please forgive us, Commissioner Chua and Commissioner Abueg.

COMMISSIONER CHUA

I just wanted to explain one sentence.

COMMISSIONER APOSTOL

One sentence?

COMMISSIONER CHUA

Actually we have already cancelled Section 22 of Article II based on a committee hearing, so there is no such Section 22 to protect. That's my point, your Honor.

COMMISSIONER APOSTOL

The next speaker is Commissioner Abueg.

COMMISSIONER ABUEG

Earlier I wanted to venture an information when Commissioner Magno asked for the constitutionality of the IPRA Law, Indigenous Peoples' Rights Act. I was then about to say that Retired Justice Isagani Cruz questioned the constitutionality of this Act but the Supreme Court upholds the same. That if I remember right, the bases for the enactment of the IPRA is Section 22 of Article II of the Philippine Constitution. If I am not mistaken, I was the Floor Leader in the House of Representatives at the time when that bill on IPRA was deliberated on by the plenary session of the House of Representatives. So my information is that the constitutionality of the IPRA which is all encompassing, protecting the rights and welfare of the indigenous peoples, the cultural communities, is there. In fact, the cultural community people have more rights. Thank you, Mr. Chairman.

CHAIRMAN PATERNO.

Thank You.

COMMISSIONER BENGZON.

Parliamentary inquiry. Mr. Floor Leader, do we wait for the plenary session to debate on the deletion of that particular provision or is the venue now?

COMMISSIONER APOSTOL

The venue is now, in fact we are supposed to divide but since there was an objection then we will begin article by article.

COMMISSIONER BENGZON

But this is Section 22 of a different Committee, Mr. Chairman, of Article II, Section 22 because an information that was just given that they have actually proposed for the deletion of this but I would just ask. Do we wait for the plenary to have questions on that or should this be the proper forum?

COMMISSIONER APOSTOL

Now, now.

CHAIRMAN PATERNO

Our deliberations at this point were supposed to be limited as suggested by the Chairman to Sections 2 to 8 of Article XII, yes.

COMMISSIONER BENGZON

So we will just jump Section 5?

CHAIRMAN PATERNO

I was not jumping, somebody else was jumping.

COMMISSIONER BENGZON

Because if we want to debate the deletion of Section 22, Article II, what is the venue? Where do we properly lobby?

COMMISSIONER PATERNO

May I again remind the proposal that the objective of this particular meeting is to prepare what the members will say at the consultations next week. That it is the recommendation, that we do not go into drafting, we go into statement of intent of the reasons why we are intending to do these things. If we go into drafting, I guarantee you, we will not finish. And I don't know what we will say when we go to the consultations.

COMMISSIONER AZURIN.

Can we proceed, Mr. Chairman, to Sections 2 to 8? Okay, in Section 2, the essential provision there is that the exploitation of natural resources is limited to those corporations with Filipino citizens or corporations 60% Filipino. My proposal is to delete this requirement and that the exploitation of natural resources would be opened to foreigners and to corporations 100% foreign.

COMMISSIONER LAMBINO.

I move to second.

COMMISSIONER APOSTOL

Another proposal, Mr. Chair. We will recognize Commissioner Bengzon.

COMMISSIONER BENGZON.

I would actually make a qualification on that. Under the Regalian Theory, which this Section 2 is based, of which all lands of public domain, we will have to probably qualify. There is such a thing as lands that are inalienable and lands that are not. So we cannot say in toto all lands can be, therefore, also subject to foreign ownership, just to make sure that we don't run afoul of the Regalian Theory of the Constitution.

CHAIRMAN PATERNO.

May I bring to the attention of the meeting that there are already two proposals that we are supposed to have studied with respect to Section 2 of Article XII. They are the Nachura amendment and the proposal of the 1999 Preparatory Commission. It maybe more fruitful if we were to exchange ideas on which of these would be preferable and whichever we choose to be preferable, you may want to modify in some way. Otherwise, we will be in effect, casting nets to find out what it is we're going to, but if maybe we go with the hook and line and look at the specific provisions then we have something more.

COMMISSIONER AZURIN.

Mr. Chairman, if we are now going to look at the specific provisions, then my suggestion is my amendment of Section 2 which has been distributed. If you are going to...

COMMISSIONER PATERNO.

We will consider that as only one of the proposals.

COMMISSIONER AZURIN.

Yeah. The reason why I am simply focusing on the 60% is that so, as you pointed out, we do not discuss the text of the provision which I propose. My suggestion is to simply agree or not agree that we will open the exploitation of natural resources to corporations which are majority or 100% foreign-owned.

CHAIRMAN PATERNO.

And you are speaking mainly of land and mineral resources? Or are you including forest, water and so on?

COMMISSIONER AZURIN.

Yes, all natural resources. In other words, to qualify, all natural resources that may be exploited by locals can also be exploited by foreigners. In other words, if they are alienable they are etc. In other words, there are no restrictions that refer to foreigners that do not apply also to locals. In other words, if we say that the land is alienable, disposable, etc., it must be open also to foreigners.

CHAIRMAN PATERNO

Any? Commissioner Jurado.

COMMISSIONER JURADO.

I think, as the Chairman was saying, we do not need to go down to the details of the specific provisions of the Constitution. My understanding seems to be that let us analyze the matter at some kind of general level. For example, this particular provision, "All lands of the public domain..." The relevant thing here is whatever is right, whatever right is being put forward here, applies to all. There is a discrimination here, for example, against foreign corporations. That discrimination must be removed. I think that is all we should, at that level, where we should agree. Going down to the specifics including the language will come later.

COMMISSIONER AZURIN.

I think that's what I said, Mr. Chairman.

CHAIRMAN PATERNO

Any interpellations on this proposal? The proposal, in effect, please restate.

COMMISSIONER AZURIN

Basically all lands, mineral resources, natural resources which can be exploited by locals can be exploited by foreigners. In other words, in the language of Professor Jurado, there is no discrimination.

COMMISSIONER APOSTOL.

Mr. Chair, before we vote I think there is a motion, draft resolution, submitted by Commissioner Abueg, which is actually contrary to the pending motion. I would suggest that we recognize Commissioner Abueg.

CHAIRMAN PATERNO.

Commissioner Abueg is recognized.

COMMISSIONER ABUEG.

Thank you, Mr. Chairman. Earlier I filed with the Secretariat a resolution following procedure, which I was expecting that it will be called for first reading in the plenary for proper referral. The resolution as of now is still unnumbered which is a resolution to amend Section 2, Article XII, on the National Economy and Patrimony of the 1987 Constitution of the Republic of the Philippines by adding a new paragraph between paragraphs 1 and 2 of the said section for purposes of empowering local government units to share from the proceeds of offshore utilization of natural wealth.

If I may continue, whereas the provisions of the first and second paragraph of Section 2 of Article XII of the Constitution in part reads as follows, Section 2 "All mineral coal, petroleum and other mineral oil, all forces of potential energy, etc, and other natural resources are owned by the state, etc. The exploration, development, utilization of natural resources shall be under the control of the state. The state may directly undertake such activities, etc., such agreements, etc., limit of the grant."

The second paragraph reads, "The state shall protect the nation's marine wealth in its archipelagic waters, territorial sea and exclusive economic zone and reserve its use and enjoyment exclusively to Filipino citizens."

The amendment herein proposed as a new paragraph inserted between the above stated paragraphs reads as follows, "The provincial government nearest, whether beyond 15 kilometers or regardless of distance in an offshore site exploration, development and utilization of natural resources such as but not limited to petroleum, natural gas, other mineral oils or forces of potential energy, shall have a just share as determined by existing law in the national taxes which shall be automatically released to them. "

The purpose of this is that although we have...My explanatory note if I may be allowed for record purposes states, "This resolution proposes to amend Section 2 of Article XII on the National Economy and Patrimony of the 1987 Constitution of the Republic of the Philippines by adding a new paragraph between paragraphs 1 and 2 of the section for purposes of

empowering local government units to share from the proceeds of offshore utilization of natural wealth”.

There is no existing statute that provides and defines provincial water. The Fishery Code, however, defines the municipal waters to be 15 kilometers from the shoreline. On the basis of such law, local government units do not share in taxes collected from operation of natural resources beyond the 15-kilometer limit. All of taxes sharing arises from the natural wealth within its respective areas; none from offshore areas beyond the 15 kilometers. Because of doubts entertained by the national government for Palawan to share from benefits derived from the operation of the Malampaya natural gas project, the provincial government of Palawan filed a petition for declaratory lift with the court. Pending resolution of the same, the national and provincial government recently executed an interim agreement to grant 50% of the 40% share of Palawan but no complete release or implementation have been made yet. This is the sad situation prevailing in Palawan.

CHAIRMAN PATERNO

With due respect Commissioner Abueg.

COMMISSIONER ABUEG

Yes, Mr. Chairman?

CHAIRMAN PATERNO

May we defer this motion of yours until the appropriate time when we're starting to draft, instead of a general debate such as...?

COMMISSIONER ABUEG

This, Mr. Chairman, I just want to present because the site of the present natural gas project of Shell exploration is beyond the 15 kilometers limit provided for by the Fishery Code and it is 60 kilometers from the mainland of Palawan. However, it is across the mainland of Palawan and the municipality of Kalayaan, Palawan, so it is still within the waters of the province. If I may so, except that the limitation is 15 kilometers provided for by the Fishery Code for municipal waters and there is no specific definition for provincial water. I brought this up this afternoon considering that we are already taking some provisions on the Patrimony. Actually, I filed this with the Secretariat following procedure that this be included for Thursday's calendar for first reading so that it can be referred to the appropriate committee for proper consideration. Thank you, Mr. Chairman.

CHAIRMAN PATERNO

Thank you, Mr. Commissioner. So you're really not insisting that this topic be taken up at this time in this Committee?

COMMISSIONER ABUEG

Yes, well, following procedure, yes, Mr. Chairman.

CHAIRMAN PATERNO

Thank you, Commissioner.

COMMISSIONER APOSTOL

Mr. Chair, there is a pending motion.

CHAIRMAN PATERNO  
What is the pending motion?

COMMISSIONER AZURIN.

The pending motion is to remove the restriction on foreigners and corporations which are not more than 60% Filipino from exploiting natural resources under Section 2. In other words, there are no discriminations.

COMMISSIONER GARCIA.

The general statement limiting or lifting restrictions. Why don't we go into the textual provisions already? For example, what sentence is this, "Such activities may be directly undertaken by the State, or it may enter into co-production, joint venture, production sharing agreements with qualified persons, natural or juridical." And then we also, and yes, remove the rest of the sentence.

COMMISSIONER AZURIN.

Mr. Chairman, can we defer the discussion of the text. If we say discussion of the text, I have my proposal regarding the text, which has been distributed. But perhaps we can just agree on the particular matter and the text can be drafted later.

CHAIRMAN PATERNO.  
Commissioner Bengzon.

COMMISSIONER BENGZON.

Sir, if I may be recognized. We can't really get away with the text so much and go to generalizations. There are a lot of things here in Section 2 particularly that needs to be at least defined even if we don't go to the contextual. What are they? Number one, are you abrogating the FTAA that's provided here? How about small-scale mining and small-scale business fishery operations, are we doing that, too? Maybe, instead of going through the text, maybe for the purposes of the people in this Committee, we should define in bullet points, one to ten, what are included here that we are actually abrogating or amending and giving an entry to foreign ownerships. Can we do that?

CHAIRMAN PATERNO.

I understood the proposal of Commissioner Azurin to mean that the sense of the Committee is to amend Section 2, such that the limitations on citizenship or ownership, or citizenship, for the exploitation of natural resources and lands be waived or be removed.

COMMISSIONER GARCIA.

If that is agreed then we can delete the last two paragraphs of this Section 2.

CHAIRMAN PATERNO.  
Agreed, yes.

COMMISSIONER GARCIA.

Yeah. Because, "may enter into agreements with foreign-owned corporations," that will not be necessary anymore with joint ventures...

CHAIRMAN PATERNO.

Would this general proposal not answer the...

COMMISSIONER BENZON.

Sir, no, I believe...

CHAIRMAN PATERNO.

...because people will ask questions. It is not up to us to propose texts at this point because we really need inputs from the people. We are only a Consultative Commission; we are not a Constitutional Convention. And this is the point I'd like to make, that we are supposed to enter into consultation, not us the consultees, to approve our version of the Constitution. That's my understanding.

COMMISSIONER BENGZON.

Mr. Chairman, may I be recognized? With all due respect, Sir, I understand that. But I think, we cannot just go on a general provision and vote on it. We have to, even for the purposes of the body, even for the purposes of minuting. For Section 2, can we just make sure what we are actually voting on? Number one, are we...we are...we are allowing, we are scrapping....

COMMISSIONER AZURIN.

...removing jurisdiction on foreign exploitation.

COMMISSIONER BENZON.

And what are they, if I may ask, just for the purposes for Section 2...all of Section 2? Exploration, development, utilization of natural resources...

COMMISSIONER AZURIN.

Everything allowed to locals will be allowed to foreigners.

COMMISSIONER BENGZON.

Small-scale utilization of natural resources, small-scale fisheries, small-scale mining...and all FTAA's entered by the government, by mining are all abrogated.

COMMISSIONER GARCIA

It will not be necessary anymore.

COMMISSIONER BENGZON.

It will not be necessary anymore?

COMMISSIONER GARCIA

Not necessary anymore.

CHAIRMAN PATERNO

Could this not also be the subject of legislation rather than constitutional provisions?

COMMISSIONER GARCIA

Yes, definitely.

COMMISSIONER BENGZON.

Well, that's why I am opening it up. So that's why instead of general, general motions, Mr. Chairman, I'd like to go into the details of Section 2, not really for the purposes of going into the text, but for the purposes of the discussion. We have a lot of, I understand Commissioner Leviste has some concerns regarding the...

COMMISSIONER APOSTOL.

The following have submitted their names for interpellations. Lambino, Tendero, Varela, Leviste. So, the next interpellator is...

COMMISSIONER BENGZON.

That was just my point, Mr. Chairman. Maybe we should go to each and every principle that we are allowing entry to foreign nationals.

COMMISSIONER LAMBINO.

Mr. Chairman, I fully agree with the proposition of Commissioners Azurin, Bengzon and Garcia. We cannot totally delete Section 2, as pointed out by Commissioner Bengzon, the first sentence refers to what we call the Regalian Doctrine, okay. On the other hand, Commissioner Azurin is telling that we should allow the foreigners to participate in the exploration and development of our natural resources. I can't fully agree to that. Commissioner Garcia has presented a very logical compromise and that is to delete the entire section, the remainder of the entire section, after the word "The State may... joint venture and production-sharing agreements..." and they're substituting that with any qualified individual or corporation without stating whether that individual is local or foreigner, or the corporation is foreigner or local. I think that's going to answer, Mr. Chairman, the concern of...

COMMISSIONER APOSTOL

The discussion never came out. I would suggest we make a draft. We'll have a two-minute recess, make a draft and from that point, focal point, we can discuss. Otherwise, we will never end up with this debate.

COMMISSIONER AZURIN.

Mr. Chairman, if we draft, we will not agree...I already have a proposed draft I submitted. But if we discuss that, we will get bogged down into the text. All I'm saying is that we are not asking for the deletion of Section 2. My only proposal is that we will allow foreigners to do whatever locals can do.

CHAIRMAN PATERNO.

Excuse me, may I remind us that what we hope to be able to present some proposals on revisions of the provisions on National Patrimony and Economy without identifying the text or the language would be. So that we can get feedback from the people as to what this re-drafting should contain.

COMMISSIONER APOSTOL.

Commissioner Tendero?

COMMISSIONER TENDERO.

Well, Mr. Chairman, for our discussion purposes, Commissioner Azurin has prepared actually the proposed amendments. So my suggestion is to give time for everyone to go through those proposed amendments and that can be part of our discussion. Because that's already these several pages of proposed amendments and that could be the main discussion and we can ask him and interpellate him in relation to these proposed amendments.

CHAIRMAN PATERNO.

Commissioner Tendero, I'd like to also say that there are two other proposals. With respect to Section 2, we are going into the language, which are the ones proposed by former Congressman Nachura and the ones proposed by the 1999 Preparatory Commission. If we are

going to take up the text or the draft, I believe that we should give equal attention to those others, which really have been the subject of a lot of study.

COMMISSIONER VARELA.

Mr. Chairman, the way I understood it is that all we need is the proposal to lift the constitutional restrictions on three issues. One is for prohibition of foreigners from owning lands; one is the prohibition for the exploitation of natural resources; and the third one is the public utilities; as well as to remove the specific ratio of capital requirements needed for all these three. I think this is the proposal. So, it's very....Yeah, land and natural resources and removing the specific capital ratio requirement.

COMMISSIONER AZURIN.

Actually, if you like I can extend the motion to include public utilities, educational institutions, mass media, advertising, and the exercise of professions and open the whole thing up.

COMMISSIONER VARELA.

That's right, that's why I mentioned public utilities because these are all the same. You are trying to restrict, I mean to remove these constitutional restrictions.

COMMISSIONER AZURIN.

That's my initial position.

COMMISSIONER ORTIZ-LUIS.

Earlier I opposed the motion. Since we want to be able to come up with something that the Chairman can consolidate today for proposal on the plenary on Thursday, because the Chairman is leaving tomorrow actually. And we are going around in circles discussing this when actually what we really want to do is come out with two proposals for this supposed to be for two break-out sessions that we did not agree to because members would like to opt in and that.

May I suggest that perhaps authorize or get volunteers, maybe group of 5 for each two topics supposed to be, to draft what has been discussed here and then we come back later on, and then let's discuss what is it so that, because it's already 5:45 unless you want to stay up to 10.00 tonight when we do the break-out session. Perhaps we can break out now and before we do so, those who would like to be part of the drafting committees for the two groups, it can possibly be volunteers or even...

COMMISSIONER AZURIN.

I thought we are not drafting.

COMMISSIONER ORTIZ-LUIS

Not exactly because it isn't worthy, just the ideas that we would like to propose which we can report to the plenary.

CHAIRMAN PATERNO

Mr. Floor Leader, who is next on the...?

COMMISSIONER APOSTOL

Commissioner Leviste, then Commissioner Gonzalez then Commissioner Espina then Commissioner Bengzon.

COMMISSIONER LEVISTE.

Mr. Chairman, I associate myself with the views of Dr. Azurin and the others who spoke. But I find it strange that we're all agreed on where we want to go yet we are quibbling on how to get to it. I can imagine how difficult the discussion should be when we have honest differences in opinions like in structures of government, like in the structure of the republic. But here I think there is a consensus on liberalization. But we have to be careful that the right hand does not take away what the left hand gives. And I am particularly concerned because of Commissioner Abueg, who gave us a detailed analysis on Palawan. Frankly, I'd the same thing if I was from Palawan, but we in Batangas do not have natural gas; we just get natural gas from Palawan and process it. So, any effect on Palawan affects us. What I am saying though is just be very careful because if we take out the entire thing, you are going to be signaling to the international community that all of a sudden that the whole basis of why Shell came to this country is now gone. And no amount of assurance to Shell is going to assure them that things are okay because we just pop out with the new Constitution and say that all the foreigners are welcome the same as Filipinos and then to see what happens with our production-sharing contracts. So I just want to caution everybody that this is in a sense very sensitive. Let us be very careful that the signals we are giving to the foreign investors we want to win are not mixed signals. Thank you, Mr. Chairman.

CHAIRMAN PATERNO.

Because it is precisely for that reason that we want to express the sense of the Committee in general term so that Shell, indigenous peoples, Caltex, etc., will be able to give inputs to us, rather than for us to present our draft on Section 2. And we might get rejected by the people, and after that what do we do? So, I would like to urge that we stay away from drafting. We are not going to present, I hope, we are not going to present drafts on Sections of Article XII at the coming consultations. We are only going to present our idea of where we would think we would want to go with respect to a foreign ownership or citizenship of land and natural resources. That's it. If we get to specifics, we are gonna get turned out; we are gonna get shot down.

COMMISSIONER LEVISTE

Mr. Chairman, I fully agree with you. I couldn't agree with you more. And just please forgive me for voting against the proposal for two committees. The only reason I voted against it was I could not, I have not solved the problem of being at two places at the same time, but I fully support your guidelines.

COMMISSIONER APOSTOL

Commissioner Gonzalez is recognized. The next interpellator is Commissioner Gonzalez, I'm sorry.

COMMISSIONER GONZALEZ.

Mr. Chair, I think we should go back to our original discussions—that we are going over by sections. As you said, we will go through Sections 2 to 8. Eh, nandito na tayo sa 2 and I think we already have a meeting of minds. Therefore, let's proceed to the next section para naman may matapos tayo. Time is running short on us. Mr. Chair, that's all I want to say.

CHAIRMAN PATERNO

Mr. Floor Leader.

COMMISSIONER APOSTOL

We have the next interpellator, Mr. Gerry...Commissioner Espina.

COMMISSIONER ESPINA.

I am not really going to ask anything, except to just make a comment. That maybe what we should do is vote and decide on the issue of liberalization. I think we all agreed that we should open up. Now, because we don't have the luxury of time, I suggest that the Chairman, if you group the members of this Committee, come up with that guideline that we have agreed on. And then come up with possible wordings of this particular section or two sections, whatever. Then we use that as our working paper next time we meet. And that could be what we will present during the Consultation. We have to have a start; we have to have an agreement on where we're going. And then after that, with that as framework, as guideline, then we put to the flesh into it. Because otherwise, maraming itatanong section by section. So, that's why I would rather move...

COMMISSIONER APOSTOL

Can we have this? Everybody would like to talk. Can we have this so that we will go to the other area. Otherwise, we will never finish this.

COMMISSIONER ESPINA

May I then introduce a motion to...

COMMISSIONER ANGELES

I second the motion.

COMMISSIONER ESPINA

If the motion is in order, meaning, there is no other motion on the floor, then I move...

COMMISSIONER BENGZON.

Please state the motion, Mr. Chairman.

COMMISSIONER ESPINA.

I move that this Committee votes on the concept of whether to liberalize or not. So, if the Committee agrees to liberalize, we now compose a committee of 5 with the Chairman presiding, 5 or kayong bahala kung ilan. They will do the work already after the guideline has been approved. So that is the motion.

COMMISSIONER APOSTOL

There is no motion yet. In fact it was already seconded.

COMMISSIONER BENGZON.

I just want to ask, in that working draft, Mr. Chairman, would there be an exception? Do you, would that working committee allow for an exception? Because I am for liberalization but would like to object to one. Would that be...?

COMMISSIONER APOSTOL

There is a pending motion. And I would suggest, Mr. Chair, that Commissioner Azurin and Commissioner Bengzon be a member of that committee. So, there is a pending motion.

CHAIRMAN PATERNO

Are there any others who want to be members?

COMMISSIONER ANGELES.

I second the motion.

COMMISSIONER LEVISTE

I'd like to be a member of that committee.

COMMISSIONER APOSTOL

The motion is to agree whether we will adopt liberalization. Then, the details to be drafted by a committee.

COMMISSIONER AZURIN.

Can I restate my motion, Mr. Chairman? Let's be more specific here. Let's not use the word liberalization, there are many meanings no, okay. The motion is to remove the citizenship restrictions on foreigners. For one, the exploitation of natural resources, public utilities, education institutions, mass media, advertising, and the professions.

COMMISSIONER BENGZON.

Just Section 2 ha?

COMMISSIONER GONZALEZ.

I second the motion.

COMMISSIONER BENGZON.

Excuse me, Mr. Chairman. For example, in the profession of law, it is the Supreme Court...

COMMISSIONER APOSTOL

Gagawin ka nang member; bahala ka na, kayo na dun...

COMMISSIONER BENGZON.

You cannot have a sweeping resolution like that, Mr. Chairman..

CHAIRMAN PATERNO.

Would you like to, Commissioner Azurin, would you like to break up that motion into at least two?

COMMISSIONER AZURIN.

Okay, except professions. But I will make the same motion for professions later.

CHAIRMAN PATERNO.

No, no. Can your motion cover the subject of land and natural resources, and then another motion for all other areas of economic activity?

COMMISSIONER AZURIN.

Okay. So, the motion is to remove the citizenship restrictions for the land ownership and the exploitation of natural resources.

COMMISSIONER APOSTOL.

Mr. Chairman, let's approve that motion. Let's have this agreement, then we come back here and discuss. Anyone who would like to question that motion, we will discuss that later on again. Otherwise, we will never end up this.

COMMISSIONER ESPINA

That's why I moved that a smaller group be organized.

COMMISSIONER APOSTOL.

After we approve this, we will have a motion to allow the Chairman to appoint members.

COMMISSIONER LEVISTE

Mr. Chairman, are you going to have a roll call vote? Are you going to raise hands? How are you gonna vote?

COMMISSIONER APOSTOL.

Those who are in favor, say "aye"; those who are against say "nay." That's Congress.

COMMISSIONER LEVISTE

We should have a system of counting.

COMMISSIONER GONZALEZ

Yeah, stand up na.

COMMISSIONER ADAMAT

Roll call, so that we can explain.

COMMISSIONER APOSTOL

No more. Wala nang roll call; taas na lang ng kamay.

COMMISSIONER GONZALEZ

Stand up na lang.

COMMISSIONER MAGNO

Wala namang objection eh. Point of order, Mr. Chairman.

CHAIRMAN PATERNO.

Those in favor of the motion, please raise your right hand.

*(Most of the hands are raised...)*

All those against, please raise your hands...

COMMISSIONER GARCIA

Anonimously (sic) carried.

CHAIRMAN PATERNO.

The motion is carried.

COMMISSIONER GONZALEZ.

No more. No objection.

COMMISSIONER ESPINA.

Mr. Chairman, may I now present my motion.

COMMISSIONER ADAMAT.

No, Mr. Chairman, before that motion, please. Privilege motion, Mr. Chairman, I would like to put on record my previous statement that liberalization can only apply outside the indigenous peoples' ancestral domain. And I hope that will be considered Because that is very, very

dangerous, in terms of protecting the rights of the indigenous peoples over their ancestral domain. I may have been outvoted but I would like to put that on record.

COMMISSIONER APOSTOL.

There is no outvoting yet.

COMMISSIONER ADAMAT.

Yeah, because I had, I'm against the motion, but it was carried because precisely majority ruled. That's my point, Mr. Chairman, but I just want to put it on record...

CHAIRMAN PATERNO.

Yes, Commissioner Adamat.

COMMISSIONER ADAMAT.

...that I had to agree with liberalization except outside the ancestral domains of the indigenous peoples.

COMMISSIONER BENGZON.

Mr. Chairman, Mr. Chairman...

CHAIRMAN PATERNO.

Fully noted.

COMMISSIONER BENGZON.

On that note, Mr. Chairman, can I then follow-up? I would like to follow the motion of Commissioner Adamat that I am fully for the liberalization except for the small-scale utilization of the natural resources which should be, I think, be given to Filipino citizens and not be opened up to foreign ownership.

COMMISSIONER PATERNO.

Fully noted.

COMMISSIONER LAMBINO.

Mr. Chairman, may I also put on record that I did not vote because I am not a member but I am fully in accord with the measure approved that we are going to liberalize the exploration.

CHAIRMAN PATERNO.

Thank you.

COMMISSIONER PEDROSA.

My understanding of his resolution was the citizenship. Citizenship and liberalization are completely different things. Liberalization, citizenship is drawing the nationality of who can invest and who can't.

COMMISSIONER AZURIN.

Yes, that's why I specifically said removal of the restrictions on citizenship. That's why I said let's not use the word liberalization because...

COMMISSIONER PEDROSA.

Exactly.

COMMISSIONER ADAMAT

Mr. Chairman, just the same, the impact of that statement is ownership over the natural resources by foreigners.

COMMISSIONER BENGZON.

Mr. Chairman...

COMMISSIONER ADAMAT.

Precisely I just want to put it in record. Thank you.

CHAIRMAN PATERNO

Yes, it is on record.

COMMISSIONER BENGZON

I concur, Mr. Chairman. I concur with Commissioner Adamat. Excuse me. We, in our law office, we do mergers and acquisitions of foreign direct investments here in the Philippines. Citizenship and liberalization are about the same things. If you limit citizenship of foreign, or you have a ceiling on foreign equity limitation, that's tantamount to non-liberalization.

COMMISSIONER APOSTOL.

Commissioner Espina was raising his hand to file a new motion.

COMMISSIONER ESPINA.

Yes, Mr. Chairman, I was going to reiterate the motion I presented earlier to organize a smaller group and go over the Section 2, guided by what has been approved earlier the motion of Dr. Azurin. And giving the Chairman the authority to compose this smaller group. And then the fruit of their work should then be presented to the Committee.

CHAIRMAN PATERNO.

When?

COMMISSIONER ESPINA.

It's up to the Chairman, this afternoon, tomorrow. The idea is doon na lang sa maliit na grupong iyon magdebate kayo then bring it to the...

COMMISSIONER ANGELES.

Is that the motion?

COMMISSIONER ESPINA.

Yes.

COMMISSIONER ANGELES.

I second the motion.

COMMISSIONER ORTIZ-LUIS.

Perhaps, what we can have is the rest can, who do not like to participate, can take a recess for what...maybe 30 minutes?

CHAIRMAN PATERNO

30 minutes.

COMMISSIONER ORTIZ-LUIS.

30 minutes will be fine? They can draft it, then we can come...

CHAIRMAN PATERNO.

Any objection to that motion?

COMMISSIONER AZURIN

Objection. Can I just suggest that we finish the other restrictions first and then we can draft the doggone thing later. 'Cause why don't we vote already on whether we will remove the same citizenship restriction on public utilities, education institutions, mass media advertising, and the professions?

COMMISSIONER ESPINA

Yes. Yung mass media, Mr. Chairman, that has been removed in the Committee on Transitory Provisions. There was a unanimous vote to remove citizenship requirement in the ownership of media, mass media, advertising, and so on. The whole section was deleted by the Transitory Provisions. So, ayos na iyon that portion of it, no.

COMMISSIONER AZURIN

I was in the same Committee, but since these are provisions that have bearing on the economy, I don't know whether this Committee would also like to vote on that particular matter.

COMMISSIONER ESPINA

You know, when I made that motion, I had in mind those areas—public utilities, lahat na iyon, to be taken up by the small group, and then report to us later.

COMMISSIONER PATERNO.

The reason for suggesting that there be two motions, was that, so that there could be two groups working on each of these. So that we can finish in 30 minutes. Otherwise, if you want this one Committee to take up all of the Sections, it might take an hour. And I am very conscious of the time. We want, we would like to finish before we have to break up at eight o'clock.

COMMISSIONER ESPINA.

Okay, anyway, ang concern ko lang doon is time also. This group can come up with a good style of writing, composition, covered na lahat yung areas na iyon—public utilities.

COMMISSIONER BENGZON.

Mr. Chairman, Mr. Chairman...

CHAIRMAN PATERNO

Commssioner Bengzon.

COMMISSIONER BENGZON.

Actually we already have. If you look at the Nachura draft, and the draft of the 12<sup>th</sup> Congress and the draft that was made by then PCRP, commissioned by President Estrada—PCCI. The two drafts of the Nachura and the 12<sup>th</sup> Congress actually stops at the first, on Section 2 and it says, "Natural resources shall not be alienated," and the rest are deleted. So I guess the question really is, if you just look at Section 2, do you want to just delete the whole thing or if you consider my objection, put in the second to the last paragraph of that section. That's about

it. If we already have drafts here on the language of that from the 12<sup>th</sup> Congress draft to the Nachura draft, and then...

CHAIRMAN PATERNO.

Unless the Committee wants to appoint another Chair. It is not the intention, if I chair this Committee, to present drafts, but only to present the sense of what we propose.

*(Applause.)*

COMMISSIONER BENGZON.

Just for Section 2, Mr. Chairman, so that, it's not really the draft. The draft is, the language of that Section 2, so that, that's also coming into the spirit of what we are talking about.

CHAIRMAN PATERNO.

Can you wait for the draft that we will present?

COMMISSIONER BENGZON.

Sure.

CHAIRMAN PATERNO.

Thank you.

COMMISSIONER TENDERO.

Mr. Chairman, I move for a 5-minute recess.

COMMISSIONER APOSTOL.

Before recess, before we go on recess, let's have this small committee appointed. Two groups. I suggest si Rene, si Mela, then si Joey, ah, si Gerry, si Jarius, si Alex. You divide that into two.

COMMISSIONER APOSTOL

No since, the Chairman has the absolute authority to appoint,

COMMISSIONER ADAMAT

I think I have to be in that committee, Mr. Chairman

COMMISSIONER APOSTOL

Anyway, si Chairman ang bahala. Then I move for a 5-minute recess. Okay, 30 minutes, at least 20.

CHAIRMAN PATERNO.

The members of the committee will be Commissioner Azurin. Nelia, would you agree? Nelia Gonzalez, Commissioner Adamat. Who else in that line who would want to be a member? Garcia and Abueg. On this other side, Commissioner Varela, Espina, Leviste. Commissioner Bengzon, would you like to be a member? Who else? Magno or Bondoc?

COMMISSIONER BONDOC.

I decline.

CHAIRMAN PATERNO.

Okay, the committee has been. Alex Magno would you like to be a member? Yes or no?

CHAIRMAN PATERNO.  
Does silence mean yes or no?

COMMISSIONER MAGNO.  
Okay, okay.

### **SUSPENSION OF MEETING**

*It was 6:15 p.m.*

CHAIRMAN PATERNO.  
Okay. Recess for 30 minutes.

COMMISSIONER APOSTOL.  
30 minutes recess.

CHAIRMAN PATERNO.  
May we request the members of the committee to convene, ano, among room yun? The first committee on land and natural resources in the chairman's room which is adjacent to this room. The second committee on Sections 8 to 21 or 22 will take the room on the other side of the building. May we appoint Commissioner Leviste as the Chairman of drafting committee number 1 or Rene, will you be chairman of drafting committee number 1 on natural resources? Commissioner Bengzon, or all others, would you like to be, or all others, you want to be on the natural resources?

### **RESUMPTION OF MEETING**

*The session resumed at 6:52 p.m*

CHAIRMAN PATERNO  
The Committee on National Patrimony and other provisions are ready to make their report. So, Mr. Floor Leader.

COMMISSIONER APOSTOL  
May I recognize Commissioner Rene Azurin to make his report on National Patrimony.

COMMISSIONER AZURIN  
This covers Sections 2 to 8. On Section 2, the committee agreed to remove the restrictions on foreign ownership, to remove the restrictions on the exploitation of natural resources by foreigners. So, the first paragraph of Section 2 will reflect that accordingly. The second paragraph of Section 2 will be deleted completely. The third paragraph of Section 2 will be deleted also completely.

For section 3, the sense of the committee is to remove the limitations in the prescriptions on length of time and the size of the area that can be leased by private corporations or associations. Currently, the specification is that the terms will be for 25 years, renewable for 25 years, and not to exceed 1,000 hectares. The sense of the committee is to remove these restrictions and to allow such exploitation, such lease of public, of lands of alienable lands of the public domain, to anything that might be agreed on between a potential investor and the State.

The second paragraph of section 3 will be deleted. Section 4 will remain as is. Section 5 will remain as is. Section 6 will be deleted completely. Section 7 will be deleted completely. Section 8 will be deleted completely.

That's all. Thank you, Mr. Chairman.

CHAIRMAN PATERNO

That's going to be transcribed and that will be the report of the drafting committee. Are there any comments on that report?

COMMISSIONER GARCIA

On Section 4, Mr. Chairman, which will be retained?

COMMISSIONER APOSTOL

Just a minute. Commissioner Garcia, Commissioner Leviste, Commissioner Lambino.

CHAIRMAN PATERNO

Commissioner Garcia is recognized.

COMMISSIONER GARCIA

Thank you, Mr. Chairman. Lands are classified into agricultural, forest or timber-mineral lands or national parks. Now, here in section 4, it is Congress that shall determine the means and bounds of securing the claiming of forest lands. I believe that this is a very cumbersome process. It will require a law, to, let us say, reclassify the lands from timber to alienable and disposable and agricultural. That is a constraint to development.

For example, the island of Bantayan is classified as wilderness. And small islands in Cebu, are classified as timberlands, although it is no longer so. And if we wait for Congress to make reclassification or the limitations of the area, we might wait forever.

Now, before the 1987 Constitution, it was the President that issued proclamations releasing certain portions of the public domain into inalienable and disposable. That is how Mindanao got to be developed, because certain areas which used to be classified as forest or timber were released as A and D. And you cannot title a piece of land, although there is no longer any tree left. But if it has been classified as timber, it is difficult, extremely difficult, if not impossible to secure a torrens title for that property.

I believe that we should remove this from Congress. The President with the Secretary of Agriculture and Natural Resources, they have the expertise, technology, to reclassify these lands from timberland to alienable and disposable. In fact, there are certain areas in Quezon City, which are still declared forestlands. So, I believe we should introduce changes in this section.

CHAIRMAN PATERNO

Mr. Floor leader, should we...

COMMISSIONER APOSTOL

I think that is, I believe that the proper thing there is to introduce that as an amendment. The proper thing is to introduce it as an amendment to the report.

COMMISSIONER GARCIA

Mr. Chairman, under this section, Congress shall, determined by law. There is going to be law still. The law is there and it has stayed there for a fixed period of time. And it may be overtaken by development, just as there were certain classifications, which have been overtaken by development.

COMMISSIONER ESPINA

Just a comment on it, Mr. Chairman. I fully agree with Commissioner Garcia. In Biliran, in Naval, in my town where I am Mayor, there are 6 barangays which are already inhabited, which are already developed as rice lands, and yet they are classified as forestlands. One of the biggest barangays in my town is along the seashore. Wala ng kahoy dun, there are houses. Since 1995, I filed a bill to ask Congress to make it alienable and disposable. But you see in Congress, ang tagal-tagal, hanggang sa natapos term ko, I was not able to convert these 6 barangays into alienable. Mga konkreto na yung bahay but still ang problema, they are not paying taxes because the DENR tells them na hindi naman inyo yan, that is still forest land. And here you are, providing garbage collection services, putting in cemented roads, but you cannot collect taxes because ang gusto ng tao, hindi pala ito pwede maging amin, so bakit kami magbabayad ng buwis?

I would argue in favor of that observation to be made a part of the report of the sub-committee.

COMMISSIONER APOSTOL

So we will go to the next interpellator. Commissioner Lambino.

COMMISSIONER LAMBINO.

Thank you, Mr. Chairman. Just a comment to the observation of Commissioner Garcia to delete Section 4.

COMMISSIONER GARCIA

Not deleted, it's maintained.

COMMISSIONER LAMBINO.

Section 4? It is to be maintained? I agree with him completely because without a law, the executive cannot execute anything. So it's only Congress that can determine what law shall be executed by the President or by the secretary of Environment and Natural Resources.

COMMISSIONER AZURIN.

In the committee report we recommended that this remain. We're not recommending, we did not change anything here.

COMMISSIONER ESPINA.

Except Mr. Chairman, the point raised by Commissioner Garcia, yung difficulty of converting by law, lands which are no longer forest lands. Now, under the proposed retention of that provision, unless Congress acts, it will remain forest land and you cannot collect taxes because they are forest land, government land. And yet mga bahay na ito, konkreto.

COMMISSIONER AZURIN.

Ok. Now, the committee did not see this problem. So if there are some suggestions on so how this can be amended, then please tell us.

COMMISSIONER APOSTOL.

Yes, yes. In the period of amendments.

COMMISSIONER LAMBINO.

If I may suggest that we are going to amend the provision section 4 to the effect that Congress may, by law, authorize the Secretary of Environment Natural and Resources or whatever...

COMMISSIONER ABUEG

The president, the president.

COMMISSIONER LAMBINO.

Because if it is Congress that's going to determine the specific limits of this lands as pointed out by Commissioner Espina, it will take some time and it's not going to answer the concern of our economic managers that sometimes situations would warrant that immediate action from government has to be placed.

COMMISSIONER ESPINA.

How about this provision...?

COMMISSIONER APOSTOL.

Just a minute Gerry, just a minute. Ok. Our next interpellator is Commissioner Leviste.

COMMISSIONER LEVISTE.

Mr. Chairman, It's not really an interpellation. I just want to clarify. I was a member of the committee, but just for the record, on exactly what will happen to section 2 and what will happen to the powers of the president, in this case the prime minister, at the event that we shift to the parliamentary system, on the existing agreements as covered in the second to the last paragraph. Maybe our chairman of our sub-committee could elaborate on that. I have no problem with the rest of the report. Thank you, Mr. Chairman.

COMMISSIONER ADAMAT

Ibang committee ang maghandle nun, di ba?

COMMISSIONER AZURIN.

I would imagine that whatever revisions we make here will not affect existing contracts. Now the deletion of that paragraph essentially follows from the fact that we removed the restrictions on foreign-owned corporations exploiting natural resources. So personally, although, I don't see how it affects your particular problem.

COMMISSIONER GARCIA.

May I offer, in the first paragraph of section 2, we have the exploration, development and utilization of natural resources shall be under the full control and supervision of the state. So the president represents the state. So these existing contracts are valid. Aside from the fact that the president enters into that contract in a representation of the state; we are further strengthening that contract by the removal of the penultimate paragraph. And there is still the added provision that no law shall be passed impairing the obligation of contracts. These are existing contracts; vested rights have been acquired; therefore, it cannot be affected.

COMMISSIONER AZURIN.

If I'm not mistaken, this provision was put in to allow the president to enter into agreements with corporations in excess of the 60% limitations. Since we removed the restrictions, I think that the provision is no longer necessary.

COMMISSIONER GARCIA.

But the concern is with the existing contracts.

COMMISSIONER APOSTOL.

The next interpellator is Commissioner Matula.

COMMISSIONER MATULA.

Thank you, Mr. Chairman. I'm concerned with the drastic unilateral opening of our economy without condition or regulation. I'm not against the opening but I am proposing that the opening should be done in such a way that we are also protecting our small people and even our national interest. There was a proposal in our paper, the proposal by former congressman Nachura, which I think I'm not favorable of the proposal. Section 11 states that provisions of this 1987 Constitution relating to nationality prohibitions or restrictions on the grant of congressional franchises, the ownership and operation of public utilities, mass media, advertising, educational institutions and the exploration development and utilization of the natural resources shall remain in effect unless otherwise amended or repealed by parliament. I am inclined to favor this proposal because I understand that we cannot really unilaterally, immediately open our economy without adopting some measures to protect our interests.

COMMISSIONER AZURIN.

I think I would respectfully disagree with the gentleman. I think there is no problem opening the economy. I think the hesitation and the reluctance is probably misplaced. I think the, our objective is to hasten the economic development and to hasten the upliftment of the people especially the underprivileged. This will happen by encouraging foreign capital to come into the country and the fact that foreign capital comes in is good for us. I think if the capital does not come in here they will go somewhere else. They will go to Vietnam, to Thailand, to China, etc, etc. I think the concern must be to protect the local businessmen who presumably will be disadvantaged by the influx of foreign investment. My answer to that is let the local businessmen, like Mike Varela, protect themselves. They can handle themselves. They're not worried about foreign competition why should we worry about it if the business community is not worried themselves.

COMMISSIONER APOSTOL.

The next interpellator is Commissioner Abueg.

CHAIRMAN PATERNO

Commissioner Abueg is recognized.

COMMISSIONER APOSTOL.

He is the last. Then we go to the period of amendments.

COMMISSIONER ABUEG.

I would want to associate myself with the proposal of the distinguished Commissioner Hon. Pablo Garcia, to return the power of reclassification of land to the President from Congress. We have such experience of this. There is portion of land in Puerto Princesa in Barangay Sta. Monica, which consists of about more than 200 hectares that has been classified as timber land

in 1907. But this is fully developed where the government center is there. The city hall and all government offices except the provincial capitol. The Palawan State University is also there and the PNP headquarters. I filed a bill in the 9<sup>th</sup> Congress for the reclassification of the said land from timber land to alienable and disposable land. It passes from the House in the 9<sup>th</sup> Congress but it failed confirmation in the Senate. So in the 10<sup>th</sup> Congress I have to re-file it again and it had the same situation. In the 11<sup>th</sup> Congress I re-filed it again and it took me 9 years before I was able to have the favorable consideration of Congress for its conversion from timber land to amenable and disposable land so it would be easier and it would hasten more the development, rapid development, if this power is taken from the Congress and returned to the President which used to exercise the said power. Thank you, Mr. Chairman.

COMMISSIONER APOSTOL.

Since he is the last and he's not even interpellating, may we go to now the Period of Amendments? Commissioner Espina is now recognized.

COMMISSIONER ESPINA.

Mr. Chairman, if the honorable sponsor, Dr. Azurin, will accept, I would like to amend the report of the sub-committee by way of election. Section 4, instead of "Congress" it should be "the President, upon the recommendation of the Department of Environment and Natural Resources, and/or the Department of Agriculture."

COMMISSIONER AZURIN.

Unless any members of my committee object, I have no problem with that. Is there any objection from anyone?

COMMISSIONER APOSTOL.

Another amendment, Commissioner Tendaro.

COMMISSIONER TENDERO.

Mr. Chairman, while I have no problem with opening up our resources to the foreigners particularly for development, I still would like to see some kind of incentive for Filipino participation; because we don't want that everything will be owned by the foreigners that something that we could still have even some percentage of Filipino participation so that in the development there will be joint ownership of this, many of these national patrimony.

COMMISSIONER APOSTOL.

Yes, yes. What area are you trying to amend?

COMMISSIONER TENDERO.

Well in Section 2 as well as Section 11, that there will be still some even minority ownership of Filipino partners should be included.

COMMISSIONER MAGNO.

Objection, your Honor, objection.

COMMISSIONER APOSTOL.

Well, it should not be you who will be objecting, it should be the committee, Commissioner Azurin.

*(Laughter)*

COMMISSIONER AZURIN.

I will allow Commissioner Magno to object in my behalf.

*(Laughter)*

COMMISSIONER MAGNO.

Thank you, Mr. Chairman. Actually any restriction in the real world just creates job opportunities for dummies. It does not really protect small people. The less the restrictions, the more the investments, the better the benefits for the poor. I speak from experience and yung comment ni Commissioner Matula kanina about leaving it to Congress, magiging hanapbuhay lang yan ng Kongreso. Alam naman natin ang nangyayari. Mangongotong lang ang Kongreso.

*(Laughter)*

COMMISSIONER APOSTOL.

That's it. The proposed amendment is objected to. Commissioner Matula.

COMMISSIONER MATULA.

I'm concerned with these foreign investors coming to the country particularly those who have no capital. I had a labor problem with an investor investing in this country after exploiting workers and we filed cases before the NLRC, we found that this investor went out already from the country. So we cannot execute the award given to us by the NLRC. So these investors coming to our country just to exploit us and without even having enough capital. That is the problem with exploiting us and then we cannot go against them because they're out of the country.

COMMISSIONER AZURIN.

I think these matters are matters of law and law enforcement, not a matter for the Constitution. All the Constitution is saying is that the foreigner can exploit natural resources. Now the particular and specific terms of that particular exploitation, I think, is a matter between the property right owner and the foreign investor and if there are any violations of such agreements. I think the courts and the lawyers can address that particular issue.

COMMISSIONER APOSTOL.

If there is none, we go now to the period of voting. The draft was amended because there is one amendment which was submitted. The other proposed amendments were all denied. Do we have to vote one by one or just say "aye" or "nay"?

COMMISSIONER MAGNO.

Kung walang objections no need to vote.

CHAIRMAN PATERNO.

With respect to the Floor Leader's suggestion, perhaps seems to be the sense of the committee that we do it by hands. Hand vote. So all those in favor of the motion, in favor of the report, please raise your right hand.

COMMISSIONER JURADO

I'm sorry, Mr. Chairman, what is the issue? The one presented by Mr. Azurin? Okay.

CHAIRMAN PATERNO

How many, Secretariat. How many are in favor? 18. Those who are against, please raise your hand. 2. So 18 against 2. The motion is carried.

COMMISSIONER APOSTOL.

I move for a two-minute recess to print the other report.

CHAIRMAN PATERNO

The other report is now printed

COMMISSIONER APOSTOL.

Please distribute.

CHAIRMAN PATERNO

It has been distributed. So, maybe a two-minute recess that the members may read.

COMMISSIONER LAMBINO.

Before we go into a two-minute recess Mr. Chairman, parliamentary inquiry. What is now the status of Section 1 of Article XII?

CHAIRMAN PATERNO.

Status of Section 1, Article II?

COMMISSIONER LAMBINO.

Article XII, Mr. Chairman.

CHAIRMAN PATERNO.

There has been no report on that.

COMMISSIONER AZURIN.

Well, there is no report because I thought we were supposed to handle 2 to 8, although, I have a position on that.

CHAIRMAN PATERNO.

I would like to propose that this is going to be another contentious section because it refers to goal-setting and so on. So, it does not seem to me that this needs to be the subject of our presentation. Just keep silent on Section 1 of Article XII and then formulate Section 1 according to the inputs from the consultation because Section 1 is a general statement.

COMMISSIONER LAMBINO.

You're right, Mr. Chairman. I don't see any reason why Section 1 is there in Article XII. I propose that we completely delete Section 1.

COMMISSIONER AZURIN.

I have no problem with that.

COMMISSIONER MAGNO.

Second the motion.

COMMISSIONER LAMBINO.

It does not have any purpose at all. In fact if a law is passed by Congress, for example, that would be in contrast with the provision of Section 1. I do not know how the Supreme Court can resolve that law whether it is constitutional or not.

CHAIRMAN PATERNO.

May I remind us that we're not in the process of drafting. We're trying to...

COMMISSIONER LAMBINO.

I agree with that, Mr. Chairman. But just a statement, a general statement or a statement of a sentiment of a commissioner that Section 1 should be deleted from Article XII.

### **SUSPENSION OF SESSION**

COMMISSIONER APOSTOL.

Two-minute recess Mr. Chairman.

CHAIRMAN PATERNO.

Does anybody want to second that?

COMMISSIONER MAGNO

Second.

COMMISSIONER AZURIN.

Would the Chairman want us to include Section 1 in our report?

COMMISSIONER JURADO.

Objection to the motion, Mr. Chairman.

CHAIRMAN PATERNO.

Second the motion?

COMMISSIONER JURADO.

Objection.

COMMISSIONER APOSTOL.

Mr. Chairman, we're on recess. Two minutes.

### **RESUMPTION OF SESSION**

CHAIRMAN PATERNO.

There is an objection to, it's not a unanimous thing so this thing needs to be referred to another committee. This is not a drafting committee and it's not the place where we should discuss this. It should be done in the drafting committee. And besides, you know, this is not the final version of the Committee. This is only for the purpose of consultation. So, with your permission, we will defer that motion for a later time when it is more appropriate.

COMMISSIONER LAMBINO.

May I inquire, Mr. Chairman, which committee is going to do that? Will it be the Committee on Style because I understand that, Commissioner Azurin, in his report proposed deletion of some sections of Article XII.

CHAIRMAN PATERNO.

Commissioner, I would like to emphasize again and again and again, what we are trying to look at is what this Committee will present at the consultation. I think this is all amply covered. We do

not have to cover everything. We're just trying to determine what we can present. Will the gentleman yield to that idea?

COMMISSIONER LAMBINO.

With that pronouncement, Mr. Chairman, I yield to the wisdom of the good Chairman.

CHAIRMAN PATERNO.

Thank you, sir.

COMMISSIONER ADAMAT

Di pa nga na-declare ang recess eh.

CHAIRMAN PATERNO.

Sorry, Mr. Floor Leader. The Committee will please come to order. Shall we consider the report of the first committee as having been approved? Finished?

COMMISSIONER APOSTOL.

Commissioner Azurin will finalize the report. That's his job.

CHAIRMAN PATERNO.

We have the other one and we have announced that it's already printed. And so as the Chairman of that committee I'd like to just go over the recommendations of that second committee. Our task was to review sections 9 to 22 of Article XII and some others with economic provisions with respect to foreign ownership are involved. So in Section 9 we had no comment. Section 10 we believed that the first two paragraphs really were not adding very much to the Constitution and we suggest that only the third paragraph of that section be retained. In Section 11 we propose that the citizenship restriction on the ownership and on the management of public utilities be removed. In Section 17, the drafting committee was concerned that the intent of Section 17 was not clear. Section 17 refers to the take-over or direction of the operation of public utilities or business affected with public interest and we felt that this should be clarified to make clear that the phrase take-over refers not to the business but to the operation of the corporation. And for that purpose, we suggest transposition of the words direct and take-over so that it will say, instead of take-over and direct it would say direct and take-over of the operation of the business. Well, Commissioner Varela suggested "oversee."

COMMISSIONER APOSTOL.

Operation and management but not the business.

CHAIRMAN PATERNO.

Not the business, yes. Well that is our recommendation really. We're not in a drafting situation here, we want to clarify that should be the intent of Section 17. We are worried that the Secretary of Justice, in that talk show on Friday, referred to this on the understanding that take-over meant take-over of the business. Peter Wallace objected because he said this would cause a lot of concern on the part of foreign business. We also propose to clarify in Section 17 which branch of government is responsible for declaring the existence of a national emergency. Because it is not clear, it merely says that in Section 17, when the public interest so requires the state may, it says that in times of national emergencies when the public interest so requires the state may, during the emergency under the reasonable terms prescribed by it, temporary take-over or direct the operation of any privately owned public utility or business affected with public

interest. So we felt that it was necessary to clarify this because it can be used as a substitute for the national emergency under the Martial Law provision.

On Section 18, the committee proposed that when we refer to the payment compensation on the transfer of ownership of utilities and public enterprises. It should be specified that the compensation should not only be just but also timely. Because it can be just but takes forever to get paid. Now, besides the provisions or sections of Article XII, the committee decided that they should function on Section 4 of Article XIV with respect to lifting of the citizenship requirements on the ownership of educational institutions. However, the committee was evenly divided on this but we still felt that the Committee as a whole should consider the removal of the restriction or not. Then perhaps there can be a vote on that. I will just finish my...In Section 11 of Article XVI with respect to mass media and advertising, we recommend to remove the citizenship requirements of paragraphs 1 and 2 thereof. That's the completion of the report of that committee.

COMMISSIONER APOSTOL.

Table is now open for interpellations. Commissioner Tendero.

COMMISSIONER TENDERO.

Like in the other provisions in Section 2, as these are now in the area of other economic restrictions. I am in favor of opening that. My question is what safety nets do we have and guaranty we can include in such a way that our people will not just be laborers in our own and that we are all being managed by foreign investors?

CHAIRMAN PATERNO.

We refer you, Commissioner Tendero, to Section 10, the 3<sup>rd</sup> paragraph, which says that, "The state shall regulate and exercise authority over foreign investments within its national jurisdiction and with accordance with its national goals and priorities." So that is the power of the state over foreign investments, which it does not specifically grant to domestic investors.

COMMISSIONER APOSTOL.

Any other interpellation? Yes, Commissioner Magno.

COMMISSIONER MAGNO

I propose we delete Section 20, "Congress shall establish an independent central monetary authority," since we have an independent central monetary authority.

CHAIRMAN PATERNO.

In response, the drafting committee believes that there really are a number of superfluous provisions but we did not feel that it was necessary to point this out, at this time, in the consultations. It is a matter for the committee to function later on.

COMMISSIONER MAGNO.

Thank you, Mr. Chairman.

COMMISSIONER APOSTOL.

Any other interpellation? Well, if there is none, the table now is open for amendment. I'm not referring anymore the matter to the Chairman because he is the one defending.

CHAIRMAN PATERNO.

Thank you, Mr. Floor Leader.

COMMISSIONER AZURIN.

It seems the Committee is divided on the matter of educational institutions. How is the process for resolving this?

CHAIRMAN PATERNO.

We expect that it will be resolved in plenary because this will be the report of the Committee.

COMMISSIONER APOSTOL.

Any amendment? You are introducing an amendment Atty. Lambino? We are now in the period of amendments or are you interpellating?

COMMISSIONER LAMBINO.

An amendment to what the Chairman stated on Section 17 of Article XII, because this is really a contentious provision in Article XII, regarding the take-over of privately-owned public utilities or business affected with public interest. I propose to amend this provision to require that there must be a Congressional action regarding this, because if you look at Article VI, Section 23, paragraph 2 of the Constitution it states that, "In times of war or other national emergencies Congress may, by law, authorize the President." So in order not to come in conflict with the provision of Section 23, Article VI, Section 17, Article XII should also put a safeguard here that in times of national emergency, when the public interest so requires, Congress may authorize the President.

COMMISSIONER APOSTOL.

Just a minute, the Chairmain.

CHAIRMAN PATERNO.

We will ask members of the Committee to reply to that proposal by Commissioner Lambino. I think Commissioner Espina raised his hand.

COMMISSIONER ESPINA.

Commisioner, paki-clarify lang yung tanong.

COMMISSIONER LAMBINO.

My suggestion is that instead of using the word "state" here in Section 17, I'll read Section 17 in full: "In times of national emergency, when the public interest so requires, the state may during the emergency and under such reasonable terms prescribed by it," Who's going to prescribe? The state? Which department of state? Now under Section 23, it's very clear that it is the Congress, under conditions prescribed by Congress, the President can exercise emergency powers. So in order to jive with the provision of Section 23, I propose to remove or delete the word "state" and substitute it with the word "legislature" or "parliament", whatever is the body that will be created later on.

COMMISSIONER ESPINA.

Mr. Chairman, I understand this is one of the provisions that we allowed to be discussed here. I have my personal feelings on this. And that is supposing Congress does not give the authority, then the country and the President could be paralyzed in that particular situation where there may really be an emergency because the Constitution says Congress must first authorize. What happens? This is a very fundamental question to my mind because, supposing you have an opposition Congress and they do not share the view of the President that there is an emergency, what happens? Who is dominant, Congress or the President in that particular case?

So I just, maybe it's a scenario which will never happen, but just in case it does, what is our solution?

COMMISSIONER MAGNO.

May I add to that, Mr. Chairman? I'm on the same point. I don't think we should make Congressional action pre-conditional to the declaration of a state of emergency because that would be a formula for paralysis. Maybe we could put a review period after an emergency is declared. Yes, because sometimes you have to declare an emergency within 5 minutes. So we should not paralyze the Chief Executive on a matter that may be gravely perilous to the nation.

COMMISSIONER LAMBINO.

Mr. Chairman, with the indulgence of the committee, I am very, very concerned about not clarifying this point because if you look at Section 23 of Article VI, the situation is even more serious. It says that in times of war or other national emergency, the Congress may by law authorize the President for limited period and subject to such restrictions as it may prescribe, to exercise powers necessary and proper to carry out and declare national policy. So my suggestion in order to, not to confuse Section 17 is to substitute the word "parliament" or "legislature" to the word "state" giving authority.

CHAIRMAN PATERNO.

Commissioner Garcia is recognized.

COMMISSIONER GARCIA.

I believe that the similarity is more apparent than real. Section 23 of Article VI refers to the power of the President to legislate. That is why it is in Article VI, like the Emergency Powers Act during President Quirino. He was granted or during the Second World War in the United States, the President was granted legislative powers. But this is not the national emergency referred to in this Section 17. It is necessary that the President can respond to an emergency situation without waiting for authority from Congress. Just like when President Truman took over the steel industry when there was strike without waiting for Congress to act. So this is not the emergency referred to in Article VI. That's why it's in Article VI because this refers to legislative powers. During the war for example, the President can legislate.

COMMISSIONER LAMBINO.

Mr. Chairman, I beg to disagree with the position taken by Commissioner Garcia. If you look at Section 17 the phrase "under such reasonable terms prescribed by it"...

COMMISSIONER GARCIA.

Precisely, the legislative power of the President shall be within the limits or terms or conditions set by Congress.

COMMISSIONER LAMBINO.

No, I'm referring to Section 17 of Article XII, Mr. Chairman. There is that phrase "under such reasonable terms prescribed by it." That can only refer to conditions prescribed by the legislature. It cannot be the other way around.

COMMISSIONER GARCIA.

The state is represented by the President because of the executive powers of the President. The President has even powers not granted by the Constitution, the so-called residual powers of the President.

COMMISSIONER APOSTOL.

Mr. Chairman, may I beg that this debate should be held in abeyance, to be debated again in the plenary. We're just trying to draft here a matter to be submitted to the plenary. Mr. Chair, Commissioner Leviste is raising his hand.

COMMISSIONER ESPINA.

A reaction to that statement that the Floor leader... we can resolve the matter here better than have it in the plenary. If we can get a consensus here, mas maganda para...

CHAIRMAN PATERNO.

The problem Commissioner Espina is that it is already quarter to eight and perhaps it is better to defer this for a time when we are more ready to consider it. I'm seeing some fatigue already here.

COMMISSIONER AZURIN.

Mr. Chairman, I think the only difference whether the word "state" will refer to Congress or to the President, if it's the executive or the legislative. Maybe we can just vote?

COMMISSIONER APOSTOL.

There will be no more distinction, Mr. Chairman, when we become parliament.

CHAIRMAN PATERNO.

This is another problem because then if we talk of a parliamentary government then we're not really talking about the President anymore. We're talking of fusion of executive and legislative power. This is why I worry about debating this point because it might be fruitless debate if we go to parliamentary. So why quarrel over something which might not be useful. So maybe we can just defer it until we know whether we'll be going to be parliamentary or not. Then we put in the safeguards if we agree on presidential.

COMMISSIONER APOSTOL.

Mr. Chairman, since we are in the period of amendments and nobody now is trying to amend. Are you trying to amend, Mr. Leviste?

COMMISSIONER LEVISTE.

I was the one you bypassed after calling me but didn't call me. But in deference to the Chairman, I will no longer take the floor.

COMMISSIONER APOSTOL.

I forgot him...

*(Laughter)*

COMMISSIONER LEVISTE.

I just want to associate myself with the views of Commissioner Espina, Commissioner Magno and Commissioner Garcia. Thank you.

COMMISSIONER APOSTOL.

So we vote now. Mr. Chair, I submit that we should vote now.

CHAIRMAN PATERNO.

It has been moved. Has it been seconded?

COMMISSIONER ADAMAT

What was the motion, Mr. Chairman? Can you restate the motion?

COMMISSIONER APOSTOL.

The motion to approve the report.

CHAIRMAN PATERNO.

The motion is to approve the report. It has been moved and seconded that the report of the second committee be approved and submitted by this Committee to plenary. Is there any objection?

There seems to be no objection. The motion is carried. A motion of adjournment will now be entertained.

### **ADJOURNMENT OF MEETING**

COMMISSIONER APOSTOL.

Mr. Chair, I move that we adjourn.

COMMISSIONER LEVISTE

We second the motion, Mr. Chairman.

CHAIRMAN PATERNO.

We are adjourned.

*It was 7:46 p.m.*