

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

**COMMITTEE OF THE STRUCTURE OF THE REPUBLIC  
TRANSCRIPT OF MEETING  
TUESDAY, OCTOBER 18, 2005**

**OPENING OF THE MEETING**

*At 2.20 p.m., the Chairman of the Committee, Rey Magno Teves, called the meeting to order.*

CHAIRMAN TEVES.

The meeting is called to order.

COMMISSIONER APOSTOL.

We always start with the national anthem before prayer....

CHAIRMAN TEVES.

Is it so?

COMMISSIONER APOSTOL.

In Congress it's always the Filipino...

CHAIRMAN TEVES.

We have asked Emily Marohombsar to put up into the spirit of the Ramadan as well. Ms. Marohombsar please lead the prayer for us.

**PRAYER AND NATIONAL ANTHEM**

COMMISSIONER MAROHOMBSAR.

Okay let's bow our heads and place ourselves in the presence of God Almighty. In the name of God Almighty the Beneficent, the Merciful, all praises due to God, the Nourisher of all world, the Merciful, the Compassionate, Master of the Day of Judgment, Thee do we worship, and Thee do we beg for assistance. Guide us along the right path, the path of those on whom Thou hast bestowed favors, not of those upon whom wrath is brought down, those who go astray.

Dear God, help us not forget the great privilege that we have in this, our land, to meet without fear, to speak without restraint, to listen with open minds. Our Heavenly Father, accept our grateful thanksgiving for the opportunity to again serve our beloved Philippines as members of the Consultative Commission which is tasked to study and make recommendations for possible amendments of the Constitution so that it can be more responsive to our problems and needs, We are men and women of different creed and faith but working together as one body, ready to accept the challenge that may confront us. Dear Lord, We, members of the Concom, hereby beseech Thee Almighty Father in earnest prayer for peace and brotherhood in our country and in the world. Remove from our thoughts bitterness, hate and intolerance. Aamiin, yarabbil aalamiin, alhamdullilah!

*[Thereafter the national anthem was played].*

## **ROLL CALL**

COMMISSIONER APOSTOL.

I move that we postpone the calling of the roll.

COMMISSIONER ADAMAT

Suspend. Suspend.

COMMISSIONER APOSTOL

Ah, eh suspend, postpone. The same.

CHAIRMAN TEVES.

There's a motion from the Floor Leader for suspension of roll call?

COMMISSIONER MAGNO

Second.

CHAIRMAN TEVES

Alex, you're the Vice-Chair in this Committee.

*(laughter)*

## **MINUTES OF THE PREVIOUS MEETING**

COMMISSIONER APOSTOL.

Item 4 is the Approval of the Minutes of the last meeting. Mr. Chair, we are on item 4, approval of the minutes of the last meeting.

CHAIRMAN TEVES.

Earlier, I informed the members that we have the minutes itself, draft of the Minutes of the Committee Meeting last week and we are offering it for your comments and corrections. So bawat may sinabi dun at mali ang pagka-kuwan dito you're free to make the necessary recommendations on how to correct it.

COMMISSIONER APOSTOL.

Mr. Chair, to give everybody the chance to read the minutes, I move that we suspend also the approval of the Minutes.

CHAIRMAN TEVES.

There's a motion for suspension of the approval of the Minutes.

(voices) Second... (unintelligible)...

COMMISSIONER TABANDA.

Is it suspension, deferment? What is the motion?

(voices) Deferment.

COMMISSIONER TABANDA

...to lay on the table or ...

COMMISSIONER APOSTOL.  
Suspension only.

COMMISSIONER TABANDA.  
Suspension only? It is not deferment. Suspension, meaning we will take it up later.

COMMISSIONER APOSTOL.  
Later.

COMMISSIONER TABANDA.  
During the day?

COMMISSIONER APOSTOL.  
During the day.

COMMISSIONER TABANDA.  
Because deferment would mean ...

COMMISSIONER APOSTOL.  
The following meeting.

COMMISSIONER TABANDA.  
The following meeting. So the motion is simple suspension.

COMMISSIONER APOSTOL.  
Suspension.

COMMISSIONER TABANDA.  
Thank you Mr. Chairman.

CHAIRMAN TEVES.  
That having been cleared. Let's proceed to the next item.

### **CHAIRMAN'S BRIEFING**

COMMISSIONER APOSTOL.  
Item 5 – the Chairman's briefing. Mr. Chair, you have the floor.

CHAIRMAN TEVES.  
Firstly, we would like to acknowledge with appreciation of the presence of our Officers -- Chairman Abueva and Vice Chair Vic Ortega in this Committee Meeting. And I like to acknowledge also the materials that had been distributed today; it's quite a, quite a load. You have, and please, do the tracking with me whether you have copies of this -- "Why shift to a Federal Structure" by Commissioner Jurado. I'd like to acknowledge also a paper, short paper from Dr. Alex Brilliantes, Jr. of the NCPAG-UP, "The Next Logical Step after Devolution under the 1991 Local Government Code. Federalism that is. Then there's just this information, a two-page thing which I prepared; an article in Newsbreak "Devolution Plus", two pages, ah, one page; another Article in Newsbreak "A New Order", one page; an article, 2-part column of Joji Bian with some technical people in the Philippine Daily Inquirer.

And then, that's about it. I'd like to acknowledge also that in yesterday's meeting of the National Patrimony and, the article of Vice Chair Alex Magno on Federalism was, copies of which were distributed yesterday. Now, in our last meeting if you note in our, in the minutes we ended up abruptly,, because there was a motion of adjournment. But there was one item that we were not able to finish and that is the presentations of, presentations by, presumably unitarists who have expressed their intention to also speak for the current unitary system of government. They are going to be accommodated this afternoon and that is the first order of business in this afternoon's meeting. And as usual, we will have the period of interpellation and, hopefully to sum up the work of this committee at this point in time, we should be able to, we will accommodate responses as well, and then the last part would be the discussion and drafting of committees' proposed consultation questions and/or our report to the plenary on Thursday, the committee report.

So that's what is expected of us. I'd like to say also and reiterate the orientation that I suggested for this committee in our last meeting and that is, I don't think that we need to, in the committee meeting prior to consultation, make a decision on anything regarding our position here and that my sense is that, it's really a question of what do we bring before the consultation in terms of the questions or issues regarding the structure of the republic that will be brought before the people in the consultation for their reactions, comments and such. And then we will have, I understand around one-month consultation work after which we will do consolidation at the commission level. Each committee, I suppose, also working out the summary of the results of the consultation in relation to the matters that are pertinent to the committees, and more particularly committee on form of government, structure of the republic, national patrimony, judiciary, citizenship, preamble and the rest. I suppose that the Floor Leader still has the notes on those who have expressed intention to speak for the unitary system of government and as far as I'm concerned, we can proceed with that.

#### COMMISSIONER APOSTOL

Mr. Chair, the usual, each presentor has 15 minutes to present his position, then after they all presented their position, comes now the period of interpellation. Our first presentor is Commissioner Governor Pabling Garcia of Cebu, Mr. Chair.

#### CHAIRMAN TEVES

Okay.

#### COMMISSIONER GARCIA.

Thank you, Mr. Floor Leader, Mr. Chairman and my fellow Commissioners. At this point in current debate on charter change, it is a source of wonderment or even puzzlement, about how the leading advocates for the Federal Republic of the Philippines could have failed to realize that what they are proposing is something that is alien to the basic and generally-accepted principles of federalism as this term is known in political law and practice.

Federalism means the coming together of existing self-governing or quasi-sovereign states or other political units or organizations, with their own governments in order to form a bigger and more compact sovereign union or nation. That is federalism. A federal government according to Black's standard law dictionary is defined as "a system of government administered in state formed by the union or confederation of several independent or quasi-independent states." Another standard law dictionary, Bovier's, defines a federal government "as a union or federation of sovereign states created by, creating, or mutual adoption of a federal constitution for the purpose of presenting to world the appearance of a single state.

Yes. Federalism is the coming together of several independent or quasi-independent states and agreeing to unite and form a single independent and sovereign state. This is the essence, the heart of soul, if we may, of federalism. And this was how the United States of America, with its 13 colonies; Canada with 10 or so provinces; Germany with its 11 states or *lander*; Australia with its 6 colonies; came into being. These states were the result of a free, voluntarily, collective and decisive act of political will of a people in the exercise of their sacred, time-honored and universally-recognized right of self-determination.

Unfortunately, the leading advocates for a federal Philippines would have none of the above. Not of America or United States of America, not of Australia, not of Switzerland or Germany or Canada. They would like to establish a federal republic by the union of imaginary and non-existing states or states that have not yet been created, and also the coming together of governments that have yet to be organized, of future states that have yet to be created. In other words, they would like to create something out of nothing as far as I know. There's only one who can do that, and that is God.

Indeed, if they succeed, and God forbid, we shall have established a federal republic of the Philippines that will have no similar counterpart in any other place in the world. May, it would be one that is out of this world, a political mongrel as it were. The federal government as proposed by the leading advocates of federalism in the Philippines is a blueprint for destabilization and dismemberment of the republic.

I have taken pains to carefully read and analyze the provisions of the draft constitution submitted by the CMFP courtesy of the Konrad Adenauer Stiftung. And with all due respect and apology, I must say there is a deliberate, premeditated and calibrated assault against the central government so as to render it weakened, impoverished, marginalized and inutile, and so as to make it an easy prey to the forces of destabilization.

First, the central government will be left with a terrible and crashing burden of the national debt, foreign and domestic, which is now placed at more than five trillion pesos. The proposed states do not share in the burden. Then, as if to further cripple the central government, it is also deprived and robbed, will be the right word, of its income. The more substantive taxes, like, imagine, how the national or the central government will be disrobed, stripped naked, as it were. Income taxes, individual and corporate, removed from the coffers of the national government. Value added tax is shared with the state government. Tax on persons exempt from VAT, state government. Franchise tax, lost to the national government. Tax on banks and financial intermediaries, tax on, in finance companies, tax on life insurance premiums, documentary stamp tax, motor vehicles registration -- this is the LTO with income running to billions of pesos --, private motor vehicle tax, travel tax, charges on forest products, all removed from the national government. Perhaps, what is left to the central government is the "thumbtacks." All these taxes will go to the states or the *estados*. The central government will be left with the crumbs that will fall from the tables of the affluent *estados*. It will be left with only about to 10 to 15% of the internal revenue tax, and as to the LTO, 100% will be, they will be deprived 100% of this tax, the central government. And as if to add insult to injury and to further impoverish the central government. The central government has still to share, has still to share what little it is left with the local government units and this will automatically be given to them. This is too much. *Sobra na. Tama na.* But to the federal advocates, that is not *tama. Kulang pa!* Deficient, the central government is still alive, even if it has been deprived of food. Now. Now, the life blood of the central government or the state will be sucked out of its body so that it will slowly bleed to death. And this is the unkindest cut of all. *Napakasakit Kuya Eddie!*

(laughter)

Yesterday, during the hearing of the Committee on the National Patrimony and Economy, we discussed spiritedly and positively Section 2 of Article 12 which provides that all lands of the public domain, waters, minerals, coal, petroleum, other mineral oils, all forces of potential energy, fisheries, forestry, etcetera, etcetera, belong to the state. And we were reminded that this is the Regalian doctrine. But at this point, I will ask my colleagues to lend me your ears and if you have tears to shed, proceed, prepare to shed them now.

Under the German-funded draft constitution of our leading federal advocates, lands and natural resources and the environment will be lost to the central government. Under the constitution and under the Regalian doctrine, the utilization and development of these natural resources, this natural wealth, are under the control and supervision of the state. But my friends, even this, even this, will be lost to the central government. Because this natural wealth, these natural resources, will be under the exclusive jurisdiction of the estados. Here is the draft constitution of the, funded by Frederick, no, not Frederick, Konrad Adenauer Stiftung. Section 2, Primary Jurisdiction of the Estados, the States, and the Batasan Estados. I will just read this, establishment and operation of public transportation. So, goodbye LTFRB, goodbye LTO, as far as the central government is concerned. Licensure of public utilities, the registration of motor vehicles and other public utilities, even Customs, Customs will be under the jurisdiction of the states. Forestry, fisheries, environment and natural resources, industrial development, then, they say the bulk of the natural wealth is in mining. Mining is also lost to the central government. Waterworks, etcetera.

Yesterday, we were discussing how to amend Section 2 in order that it can be fully developed, remove the strict requirement. Under our discussion it was still under the state, the national government. But..

COMMISSIONER APOSTOL.

The Commissioner has 2 minutes to wind up.

COMMISSIONER GARCIA

May I..

COMMISSIONER ESPINA.

Mr. Chairman, may I get, may I give to Commissioner Garcia five minutes of my 15 minutes and maybe later even the whole of my time.

COMMISSIONER APOSTOL.

Okay.

COMMISSIONER GARCIA.

When I discussed this with a former colleague of mine in Congress, he told me, "This cannot be. There's never rhyme nor reason for this. This is madness." But I told him, there is method in their madness. The intention here is to cripple and marginalize the central government so that at the proper time it will be easy for the states to secede and break away from the central government. It is a longer a centrifugal force where the outside is thrown to the center. This is centripetal force, because the center has no more force at all. I have a disturbing, if the President GMA, is the President of the federal state envisioned by the federal advocates, then she would have gone a long time ago because she's, her powers are terribly diminished.

But here is a newsbreak, and it's here, we are happy to bring you this special issue with the support of the Embassy of Switzerland. Even in this newsbreak, there is very disturbing article, yes, a very disturbing article, it's found on page 23, 23, under the, article, there is an article entitled "Industrial Hotline." Some advocates of federalism had long wanted President Arroyo out of Malacañang for another reason -- her being a micro manager. They said it would make her an effective mayor or governor. Well, one afternoon during the presentation, there was one very disturbing answer, maybe, a simultaneous, unguarded, when the presentation on federalism. When I asked him, "Will this hasten the independence of Mindanao?" And he answered "yes". So after all, well, I do not want to speak further. Now, when that happens, when the center can no longer hold, when it is easy for the states who, which are empowered with only, with authority and national wealth will break away, then that will be the beginning of the end of our Republic.

Perhaps, we'll be reciting the first line of Rizal's "Ultimo Adios" --*Adios Patria adorada, region del sol querida, perla del mar de oriente, nuestro perdido eden*. The Philippines, which is a paradise, will become a paradise lost; this is sad, very sad. But, at the same time I am disturbed, seriously disturbed, about some reports that some foreign elements, foreign interest groups, are interested in the conversion of the Philippines into a federal state and are extending substantial financial assistance for this purpose.

COMMISSIONER APOSTOL

Commissioner, the whole of your five minutes have lapsed. So you still have 2 minutes to wind up.

COMMISSIONER ESPINA

May I give up another 5 minutes of my time?

COMMISSIONER GARCIA

Why? Para que? They would say, for their own, what I am told, for their own self-serving economic reasons. I do not want to elaborate, don not ask me about it.

COMMISSIONER APOSTOL

So please..

COMMISSIONER GARCIA

I do not to walk...

COMMISSIONER APOSTOL

Commissioner...

COMMISSIONER GARCIA

.. to the edge of precipice. I feel like one going to the precipice but I do not want to go there because if I look down I'm afraid of what I will see.

Mr. Chairman, this proposed draft or this draft is a prescription for chaos and political paralysis. Under, for one thing, the federal government as proposed will dislocate certain political and legal institutions. It will also unhinge and unsettle official relationships. Under this proposal the provinces will be abolished. What will happen? Then I ask, what happens to the national development, err, Provincial Development Council? What happens to the Provincial Disaster Coordinating Council? What happens to the Provincial Mining Board? What happens to the

Provincial Solid Waste Disposal Council, and other legal institutions? Who will take over their functions?

COMMISSIONER APOSTOL

Ah.

COMMISSIONER GARCIA

What will be done with their personnel?

COMMISSIONER APOSTOL

Commissioner..

COMMISSIONER GARCIA

What will happen to the functions of these offices? Their properties?

COMMISSIONER APOSTOL

Commissioner, your 2 minutes is already up.

COMMISSIONER GARCIA

Also, what will happen to the obligations of the provinces? Who will take over?

*(male voice) Mr. Chairman, point of order.*

COMMISSIONER GARCIA

Well, I have two minutes. Ha? Well, certainly, may I wind in one minute?

COMMISSIONER APOSTOL

Yes. Please.

COMMISSIONER GARCIA

Okay. I'll wind up. We were told here by the proponents that the oppositors for the federal system are painting horror stories. We are not painting horror stories. These are man-made catastrophes waiting to happen. And so let us not listen to the serene song of federalism, composed in an air-conditioned Ivory Tower of academe with the background music supplied from Germany and Switzerland.

*(laughter)*

And let our imagination soar to heights of fancy and self-delusion, only to find out later on that all these dreams will have floundered along the boulevard of broken dreams. Thank you.

*(applause)*

COMMISSIONER TEVES.

Thank you. Do we have an interpellation now? Or...

COMMISSIONER APOSTOL.

Not yet. After...The next speaker-proponent is Commissioner Gerry Espina who has only eight minutes because he has waived already 7 minutes in favor of Commissioner Garcia.

COMMISSIONER ESPINA.

Thank you, Mr. Chairman, I am about to say that it would be very difficult to add more reasons to what has been said by Commissioner Garcia, positioning against the proposed federalism. I was the number 1 on the list but Pabling and I have been discussing since twelve o'clock this morning and when he said, "Gerry, mauna ako", I readily agreed because he was going to touch on one area which I wanted to bring up with the committee and that is the historical reasons for the creation of federal states in many countries under a federal system.

Because I have only a few minutes left, let me just therefore concentrate on the following; one, I reiterate and support the point of Commissioner Magno na lalo lamang lalaki ang gastos natin sa bureaucracy dahil madadagdagan ang levels of authority. I have been against the continuance of the regional offices because ang nangyayari , sa pulis halimbawa, maraming pulis na nasa opisina ng region instead of being on the streets maintaining peace and order. This is true with the other departments of government. People who should be on the field are in the regional offices. So may duplication, merong delay, then kung dadagdagan pa natin ng states, federal states, lalaki ang problema.

Another point which I would like to take up yung sinabi ni Professor Jurado na kung saan yung source ng natural resource, dun ang factory, that is true for commercial products, industrial products, but public service is not locational. It is for all people of the country and for all areas of the country. So, with that as an additional inputs, I strongly support the position and I would strongly appeal to our members to forget about shifting to federal system of government. And say strongly that many of the problems had been brought to our attention as inherent to the unitary system can be solved merely by legislation and because it is merely by legislation the very nature of it is flexible, walang ano yan. Unlike, if we place it in the Constitution, you will need another amendatory process, either Constitutional Convention or Constituent Assembly.

So ano man ang problema ngayon, let Congress do it, solve the problem. Halimbawa, funding, which has hindered the development of local areas. There was a point raised earlier in our discussion na isang multinational company is not paying to the province or city for their income, dito lang sa Makati. And yet the product of this company is being sold nationwide. So why can't an ordinary legislation address that particular problems and there are many problems under the present system that we have that can be solved by ordinary legislation, without shifting from the present system to the federal system. So, Mr. Chairman, that it is not even 8 minutes. Thank you.

CHAIRMAN TEVES

Thank you.

COMMISSIONER APOSTOL.

Mr. Chair, the other speaker is not around.

CHAIRMAN TEVES

Who is this?

COMMISSIONER APOSTOL

Acevedo.

(voices) Acevedo.

COMMISSIONER APOSTOL

So I move for 2 minutes suspension, a recess, to give the members a chance to signify whether they would like to interpellate or not?

CHAIRMAN TEVES.

Sure, two-minute recess.

[At this juncture, the meeting was suspended and was resumed shortly thereafter.]

COMMISSIONER APOSTOL.

Mr. Chair, we are in the period of interpellations. As usual, the interpellator has only maximum of three minutes to ask the question, not to deliver a speech, just ask the question, and then the one who is answering has also three minutes to answer. So our first interpellator, Mr. Chair, I move that Commissioner Carmen Pedrosa be recognized; she is otherwise known as the mother of Veronica.

COMMISSIONER TEVES.

Commissioner Pedrosa, the mother of Veronica.

COMMISSIONER PEDROSA.

You must excuse me because I have a very bad voice. The first question I am going to ask is ...

COMMISSIONER APOSTOL

Ah, I forgot. Please inform the Chairman to whom the question is directed.

COMMISSIONER PEDROSA

Yeah, okay. Mr. Chairman I am directing it to Governor Garcia. Are you aware that most of the advocates of, or the advocates of federalism in this group are not intending to tackle or even promote the details of a federal system that you were reading? That was the subject of study, an academic study, I agree, but that is not the matter to be brought to this Body. I am sure that if it were, then I will agree with you that these apprehensions are unfounded, they are not founded. Because, because. But let me ask it in another way -- are you the spokesperson of all the local authorities in this country?

COMMISSIONER GARCIA.

I am the spokesperson, for yours truly.

COMMISSIONER PEDROSA.

Very good. Thank you. Because I feel in principle what we are saying is that we should give local authorities the chance to speak.

COMMISSIONER GARCIA.

Yes.

COMMISSIONER PEDROSA.

For what is good for them? And can I just follow that I will not, I am not a legislator and I do not like to, my form may be wrong, but I'd like to rack up all the questions, then I will try to substantiate them. That is the first. The second is when you are speaking, I thought you were speaking of another country because to me the picture you portrayed was of a very poor Manila and a very rich province. All of us I think I have a very different experience. Where are the richest people?

COMMISSIONER GARCIA.  
May I answer you, point by point?

COMMISSIONER PEDROSA.  
I'll finish first, I'll try to, because my trend of thought...

COMMISSIONER GARCIA.  
Okay, okay.

COMMISSIONER PEDROSA.  
For me, a lopsided picture of our country, where if you give a little bit to the poor, you will impoverish Manila -- we can find this unfair. Second, are you aware of the many studies made by people who understand how poverty grows in countries? That this is exactly what's wrong with the Philippines. That's the reason why there is so much poverty in the Philippines is that the provinces are underdeveloped, while all the money goes to Central Manila.

Next question, are you aware of the name that has come up to Manila as imperial? Why? Because they are the ones who decide how much money goes to the provinces when the provinces are the ones who have made the money and also, that they dominate and control the National Treasury.

So I, that's the fourth one, and then the other one is about the mention of federal countries. Are you aware that the richest country of the world is Switzerland -- it is a very stable country, peaceful, and every citizen has a dignified life. America, federal country, again very, very, they're the superpower of the world. Canada and all these countries are what I would call ideal models. So for you to say that we are going to create chaos because we are looking for models that might help our country, I find this uncalled for. And if these countries want to help us understand how they have arrived at where they are because it's more, just system where those who are able to do what they can for themselves are allowed to. Because this is really the essence ...

COMMISSIONER APOSTOL.  
Commissioner, your three minutes is up, you've already ask four questions.

COMMISSIONER PEDROSA.  
This is the most important part ...

COMMISSIONER APOSTOL.  
And that's the fifth.

COMMISSIONER PEDROSA.  
The most important part of federalism is to allow people who can do things for themselves, to do it themselves. But what we have in the unitary system is not to allow even that. You know, it's like a child whom you will not even allow to walk because you want to be the one to tell him how to walk. Okay. That's my point....

COMMISSIONER GARCIA.  
Okay. Thank you. I'll answer if I can, all the points you have raised. First, I am not speaking for any other country. What I pointed out is that the federal government that these federal advocates are proposing to establish in our country has no similar counterpart in any other place in the world. We always speak about Canada, you speak of America, you speak of

Germany or France, but it is the matter of putting up a federal government. The cantons of Switzerland, plenty of them came together, voluntarily, their own free will, the landers of Germany, the provinces of Canada, of course the colonies of America -- they came together of their own freewill. And they were already independent states, sovereign states, but here.....

COMMISSIONER PEDROSA.

Can I answer it? I'm sorry because I have lose...

COMMISSIONER GARCIA

I... I...

COMMISSIONER PEDROSA

No, no, this, because I was asking.....

COMMISSIONER APOSTOL.

Commissioner, you were the one asking the question, he's now answering.

COMMISSIONER GARCIA.

So we are reversing the process, we are creating a federal government out of non-existing states. Because these states have yet to be created and, you said that we should allow people to decide for themselves, why you don't allow these provinces, cities that you are going to form into states to decide for themselves.

COMMISSIONER PEDROSA.

Exactly.

COMMISSIONER GARCIA.

That is exactly, why are you saying that you are against the federal system that the advocates are proposing? Poverty, the trouble is, in this country, we are sometimes, our thinking processes are governed by labels. Labels.

(voices) Labels. Labels.

COMMISSIONER GARCIA

Labels. Labels. Poverty -- it is not the system of our government that is the cause of poverty.

COMMISSIONER APOSTOL

Cebuano kasi.

COMMISSIONER GARCIA

Poverty is a social-economic problem; you cannot solve this with a political problem. Poverty will exist whether there is unitary or federal. It will be exacerbated if we go into federal because of the terrible cost of maintaining the federal government. Look at Muslim Mindanao, from 1991 up to now, at least 3 billion pesos this year is given in subsidy to support the local governments, that is in addition to the IRA of local governments.

COMMISSIONER PEDROSA.

Are you aware of any country, which did not, which is not like the federal countries that you are describing, but something like what we are going to do? Are you aware?

COMMISSIONER GARCIA.

I am not aware. Yes, because I have studied, yes I have studied the Constitutions of the successful and well-known federal governments.

COMMISSIONER PEDROSA.

Are you aware of how Brussels was created, yes, Belgium was federalized?

COMMISSIONER GARCIA.

Yes, yes, I'm aware. Now, I'm supposed to answer...

COMMISSIONER APOSTOL.

Yes, she is arguing.

*(laughter)*

COMMISSIONER GARCIA.

Now, you speak of Imperial Manila by creating states even against the will of the individual provinces and cities. You will be creating Imperial Cebu, Imperial Davao, Imperial Iloilo, etcetera, etcetera, and also the you know, the proposal, the proponents of this draft constitution have not thought about the consequences of their federal system, which as I said is out of this world. It is a fantasy, it is not a horror story. *(Laughter)*. Thank you.

COMMISSIONER PEDROSA.

I will answer all I'd asked you.

COMMISSIONER ESPINA.

Mr. Chairman, additional input to the question because I am also one of the sponsors.

CHAIRMAN TEVES.

Okay.

COMMISSIONER ESPINA.

On the question raised by Commissioner Pedrosa that in the unitary system, the local units are prevented from development, developing on their own. That is not correct, through members of Congress and through the various provincial councils and the regional development councils, the problems of the local units are brought to the attention of the national government and briefly therefore, I say that this problem as raised by Commissioner Mendoza, ah, Pedrosa can be solved by ordinary legislation, not necessarily through constitutional provision. Because all the provinces are not situated similarly in various elements and factors, and then we have to remember, perhaps the reason why under most governments and constitutions, the powers of the purse is left in the house, in the Lower House, not in the Senate or in the second house.

To my mind the reason is, it is in the House, that is why I proposed a unitary, unicameral system -- it is in the House where every nook and corner of the country is represented and then in our present system we have our Senators elected at large. It can happen that 2 or 3 regions will not be able to produce a senator. Eastern Visayas, from the time of Senator Rosales, has not produced a senator. Maraming Bicolano, maraming Luzon, and so if we become unicameral, then, necessarily there will be representation from all the political districts. And the problems of every district can be solved on the basis of their participation not only in lawmaking but most importantly in the budgeting process. So, ordinary legislation can solve that and I don't think we need to amend the constitution and shift from unitary to federal.

COMMISSIONER PEDROSA.

If this were the case, do you agree we should not be, that the provinces should not be as poor as they are now?

COMMISSIONER ESPINA

Of course.

COMMISSIONER PEDROSA

If you think, if you say that this would.. (unintelligible)..

COMMISSIONER ESPINA.

Ideally yes, I would want every province to be rich. But for instance, maybe in the next 2 years Biliran will be very, very rich. Why? I was just informed by PNOC that next year they will develop the geothermal capability of Biliran and according to Prime Minister Virata, during the time of Marcos, Biliran has been identified as one of the biggest, if not the biggest geothermal potential in the whole country. UNESCO has identified Biliran as having the purest mineral water. So you know we don't need a federal system to develop our province.

COMMISSIONER APOSTOL

Alright. Alright.

CHAIRMAN TEVES.

Thank you. Can we have the second interpellator, please?

COMMISSIONER APOSTOL.

May I request that we recognize Commissioner Marohombsar?

COMMISSIONER MAROHOMBSAR.

My question is addressed to Commissioner Garcia.

CHAIRMAN TEVES.

Go ahead.

COMMISSIONER MAROHOMBSAR.

What can you say about the comment that the unitary system has alienated the Bangsamoro people and other ethnic and other cultural communities, because there is more emphasis on integration and assimilation rather than on unity and diversity. You must accept the fact that the Philippines is a pluralistic country and the unitary system has not allowed the country to accommodate the diversity of its people. The Bangsamoro especially has a cultural heritage developed apart from the rest of the country. And they feel discriminated and neglected by the present system of government that is why we have this rebellion in the south. That is why we have the social unrest in the south. That is why we have this so called Muslim rebellion in Mindanao.

But you might say that the government has granted them the autonomy, we have the ARMM, but we know for a fact that the ARMM is a bogus autonomy. It is a bogus autonomy because it has failed, because of the inadequate powers granted to the autonomous government and mere decentralization is inadequate and running an autonomy within a unitary and centralized presidential system is still limited autonomy. And I agree with what Senator Pimentel has said that unless that the Philippine Constitution is drastically changed or amended, it is impossible to grant genuine autonomy to the Bangsamoro people...

COMMISSIONER APOSTOL.  
Commissioner....

COMMISSIONER MAROHOMBSAR.  
This would only be possible under federal system.

COMMISSIONER APOSTOL.  
Question please, question?

COMMISSIONER MAROHOMBSAR.  
Yeah, I already asked my question, I started with the question, what can you say about the comment that the present unitary system has alienated the Bangsamoro people and other cultural communities?

COMMISSIONER GARCIA.  
All of these endeavors, initiatives, to address the problem, the Muslim problem has been started, pursued by a unitary system. As early as during the colonial administration, the government saw to it that there was a separate department to attend to the development of Mindanao. And that was the development of Mindanao and Sulu. Now, the Tripoli Agreement and all of these activities towards the establishment of an autonomous region were undertaken by a presidential system. If you say that it is a bogus autonomy, that there is less autonomy given, would not given it more autonomy, the answer? Than what it is being given up under the Organic Act.

COMMISSIONER MAROHOMBSAR  
But under the...

COMMISSIONER GARCIA  
But, or would you rather have independence?

COMMISSIONER MAROHOMBSAR.  
No. Not necessarily independence..

COMMISSIONER GARCIA  
So more autonomy?

COMMISSIONER MAROHOMBSAR  
We would settle for a federal system.

COMMISSIONER GARCIA  
So actually it is a matter of granting more autonomy, which is already being done in the organic act for, in Muslim Mindanao. And yes, I agree, I can agree that you need more autonomy. Now, why should we do it by amending the Constitution instead of just amending the law?

COMMISSIONER MAROHOMBSAR  
But the Organic Act...that's why we still have the MILF, we have other rebel groups, because we claim that the Organic Act has not been fully implemented.

COMMISSIONER GARCIA.  
So the answer is full implementation rather than secession...

COMMISSIONER MAROHOMBSAR.

We are not... I think most of the people now have given up secession.

COMMISSIONER GARCIA.

Oh, thank you very much.

COMMISSIONER MAROHOMBSAR.

That is not just possible right now. Because they accept the fact that the national government, and the people will never allow the country to be dismantled.

COMMISSIONER GARCIA.

And I think at this point it must be stated that the establishment of a unitary government in the country started as far back as during the Spanish regime and this is so because of our peculiar, archipelagic configuration. We need a unitary government because a federal government might eventually lead to the breaking up of the country. Here is the newsbreak, breaking up the Philippines into autonomous days, so we need this unitary government, the Spaniards, the Americans and the Filipinos. So I assume that we can solve the problem of the Bangsamoro by amending the Organic Act, grant us much autonomy as possible, short of independence. Would that be alright?

COMMISSIONER APOSTOL

I think the Commissioner is already through.

COMMISSIONER ESPINA

Mr. Chairman.

COMMISSIONER APOSTOL.

One answer only.

COMMISSIONER ESPINA

Yes. I just want to bring an input from a position paper, which I just received, from the League of Local Government Units.

COMMISSIONER APOSTOL.

Okay.

COMMISSIONER ESPINA.

And because on the 20th, all the officers of the League of Municipalities, League of Provinces, League of Vice Governors of the Philippines, League of Vice Mayors of the Philippines, League of Provincial Boards, the Philippine Councilors League, The Lady Local Legislators, League of the Philippines, the National Movement of Young Legislators and the Pambansang Pederasyon ng Sangguniang Kabataan, are meeting on the 20<sup>th</sup>, 2 days from now. And they sent to me their position paper, which is for parliamentary but nothing is mentioned about federalism. They only said genuine local autonomy. I just want to bring this out to the attention of the committee members because if they had wanted to adopt the federal system they would have mentioned federal system. And as the national spokesman of the League of the Municipalities of the Philippines, I just wanted that it be placed on record. Mr. Chairman. Thank you.

COMMISSIONER APOSTOL.

Okay, so Mr. Chair, may we go to the next interpellator? Next interpellator is Commissioner Adamat.

COMMISSIONER ADAMAT.

Thank you Mr. Chairman, I would like to address my question to the Honorable Commissioner Garcia. May I just ask the good Governor/Commissioner if he is aware that for example Mindanao was never a part of the Philippine island before Spain ceded the Philippines to the Americans? In, If I, if my memory serves me right, on December 10, 1898, yeah, under the Treaty of Paris, are you aware of that Mr. Commissioner?

COMMISSIONER GARCIA.

Well, I'm aware of our historical facts and in the description of the Treaty of Paris of December 10, 1898, Mindanao was already a part, and in the exchange of notes in Washington in 1900, the islands south of the mainland of Mindanao, near Sibuto, were also ceded to the Philippines. And in the treaty between United States and Britain in 1930, other islands south of Mindanao, these islands known as the Turtle Islands were also included. So it is not historically correct to say that Mindanao was not a part of the Philippines. As a matter of fact, Fort Pilar in Zamboanga, had been in existence for maybe more than 200 years.

CHAIRMAN TEVES.

Back to Commissioner Adamat, what is your real question?

COMMISSIONER ADAMAT.

Yes. Maybe it depends on how you look at history, yes, because if you go by the American historians, Mindanao is a part of the Philippines, but if you ask the people of Mindanao, even if there is an intrusion of the Spanish colonizers in some parts of Mindanao, but the people of Mindanao would categorically say that they were never part of the Philippine Islands prior to Spain ceding the Philippine Islands to the Americans. Now, my next question Mr. Governor, is that -- do you agree with the principle of people empowerment?

COMMISSIONER GARCIA.

Certainly, in fact, that is the very reason why I am opposed to federalism because certain provinces, cities are lumped together and by, one, in one (unintelligible), this is the state, the 10<sup>th</sup> state, the 11<sup>th</sup> state, there is no people empowerment there. It is a deprivation of the power of the people. The principle of self-determination is not observed here. In fact it was pointed out earlier by the commissioner from the north, that this would violate the plebiscite requirement in the constitution. If I remember right the comment of the old lady, that there must be a plebiscite, but here, states are being created without a plebiscite. Commissioner Apostol would not want Leyte to be joined with Cebu.

COMMISSIONER APOSTOL.

Naturally... (*unintelligible*)... in Cebu

(laughter)

COMMISSIONER GARCIA.

That is why I said, out of respect for the opinion of Commissioner Apostol, this draft should not be allowed to become part of the Constitution.

COMMISSIONER ADAMAT.

Mr. Chairman, I'm sorry to note that the proponent or the speaker is muddling the issue.

COMMISSIONER GARCIA.

No.

COMMISSIONER ADAMAT.

In the first place he agreed that, he agreed that, he agreed on the principle of people empowerment and just recently a representation from the autonomous region has just spoken in favor of the Bangsamoro people, clamoring for their rights to self-determination. The answer of the government is to grant autonomy to them, and to them it is sham autonomy. And for that matter, Mr. Chairman, rebellion persists and it is now interminable as it is.

COMMISSIONER APOSTOL.

Question, question, question.

COMMISSIONER ADAMAT.

The question is that, is it not a sense of people empowerment if somebody from the autonomous region and for example, in the case of the autonomous, the indigenous people would ask this national government to grant them, instead of independence, at least federal states, in order that they can exercise this sense of people empowerment and self-determination?

COMMISSIONER GARCIA.

I cannot get really what -- first you speak of people empowerment, and that because there was one representative from the autonomous region, is he a governor? Is he an officer of the autonomous region of Mindanao?

COMMISSIONER ADAMAT.

I think Mr. Chair...

COMMISSIONER GARCIA.

You already say that he speaks for the autonomous region, he speaks for the people of Mindanao, that is not people empowerment, one person would speak for an entire autonomous region, I could not make it ....

COMMISSIONER ADAMAT.

May I continue Mr. Chairman, so just to get the speaker in context, so what is the essence of my question? You know, we had been speaking with the different local officials of Mindanao, as a matter of fact, most of the governors are in favor of federalizing Mindanao, at least, I don't know the other areas outside of Mindanao, we don't want to assume or we don't want to be very presumptuous that we represent Mindanao, we are the Mindanao, ourselves. No. But at least we are giving a sense of, the clamor of the people of Mindanao, if only to address this rebellion in Mindanao, you see the MNLF, for example, and the MILF had been clamoring for independence, now, they reduce that clamor into a mere federalism. Can we not just, don't you think it is prudent, Mr. Speaker, Mr. Commissioner to grant them at least that right?

COMMISSIONER GARCIA.

Yes, I agree with you with the clamor of people you cannot identify. (laughter) Don't you think it is better, these nameless, faceless people, don't you think that before there can be a federal

government we should ask the people in a plebiscite whether they want a federal government or not. Is that not a people empowerment?

COMMISSIONER ADAMAT.  
Precisely, Mr. Chairman.

COMMISSIONER GARCIA.  
And so, so this is not the kind of federal government that the federal advocates are proposing in their draft constitution, there is no plebiscite here. That is why I am opposing, I am not against federalization, if, but you have to consult the people. Self-determination is a universal principle; it is the principle that was responsible for the creation of the state of Israel. Now, we are creating other states, the state of East Timor. Plebiscite, ask the people, whether they want to form a federal government. But why should this draft constitution, there shall be, let there be eleven states in the Philippines and the advocates saw, the people saw, and they see it is good, just like God creating the Universe.

CHAIRMAN TEVES.  
Manong Pabling, kuan lang ni, discussion paper lang ni... it is not going to be imposed on anybody (laughter)... discussion paper lang po yan.

COMMISSIONER JURADO  
Mr. Chair. Mr. Chair. One last...

COMMISSIONER APOSTOL.  
Mr. Chairman. Mr. Chairman, the three minutes of the interpellator is up, the three minutes of the person answering is also up. We have many who have signified to ask.

COMMISSIONER ESPINA.  
Question to the Chairman of the Commission.

COMMISSIONER APOSTOL  
Allow. Allow them to ask question.

CHAIRMAN TEVES  
The question of the proponent, in the meantime, should be held in abeyance. Mr. Chairman...

COMMISSIONER ADAMAT.  
Thank you, anyway, Mr. Chairman.

COMMISSIONER APOSTOL  
Mr. Chairman, the next interpellator...

CHAIRMAN TEVES  
Ah, yes, Commissioner Adamat

COMMISSIONER ADAMAT  
I'll reserve some of my questions later Mr. Chairman.

COMMISSIONER APOSTOL  
On plenary.

COMMISSIONER ESPINA  
Mr. Chairman..

COMMISSIONER APOSTOL  
Mr. Chairman, may I request now that we recognize Commissioner Bian?

COMMISSIONER ESPINA.  
Inquiry lang, clarification.

CHAIRMAN TEVES.  
One moment. Ah, there's an inquiry.

COMMISSIONER ESPINA.  
The word consultation has been over-used. Now we are starting consultation on Monday..

CHAIRMAN TEVES  
Yes.

COMMISSIONER ESPINA  
.. in Cebu.

COMMISSIONER TEVES.  
Yes.

COMMISSIONER ESPINA.  
My question is, who are the groups lined up in this consultation? Because we might be set up?  
(laughter) To be frank about it. To be frank about it.

CHAIRMAN TEVES.  
That matter is for the Sec-Gen.

COMMISSIONER LORENZANA  
Can I answer that?

COMMISSIONER ESPINA  
I'm just trying.

CHAIRMAN TEVES  
Ah, yes, yes.

COMMISSIONER LORENZANA.  
The group is being set up, we don't have anything to do with the group, but the group is set up by the local RDCs. Okay?

COMMISSIONER ESPINA.  
May I therefore suggest that these be given publicity in terms of schedule and subject matters?

COMMISSIONER LORENZANA.  
That's already been published, the only thing is that, the names of the, our commissioners hasn't been finalized, and we will finalize it for the next two days. But the people who are doing the..

COMMISSIONER ESPINA  
..are the local people?

COMMISSIONER LORENZANA  
(unintelligible) ..we don't have anything to do there.. they are the ones.. (unintelligible).

COMMISSIONER ESPINA  
I'm glad to hear that.

COMMISSIONER LORENZANA  
Yeah. Let me erase that suspicion in your suspicious mind.

(laughter)

COMMISSIONER ESPINA.  
No, no, no. It was not I. Somebody just whispered to me to ask the question and I believe in it, so I asked it. Let us stop putting motives to everyone.

COMMISSIONER LORENZANA  
Let me assure you that the..

COMMISSIONER ESPINA  
Maybe my mind is curious not suspicious.

COMMISSIONER LORENZANA.  
Anyway, let me assure you...

COMMISSIONER GARCIA  
The inquisitive mind..

COMMISSIONER LORENZANA  
.. that the Regional Development Council and the NEDA have already been going all over and they are arranging for sectoral representations and we only have to go there and you know, listen to them and in workshop. Okay. We are going to finish the list of those who are going to go, the three teams, within the next day or two.

COMMISSIONER ESPINA.  
Mr. Chairman, I move that we take out from the record the statement that I have a suspicious mind, curious or inquisitive maybe.

COMMISSIONER LORENZANA.  
Okay, inquisitive maybe, but not suspicious. Another thing please, time check lang ano? I have been saying that at 5 o' clock we have to end this because we have to leave here. The traffic.. (unintelligible) is bad and we do not like to embarrass the President.

COMMISSIONER APOSTOL  
Of course. Of course. If you shorten your speech eh. (laughter) So we will go to the next interpellator.

COMMISSIONER PEDROSA.  
Can I put just one manifestation, please? One manifestation.

COMMISSIONER APOSTOL.  
Manifestation?

COMMISSIONER PEDROSA.

I think that we are disagreeing on something that we had already agreed upon that can give order to our discussion, and that is, that we are not going, this commission is not going to go through a federal government as per se like the study that was made by the Chairman and you keep using it against federalism. What the group is going to do or propose only as a matter, is whether or not we are going to go federal and this is with the consultation, with the local people. And you keep saying we are not consulting local people, on the contrary, that is the intent of this group to consult local people whether or not we will go federal. And I don't understand why you keep on and on and on...about something that is not even there on the table for disagreement?

COMMISSIONER GARCIA.

I suppose that we were told that the three drafts should be the working drafts for the purpose of our discussion. Was that not agreed? I appeal to my colleagues, that was the agreement, and it was on that basis that the pro were allowed to speak. So we are not going against what we have agreed.

COMMISSIONER TEVES.

Can we continue the interpellation? There are still some commissioners lined up.

COMMISSIONER APOSTOL.

We still have five.

COMMISSIONER TEVES.

Still have five. Okay.

COMMISSIONER APOSTOL.

Yes. And we are only up to five o' clock.

COMMISSIONER ESPINA

Ah, oo nga ano? May dinner.

COMMISSIONER APOSTOL

The next interpellator is Commissioner Bian.

COMMISSIONER BIAN.

Mr. Speaker, my question is towards Commissioner Garcia. I am not a legislator, I'm just a businesswoman, so, I'm a very practical person. So, just a thought, do you think it would be possible to get even a slice of power from a person, an entity desperately holding on to power? Do you think that it would be possible?

COMMISSIONER GARCIA.

It has been done. And it's going to be done, under the Local Government Code. Certain powers are devolved, like, well, the power of eminent domain, the power over health, power over the environment, power over public works, reclamation, these powers have been devolved to local governments. We want more. In fact, I for one, also want more, but this can be done by legislation.

COMMISSIONER BIAN.

Okay. I hear this often, in my many advocacies with the private sector, everything can be done through legislation, we have Local Government Code, etcetera, etcetera. But if you are really a person on the ground, you would realize just like me and the other businessmen in Mindanao, nothing is given to us, nothing is happening. Even through legislation we have tried very hard to work through the system of legislation, we went through what we're supposed to do legally, following the present structure, but I tell you just to get a simple response, even just to get a response that said they read what you have given to us, we hardly could get that now. So, what I'm saying is that, true, there's legislation, there's Local Government Code, there's greater autonomy, but I think these are all just in paper. It really does not happen on the ground. So much so the reason why people in the regions like us are saying, let's look at the structure of the government, probably that's the one that's defective and that is the one making it impossible for all those available measures to benefit really locals like us. Yes, we have congressmen, we have all of these big offices in Manila.. (unintelligible)

COMMISSIONER APOSTOL

You have the Majority Floor Leader (laughter)

COMMISSIONER BIAN

.. but you know, our congressmen here in Manila, almost all of the time, because there's too much, they have to be here, because this is where power here. They go to their provinces, what, Saturdays, Sundays? They could hardly have time to talk to their constituencies. If you make it federal then they are really down there on the ground; they have enough time to spend with the people and really understand the people.

So that, I was saying, siguro tingnan na rin natin yung istruktura, baka doon may hope, kasi present naman ito lahat eh. We have tried, I mean, we are law-abiding, we have tried to go to all of these process, and yet at the end of the day it will not work. So, if we go back to our people and tell them, let's do legislation, let's look at the local government, even in the Department of Trade, you all have this decentralization and everything. That does not happen, still you have to come to Manila for all of these signatures.

COMMISSIONER GARCIA.

May I respond?

COMMISSIONER BIAN.

Yes.

COMMISSIONER GARCIA.

We live under the government of laws. If you want, you are starting from the ground. The constitution is farther from the ground than an ordinary legislation. For violating a law, you can be punished, you can be sent to jail, but there is no provision in the Constitution sending you to jail, there is no crime for violating the Constitution. Look, under the present Constitution, state policies, the state shall pursue an independent foreign policy, the State consistent... (unintelligible)... adopt and pursue a policy of freedom from nuclear weapons and many things. But this will not happen unless there is legislation. Your concern about, your nearness to the government, you have local officials, that's why you have local officials, you have mayors, you have governors, and so you can go to them and probably say, sing, you are enjoying the nearness of you. These are near the people, the local government. Empowerment, empower the local governments and these things, you want to go to the Department of Trade, very far,

you have to go to DENR, very far, this cannot be placed in the Constitution. In the language of Professor Magno, you cannot constitutionalize everything. We have laws.

CHAIRMAN TEVES.

Okay, thank you. Commissioner Bian. Are you?

COMMISSIONER BIAN

Thank you.

COMMISSIONER APOSTOL.

She is already through.

CHAIRMAN TEVES.

Next interpellator.

COMMISSIONER APOSTOL.

Next interpellator, Mr. Chairman is Commissioner Jurado.

COMMISSIONER TEVES.

Commissioner Jurado, you are recognized.

COMMISSIONER JURADO.

Before I pose my question, I'd like to say a compliment to our two distinguished colleagues, who, despite the fact that they are really overwhelmed by numbers, are proving themselves more than a match for the rest of us.

The brilliant logic of Governor Garcia, the penetrating insight of the gentleman next to him, that is Commissioner Espina, along with their ability to deliver thoughts and ideas in such beautiful oratory, this is to be commended. I think, though, that those who are viewing against the federal system must make up their minds whether the process of relocating or decentralizing power away from the center and to the lower political units, will result in the strengthening of those units or not. Sometimes the argument seems to be that federalism will give too much power to the states, to the point that they can succeed in feebling the center, with the center just looking powerlessly, helplessly from far away and unable to do anything. Sometime arguments goes that way.

On the other hand, sometimes the argument goes the other way, that talk of decentralization, this is it, you see, this is it, the center has everything and its power to cure all the defects that proponents of federalism seems to be pointing out, that, distant areas are not receiving enough resources etcetera, etcetera. So, I don't want to put this in a framework of an academic debate, but I would like to know whether let us say, on the other side is arguing yes or arguing no. That's the question I want to raise, now, but before that I just want to add that my dear friend, Commissioner Espina, I think read only one paragraph of that paper which I wrote. He did not proceed to read the next paragraph, where I said precisely, location theory says that the goods that the government, incidentally in economics when we say goods, everything that is good, not bad.. (unintelligible) ...I said that public goods are better delivered when they are delivered close to the people who need them. Precisely, I disputed the idea of the government being far away, so with that, it's not a fatal mistake on the part of Commissioner Espina. he just overlooked it.

COMMISSIONER GARCIA.

Yes, I agree that we have to go further than where we are now in decentralization and this can be done not by organizing states by just allocation of powers to the already existing local governments like provinces and municipalities, political institutions which antedated the national government. This can be done, decentralization. The complaint and the defect in our system now is that there is too much government and too little governance. Here we are creating another layer of bureaucracy; we will be creating positions so and it will be a terrible burden to the national government. In fact, I would like to cite Professor Briones, her view on and this is found here -- how about the debt of the national government? With the shift to federalism the national government's debt both domestic and foreign should remain with the national government. However, there will be much reduced taxed base, because most of the regional revenue taxes would be given to the states. The national government will even be more hard-pressed to scrounge for additional resources, as it is now, it is already spending over a third of its budget for interest on debt. Obviously, a way.. (unintelligible) to be formulated to share the national debt burden. Otherwise, and this is her warning -- the national government might collapse from the terrible burden of increased debt with a decreased revenue base. This is not a horror story; this is a catastrophe waiting to happen.

CHAIRMAN TEVES.

Thank you, Commissioner Garcia.

COMMISSIONER ESPINA

May I just comment...

CHAIRMAN TEVES

Are you responding as well? To the...

COMMISSIONER ESPINA

Yes.

CHAIRMAN TEVES

Go ahead.

COMMISSIONER ESPINA.

Yes. I was mentioned. Thank you Professor..

COMMISSIONER APOSTOL

Jurado.

COMMISSIONER ESPINA

..Jurado. I would like to reiterate my previous point that by federalizing and accepting the concept of federalism as it is, in practice. We will in fact be, as mentioned by Commissioner Garcia, adding another layer of authority and influence. Right now what do we have? We have at the top, the national, without looking at the administrative bodies just the political institutions. After the national, you have the province, then you have the cities in the provinces, then next you have the municipalities, after the municipalities, you have the barangays. Where are we going to put the federal state? Not only are you going deeper in this delegation of authority and allocation, span of control, you are expanding it because under each state you have several provinces.

To me this is complicating a very simple structure of sharing or allocating government authority and power. And so I say that we should retain the present unitary system, improve on it, give more local autonomy and fiscal authority to the local units. Give them share of the national income, a more justified, equitable sharing of the incomes so that the problem mentioned by Mayor Sarmiento could be solved. Where a big multinational pays very little amount to Calbayog in Samar and then millions to the national government, when the goods that are sold by this companies are sold also in Samar and all other areas of the country.

So, ano yung kasabihan? Yung ,maliit na problema, wag nating bigyan ng mas malaking solusyon baka maging lalong problematic tayo.

CHAIRMAN TEVES.

Thank you. The next interpellator..

COMMISSIONER VILAR

May I ask the...

CHAIRMAN TEVES

...you might have to come back later.

COMMISSIONER VILAR

May I ask the.. (unintelligible)... the gentlman from.. (unintelligible)

COMMISSIONER APOSTOL.

Are you in favor of unitary? You are unitary?

COMMISSIONER ESPINA

He is asking question..

COMMISSIONER APOSTOL

Okay.

COMMISSIONER VILAR.

The problem of taxation is basic. The internal revenue taxes was so designed by the 1987 Constitution that gives more power on the allocation of revenues to where the principal office of the corporation or the tax payer is located. This has to be corrected so that the share of the city or the municipality wherein this corporate or big multinational corporation pays their taxes can be distributed equally among the less fortunate provinces. That is an answer to Commissioner Sarmiento and he has to do something about it because he is a member of the City and the Municipal Secretary General. Thank you.

CHAIRMAN TEVES.

We go to the next interpellator.

COMMISSIONER APOSTOL.

Our next interpellator...

CHAIRMAN TEVES

One moment.

COMMISSIONER SARMIENTO.

We are actually working on it. In fact we have already, we are now about to partner with the Ateneo School of Government to address this problem. We are doing our best to address this problem.

COMMISSIONER VILAR

This is an answer to your question.

COMMISSIONER APOSTOL.

Bakit Ateneo, bakit hindi La Salle?

CHAIRMAN TEVES

(unintelligible) Before that, ah, the Davao City Chamber of Commerce has.. (not covered by the tape) 30 years ago. Yan yung ganun na magbayad sa Davao yung mga kwan.

COMMISSIONER VILAR.

Ha? So we have the City of Makati; it is not only Imperial Manila. It is Imperial Makati getting more than...(unintelligible)

CHAIRMAN TEVES

Our next interpellator

COMMISSIONER APOSTOL.

Our next interpellator is Commissioner Villanueva. May I, we have two more, Commissioners Tabanda and Abarico.

COMMISSIONER VILLANUEVA.

Thank you Mr. Chairman. I am sure that we are all aware that the problem of the advocacy of federalism came about because of our desire to find solutions to the present inequities. And so to this end that both those who favor federalism and those who oppose it, those who support a unitary system, as well as those who opposed it, have one common denominator and that is their love and patriotism of the country. My friends, it seems to me that the solution of federalism is not directed towards those defects of unicameral system, of unitary system. It seems that in the arguments presented even by those who espouse federalism, if you analyze that questions, it all boils down to decentralization of the power in the center of government and local autonomy. Decentralization of both the location and services; decentralization and equitable distribution of the wealth of the country.

And so, aside from decentralization and local autonomy, the Hon. Commissioner Garcia, do you think there is a need to prepare the people for federalism when the time comes? Let us say not now, but give them the opportunity by recommending an amendment to the Constitution that would allow local governments to get together and agree to form a federal government in their own locality at a given time?

COMMISSIONER GARCIA.

I agree that the problem really is a sharing of power. It is diffusion of power from the center towards the sides. But the problem is, if it can be done under the present system without dislocating political and legal institutions. Why don't we do it? For example, in the beginning local governments had little power but gradually local governments had more power. In the Local Government Code, there is not only decentralization but there is devolution. However I said, I will say it over and over again, it is not enough. So why should we put up an elaborate

system, an elaborate structure in order to solve a simple problem. As I said, one thing wrong with our system is too much government, too expensive government. Here in the federal system we will be creating several offices. We will be conducting elections for several offices. And this will not solve poverty.

According to Prof. Briones, in her article "Time to talk Money". How will the imbalances in income resources and capacity among states be corrected? Social Watch, a group, their answer, that belongs to a global network that monitors social development, has estimated that 39 out of 79 provinces will not be able to have extreme poverty by 2015. It is obvious that the proposed Federation will have states whose level poverty will rival those from African country. So if poverty is the problem, it is not solved by instituting a federal government nor decentralization, nor devolution.

COMMISSIONER VILLANUEVA.

I may not advocate a migration to federalism but definitely as I said the defects of the present system actually is the reason why we have advocates of federalism. Like, you mentioned the devolution of services, what was devolved was the service but resources to pursue that kind of service were not devolved. For instance in the health services, they devolved hospitals to the local governments but where are the resources to fund that hospitals? So my question is, don't we have to find a way by which we can cure this defects, retain maybe the present system but cure the defects?

The EVAT law has already been framed by the Supreme Court, but the EVAT law, while it provides the local governments with a share, a big share, for while the EVAT law while it provides the local governments with the share and a big share, the local governments never got a centavo. The EVAT, the national government owes the City of Manila billions of pesos. The EVAT, the national government owes Mindanao billions of pesos because instead of giving it to local governments, they retained it.

So my question again to reiterate and to end my query, can we not devise a way, a system by which maybe we can retain the same unitary form of government but cure the defects in terms of equitable distribution of resources and then decentralization of services?

COMMISSIONER GARCIA.

Yes, I agree but that can be done within the framework of the existing legislation. If I can go to Quiapo riding a jeepney, why should I take a Cadillac? Now in the case of health service, I agree with you. I was Governor for 9 years, health services after 1999 were devolved. But the province of Cebu has 19 district hospitals but the money was not devolved. So it's a question of amending that law and providing that the money be devolved to the local government.

CHAIRMAN TEVES

Maybe we can have an additional insight from the local...

COMMISSIONER SARMIENTO.

Mr. Chairman, we cannot just rely on Congress to do that without incorporating this in the Constitution. I have a copy here of Senate Bill 1121 filed by former Senator Nene Pimentel. This has been collecting dust in the Senate and if we are going to strengthen the existing Code, it should be included in the proposed constitution so that Congress will be forced to act on it and address defects as cited by Commissioner Villanueva. But without incorporating this in the proposed Constitution, the Congress might sleep on this and would not act on it.

Congress has been passing so many laws that are not implementable on the ground. We have 16 former members of the House who are now city mayors and all of them are complaining about the laws they passed and for which they are signatories. For example, RA 9003, the municipalities were asked to build sanitary landfills that will cost them probably 30-40 million pesos per hectare. And you know how much the other municipalities are getting probably about 2 million pesos only in their 20% development fund. How can that municipality implement a project that is worth 30-50 million pesos? Recently, the Clean Water Act took effect March 22 of this year and in that particular Act we are being asked to set up a sewerage system that we're supposed to be built in 10 years. And again these are unfunded mandates to include the Clean Air Act and so on and so forth they have been passing so many laws.

As I have said, these are not implementable on the ground because these are all unfunded mandates, forgetting the local government units. Some mayors were saying so, are we going to spend all our 20% for the solid waste and forget about education, health services and the other services that we are providing? That is why, if ever, we are going to strengthen the Code. This should be incorporated in the Constitution. The Congress will not allow that their power from the central government will be...

COMMISSIONER GARCIA.

Actually. May I react? I agree that the Constitution will not solve it. No money can be expended from treasury without a law. You cannot implement the Constitution because the provisions of the Constitution are not self-executory; it needs Congress. For example, the state shall protect and advance the right of the people and their prosperity to a balanced and healthful ecology. This is in the Constitution; this needs a law. The state shall give priority to education, science and technology, arts -- and these need laws. So, your complaints against the inaction of Congress are no reason for changing the constitution. Because for as long that we live in a government that is republican in form, and as long as we live in a government of laws, there must be always laws. And that cannot be, the problems that we have, cannot be solved by just amending the constitution.

COMMISSIONER VILLANUEVA.

Mr. Chairman just a rejoinder. While it is true that the details for the implementation of the Constitutional provisions should be incorporated in the law, nevertheless it does not deprive a Constitutional Assembly or Constitutional Convention to provide for instance that all tax collections, for instance, in the provinces shall be retained by the provinces and no longer be brought to the city, to Manila. This can be provided for in the Constitution and the Constitution can also provide that services that are supposed to be given to, let's say, the provinces should be based in the provinces. These are provisions that can be provided in the Constitution but the implementing orders or rules and regulations could be incorporated in a law. While you are saying that, you know, for as long as we have the law, this is okay. We have the E-VAT law, which provides that at the first year, 50% of the difference between the old, and the new would be given to the local governments. The second year, 25 %, the next year, 10%. E-VAT law has been there for more than 10 years. The national government has never even attempted to do it. So to me if you are telling me that let us just depend on Congress, it is just telling us, "pasensya na lang tayo."

COMMISSIONER ESPINA

Mr. Chairman, may I just ah...

CHAIRMAN TEVES

Ah, Commissioner Tabanda, would you like to...

COMMISSIONER TABANDA

I was supposed like to ask a question, Mr. Chairman...

COMMISSIONER APOSTOL.

The next interpellator is Commissioner Tabanda.

CHAIRMAN TEVES

Commissioner Espina. Just one short shot.

COMMISSIONER ESPINA.

A reaction to the question, the points by Commissioner Villanueva. We are not against putting in the Constitution provisions that would guarantee the development of local government units. What we are against is putting an additional structure that would require, you know, studies of organization and management have shown that when you organize an organization it tends to live beyond its, it goes on. Look at DAR. DAR was created to solve a particular problem and it has become a permanent organization. Then it is also the tendency to create auxiliary bodies. So when you create a federal state there could be other organizations created after it. The problem is lack of implementation of laws passed. Maybe we can solve that by ordinary law.

Again, let me reiterate that the Constitutional provisions are not self-implementing. But if you wish to have it placed in the Constitution that local government units must get so much out of the national income, we have no problem with that. Those who are against federalism will have no problem with that. Ang ayaw lang naming ay additional organization, additional layer of authority which would make things more complicated.

CHAIRMAN TEVES

Thank you Commissioner Espina. Two more interpellators and we will have to end the period of interpellations.

COMMISSIONER APOSTOL.

Commissioner Tabanda, then Commissioner Abarico. So, Commissioner Tabanda, Mr. Chair, may I request that Commissioner Tabanda be recognized.

COMMISSIONER TABANDA.

Mr. Chairperson. Thank you Mr. Chairperson. Coming from local governments, we fully agree with Commissioners Garcia and Espina that there is really a need for greater autonomy for local governments, but I think we only differ in the manner in which we would like to think how we can achieve this. But I think we have to bear in mind that we are in the process of proposing amendments to the Constitution. And I think that the two gentlemen would agree that the Constitution should not only be to solve problems or realities at the present but should be able to look to the future. So my question is very simple, shouldn't our Commissioners look at federalism as the ultimate objective for local government? Because we fully agree with you that it cannot be done overnight. There is a lot of processes that need to be done; there is a lot of resources that need to be taken into consideration like we have already advocated in the past. We simply look at it as ultimate objective for the ultimate exercise of local autonomy. So is it not possible for you to reconsider, looking at federalism as an ultimate expression of local autonomy?

I think as mentioned earlier, we should not simply think of the models presented to us we should look at it in its complete picture. Like if you're objecting to an additional layer, it does not have to be a legislature made up of so many persons. You can make up a proposal, probably, a

state legislature made up only of one representative per province for LGU. So I wish that our Commissioners would consider this and think of it merely as the objective and a lot of transitory processes and phases to be undergone and also look beyond the model presented to us and see it in its entirety so we do not get stuck in discussions where admittedly it was presented as a frame of reference but that does not bind us to the proposal of our Chair and other advocates of federalism.

We pray that we do this because I think that the local governance, full autonomy, will greater be achieved if we are federal in nature. I will give a very, very basic example -- it's very simple but I just want to bring out the issue how simple this example is. There is a national law, the Animal Welfare Act that prohibits dog-eating. But you all know that in Cordilleras dog-eating is an everyday occurrence. It is a delicacy. It's a simple thing like that. Why are we bound by a national law, which is contrary to our customs and traditions? In a federal system of government system of government, we would not have to live under this kind of restriction on what we consider as part of our culture. It is a very simple example but I think it drives the point on why the ultimate objective of self-governance, of local autonomy is federalism.

(applause)

COMMISSIONER ESPINA.

Mr. Chairman, Pabling Garcia mentioned earlier the concept of self-determination. I would not be against in the future provinces and regions coming up with a federal, if they want to. But let not a Constitution dictate upon them. Let them evolve as a structure of allocation of authority and power.

COMMISSIONER TABANDA

...then (unintelligible)...a provision...(unintelligible)... in case. You may be outnumbered by the federalists...

COMMISSIONER ESPINA

... would not also object to a general statement that would encourage self-determination as to the allocation of power and authority.

COMMISSIONER TABANDA.

...and resources.

COMMISSIONER ESPINA.

...and resources. But to dictate right now that on top of the provinces, the cities and the municipalities and the barangays, we have to put up another layer of authority not only political authority but administrative authority as well. That is what we are against.

COMMISSIONER TABANDA.

Then we have to simplify the issues because provinces cannot adopt a federal system of government even should they desire to do so unless there is a provision in the Constitution, which allows that...

COMMISSIONER ESPINA

We don't even have to use...

COMMISSIONER TABANDA

...but I think if you are amenable to self-determination then what you can do is put in safety nets in the Constitutional provision which will for example say that, "provided that this is approved by the majority of the people in a plebiscite to be created for this purpose...", then safety nets may be necessary.

COMMISSIONER ESPINA.

No problem with that as a matter of fact we don't have to use the word "federalism".

COMMISSIONER GARCIA.

Yes. Actually, may I react? I think we are getting there almost. Yeah. I think the problem there really has been simplified, the problem is one of self-determination, of local autonomy devolution. However, federalism is a romantic word with a definite meaning in other countries. However, however, we can, if you want to call it federal so be it, but let the provinces be the federal states. In Canada it is provinces, but not to create another layer of authority. For example, certain provinces like Samar can be reconstituted, Misamis Occidental and Misamis Oriental, Leyte, one province, then Negros Occidental, Negros Oriental, Iloilo or Panay, but not another layer of authority.

I have here, I do not know if this came from our Chairman -- Autonomous region and local governments, Oct. 18. Here is a proposal where I think most of us can agree.

CHAIRMAN TEVES

That's coming. In the next...

COMMISSIONER GARCIA

It is a creation of autonomous regions and also the principle of self-determination is here respected.

CHAIRMAN TEVES.

That's going to be presented next. If you are okay, we are proceeding to the last interpellator?

COMMISSIONER APOSTOL

Mr, Chair, let's have the last and we are running short of time, we have only 30 minutes. Commissioner Abarico.

COMMISSIONER ABARICO

Mr. Chairman.

CHAIRMAN TEVES

Go ahead. Please.

COMMISSIONER ABARICO

Thank you Mr. Chairman. I'd like to ask some questions to Commissioner Garcia, the distinguished gentlemen from Cebu. I, as a journalist, I'm just curious why Commissioner Garcia is against federalism when the vast majority of Cebuanos are in favor? I have been to Cebu several times, I have talked to my fellow media men there and they are all for federalism. I think they reflect the sentiment of the Cebuanos, like Bobit Avila is very passionate about federalism. But, so I am assuming that the sentiment of Commissioner Garcia does not reflect the sentiment of the Cebuanos, am I correct? Would you agree with that?

COMMISSIONER GARCIA.

I cannot agree and you are wrong, with apologies.

COMMISSIONER ABARICO.

Okay.

COMMISSIONER GARCIA.

Talking to a few Cebuanos, does not mean, even a hundred of them, does not mean that that is the sentiment of the Cebuanos. Well, the Governor of Cebu happens to be my daughter, and she has talked with other fellow governors and they are against the federalism as proposed by the CMFP.

We, Cebuanos, we can exist as a state, modesty aside. In population we are 4 million. We are bigger than ARMM, we are bigger than Bicol, we are bigger than SOCKSARGEN, and we are one of 79 provinces, yet we contribute 10 percent of the total national exports. Last year, the export was about 40 billion, Cebu exported 4 billion dollars. We are the 4<sup>th</sup> biggest shipbuilder in the world. The first and only ship-building facility in the Philippines is in Cebu. We are exporting ships to Korea, to Japan, to Europe. So we can exist as state. But we want to be a part of the Philippines, our Patria Adorada.

COMMISSIONER ABARICO.

(unintelligible)...next question...

(laughter)

CHAIRMAN TEVES

Next question. You are still entitled... (unintelligible)...short response from...

COMMISSIONER ABARICO

I think Cebu can really be the next seat of power in the Philippines. Next to Imperial Manila would be Imperial Cebu.

COMMISSIONER APOSTOL

But exclude... (unintelligible)...

COMMISSIONER ABARICO

My next question is, a, as already mentioned here by other commissioners like the lady from Baguio, the federalism within the framework of federalism, cultural identities and practices can be allowed to flourish without friction from the national center. In Mindanao, for instance, many tribal communities there practice traditional horse fighting during their major events and anniversaries and cultural activities. But under the law it's now prohibited and they are angry about this. So once we federalize, of course these are only example, cultural communities, which have been ignored and neglected for centuries, will finally have the means to aspire within their territorial jurisdictions to practice their culture without interference from the national government. Don't you think this is a good way to preserve our multi-culturalism, Mr. Commissioner? Federalism?

COMMISSIONER GARCIA.

Precisely, we can do it without going federal. If you are saying that because of the tribal communities culture and customs, are, is the good Commissioner, I think I can be wrong, going to create tribal states?

COMMISSIONER ABARICO.

No. In Mindanao we have 3 major populations, the Muslim, the Lumads and the Christians, and we are united for federalism.

My last question Mr. Chairman...

COMMISSIONER GARCIA

Yes.

CHAIRMAN TEVES.

Yes please.

COMMISSIONER ABARICO.

I would like to inquire if the presentation of Commissioner Garcia was tape recorded?

CHAIRMAN TEVES.

Nakarecord tayo lahat, Secretariat? Yes. Yes.

COMMISSIONER APOSTOL

Tape recorded.

COMMISSIONER ABARICO.

Because if it is tape-recorded. I want a copy of that. So I can replay that in Mindanao, and...

COMMISSIONER GARCIA.

I am not running for Senator.

(laughter)

COMMISSIONER ABARICO.

No. Not because I think it will convince the people of Mindanao but it will only encourage them to fight more for federalism, because it is an insult to the intelligence of Mindanao, Mindanaoans.

COMMISSIONER GARCIA

Well..

CHAIRMAN TEVES.

We are done. Commissioner Abueg?

COMMISSIONER ABUEG.

Yes Mr. Chairman. Thank you Mr. Chairman.

In our last meeting I presented a motion which was not acted upon as we adjourned. I would like to reiterate that motion that the committee chairman be authorized to create an ad hoc committee to formulate questions that will be presented during consultations.

CHAIRMAN TEVES.

Yes, I was going to take that up again in this next item, discussion and drafting of the committee report. So if we could just hold that pending right after responses and summing up. If there are no more, is that okay Commssioner Abueg? Next one po.

CHAIRMAN ABUEVA

Okay, there's been a lot of reference to the Citizens Movement for a Federal Philippines working paper that's been presented in this commission, and a lot of questions have been raised also. Maybe it'd be just proper to also give the Chairman of the Commission, as well as the Chair of the Movement for a Federal Philippines Advisory Council.

COMMISSIONER ABARICO

I was about to suggest that. In fairness to the Chairman, the subject of innuendos...

COMMISSIONER APOSTOL.

Mr. Chair, we'll have the Chairman do the responses but we will allow the other side to say something. We will have Commissioner..

COMMISSIONER ESPINA

Commissioner Azurin.

COMMISSIONER APOSTOL

... Azurin.

CHAIRMAN TEVES

Yes. No, but, after, after the Chairman. Yeah.

COMMISSIONER APOSTOL

After the Chairman. So Mr. Chair, may I move that the Chairman be recognized?

CHAIRMAN TEVES.

The Chairman is recognized.

CHAIRMAN ABUEVA.

Thank you Mr. Chairman. We started at about 2 o'clock; it's now 4:40. We have focused on Unitary System. I think its time to give other side a chance, of course there were those who took up the cudgels for federalism and I am grateful to them for having the courage and imagination to stay with their ideals and to make it, to try to make it workable.

I am also grateful to those who have savaged the idea of federalism by exaggerated arguments. Attacking it bogey, our draft is just a work in progress and we learn. In fact we have learned so much especially talking with officers of ULAP and the various organizations that make up ULAP. And I have a meeting with them tomorrow morning and the next day, supper with them in order to fine-tune our proposals for federalism.

You know what the general principles are. So I shall not dwell on those again, we've very little time. We are rethinking the strategy for bringing about a federal state. As you know, the President is one of the leading advocates of federalism, has advocated this widely, not only in the political campaign but in her State of the Nation Address. Leaders of Congress, the House of Representatives, in particular, have also pushed for this ideal and in fact both the Nachura draft of the 12<sup>th</sup> Congress and the present draft of Cong. Jaraula which is really also the Speakers' proposal adhere to the ideal of a federal republic.

The question is how and the timing in bringing this about. And listening to the very good arguments of the opponents of federalism, I think we can, we are responding to this very positively. You have before you this blue-covered document entitled "Proposed Revision of

Article 10 of the 1987 Constitution". And in order to compare the provisions of this document we have a matrix showing the same proposed revision of Article 10 on the left column and comparing it with Article 10 in the right column.

Let me jump to the main ideas here. One is that taking advantage of the idea of a transition because all those who advocate federalism really believe in a transition, we know it cannot happen next year or two years from now. We have to go about it incrementally. So the heart of this proposal is in Section 14 of the blue-covered document.

We are proposing that autonomous regions in all parts of the country that are willing, there shall be created autonomous regions in all parts of the country of contiguous or adjacent provinces, cities, municipalities and geographical areas for the 3 reasons we have for creating autonomous regions - geographic contiguity; ethnic, cultural, historical, linguistic reasons; and also socio-economic potential and viability. Let these regions be created by an organic act by the Parliament. It's not just an ARMM; we should allow people all over the country to have the same idea of the regional government, if they want to. In plebiscite they have to approve it and we are suggesting the areas that could be the subject of the organic act.

Now, those who fear fragmentation should be assured in Section 15 that all powers, functions and responsibilities granted by this Constitution or by law to the autonomous regions and local governments not granted to them shall be vested in the national government to hold us together. So in the organic acts to be passed, there shall be the participation of the regional consultative commission composed of the incumbent provincial governors, among others, in order to advise the Parliament, but there would be other representatives. And the organic acts will enable the autonomous region to adopt their own, to pass their own local, regional and local government code, and of course adopt the name of the region and the capital and so on.

The ideals, and then the specification of the scope of the powers and authority of the autonomous regions, is mentioned in Section 20. We are going beyond the enumeration for the organic act for Muslim Mindanao, to include other important functions. The key here is that the organic act will be passed by the Parliament and the people involved and the jurisdictions involved will have a say whether to accept or not in a plebiscite in those autonomous regions.

And we believe that agreeing with all the leaders who are now espousing federalism, we are proposing a transitory provision 10 years following the ratification of the proposed revision of the 1987 Constitution in the national plebiscite which we hope will take place next year, at the latest late next year. Ten years from shall we say 2006 or at the latest early 2007, in other words 2016-2017, the Federal republic of the Philippines is established and the autonomous regions become federal states. If the people agree to this, they will approve the proposal in the plebiscite; and if the people approve this, we have the mandate to bring about Federal Republic of the Philippines 10 years after the approval of the proposals we hope will be presented to them next year.

To this end, a Constitutional Preparatory Commission is hereby created. Transitory provisions pa rin, that shall determine all the legal, financial, organizational, administrative and other requirements of this federal republic and recommend the needed legislation by the parliament and the regional assemblies in order to ensure that the national government, the autonomous regions and their local governments and the citizens shall be able to assume their powers, functions and responsibilities in the federal republic.

The Preparatory Commission should not be as large as our Commission; it shall be composed of maybe 11 members to be appointed by the Prime Minister in consultation with the heads of the Regional Assemblies, which will include governors.

So we have learned from all the discussions here, from your ideas. The most vigorous critics, I consider you our friends. You are contributing to our learning.

COMMISSIONER GARCIA.

Thank you. This is very good. This one. The blue one.

COMMISSIONER ABUEVA.

Let me go back then to the ideals. I think ideals need to be repeated because in this country ideals are often lost. We believe in solidarity among our people. Especially, it's hard to have solidarity when 45% of our people are poor and powerless. Sovereignty resides in the people and all government authority emanates from them. This is a myth to most of our people. We should have the sensitivity to their plight, compassion for the poor, the marginalized and many of them are indigenous people who have lost ancestral domain.

We need unity in our various diversities. We need cultural development, regional and local cultural development. We need equitable development; this has been said often enough. All we are asking is a just share, not to destroy the national government, that's a bogey. All we need is for autonomous regions and the local government units to have a just share as determined by law in the national taxes, which shall be automatically shared with them. All we need is that autonomous regions and the local governments shall be entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided by law, including the same with inhabitants by way of direct benefits.

We are in favor of extending the term of local officials to as much as 5 years, instead of having elections every three years. That's part of the plan. So we believe in the principle of self-determination, which Commissioner Garcia keeps emphasizing here. And so, that is the vision colleagues and fellow members of this Commission. I think we can work together towards that end.

There is plenty of time in order to sort out the kinds of problems that have been exposed here. They are real problems. They are not imaginary problems. And we need time to deal with them rationally. So let me just end there and thank you very much.

*(Applause)*

CHAIRMAN TEVES

Thank you, Mr. Chairman. Ah, one more?

COMMISSIONER APOSTOL.

Mr. Chairman. Sole rebuttal, That is rebuttal. we have sole rebuttal in the person, the Commissioner Rene Acheron, Azurin.

*(male voice) Response here.*

COMMISSIONER AZURIN.

Yes, this will be very short. I think this will be very short. I think the arguments against federalism presented by Commissioners Espina, Garcia and Magno earlier were very cogent and eloquent. Let me just state very concisely why I strongly object. Basically I'll just sum up but that's already been said with the issue of federalism.

The problem cited by everyone here including the one just cited by the Chairman about just shares in government, the ineffectivity in delivery of services, lack of funding etcetera-- these are problems which have solutions outside the federalism. In other words, federalism is not the solution to this problem. Those problems can be solved without federalism. In other words we are not, to use a very old cliché, we are using a hammer to swat a fly.

Secondly, it is artificial, unlike States, wherein, the US, Canada, like Switzerland, like Germany wherein there were existing independent units that decided to join together. In other words, they decided to come together to become a larger unit. Here we are going to draw lines out of the Philippine map and say, "okay you are now a state", when there is no history of this units being a state. This is artificial; I don't see why we have to create that kind of problem for ourselves

Third, essentially it will mean more government and I am ideologically against more government. We need less government. This essentially betrays a mind set that government is the solution to our problems. Government is the problem. We need less government so that we will have less problems. The issue about putting another layer.

The very good point made by Commissioner Espina, once you put a skeleton it will grow and this little skeleton that we think we put there is going to grow and it will expand and it will bloat the bureaucracy. Some estimates made by Commissioner Magno, it's 2 to 4 times more spending in government. That's hardly what we need to solve the problems of the country. Essentially, what I am, in essence, federalism is not the solution to the problem. We recognize the problems and the problems are not in federalizing. The problems are elsewhere; the solutions are elsewhere.

Thank you.

CHAIRMAN TEVES.

Thank you. We're done, Mr. Floor Leader?

COMMISSIONER APOSTOL.

Yes Mr. Chair, we are done. We are now in the next item that there is a pending motion.

CHAIRMAN TEVES

At this point, let me therefore...(not covered by the tape)... When all is said and done we are still left with the situation of having to work out our report to the plenary as well as the, our participation in the consultation. So earlier there was a motion made by Commissioner Abueg. Can we just restate it for the record, Commissioner Abueg?

COMMISSIONER ABUEG.

The motion authorizing the Committee Chairman to create an ad hoc committee to formulate questions that will be presented during the consultation.

I so move. Thank you.

COMMISSIONER ESPINA.  
Second... Second the motion.

COMMISSIONER TABANDA.  
Clarification Mr. Chairman.

CHAIRMAN TEVES.  
Yes, please.

COMMISSIONER TABANDA.  
May I know how this is going to be done? We are going to formulate a question then give it to the people and ask them to answer it? How is it supposed to be done?

COMMISSIONER GARCIA  
Mr. Chairman.

COMMISSIONER TABANDA  
So, how is it supposed to be done? Or is it going to be like a question-and-answer presentation, because if it is a question-and-answer presentation, I will be very amenable. But if it is questions and we will give it to the people and ask them to answer it, I am definitely against that.

COMMISSIONER GARCIA  
Mr. Chairman.

COMMISSIONER TABANDA  
This is a clarification.

CHAIRMAN TEVES.  
Can we hear from the proponent, please. Can we hear from the proponent first and then Chairman Abueva.

COMMISSIONER ABUEG.  
The answer there will depend upon the questions presented and how it is formulated.

CHAIRMAN TEVES.  
Yes, Chairman Abueva.

CHAIRMAN ABUEVA.  
Our task is very clear -- it is to review existing and new proposals for revising or amending the Constitution. And then we are to consult the people to involve them in the learning process but essentially, the initiative for charter change is really a task for leadership. It's leadership. Advocacy. Those of us who have been involved in advocacies for years, I am sure many of us, know that we take a position. We say this is what is being proposed, what do you think about this proposition? You cannot go there. Consultation doesn't mean we haven't made up our mind. What do you think we should do? That is not our role.

Even though we have only less than 3 months to formulate our ideas, our proposals to be submitted to the President and to Congress. We have had years and years before that thinking about these problems and therefore there are no excuses. We have to advocate solutions to our problems in terms of charter change. So each committee in conducting consultations, must propose something, which will be the object of debates, of discussions, of questions and hope,

hoping that there would be enlightenment. And, hoping that we can persuade people to our ideas and who knows, the wisdom of the people might also, would also make us change or modify our ideas, coming back from the consultation, and therefore to a learning process first here tentatively with the position taken, we go to the field, ask the people to react to our ideas. And we can ask them questions also about our proposition but hopefully let them ask more the questions after our initial presentation so that it will be a real dialogue, not just pictures delivered by us to an audience that is intimidated by our propositions.

CHAIRMAN TEVES.

We are still dealing with the motion and the, Commissioner Tabanda was asking, seeking clarification. Were you clarified by that?

COMMISSIONER TABANDA.

If that is the explanation Mr. Chairperson, I would think that the way it is phrased may not exactly reflect what is being talked about. Because the original motion was that we formulate the questions to be asked during the consultation. Apparently, from the explanation, it seems like we will present our position on a particular issue and then that is what we will present. Then they will now be allowed to ask questions, clarificatory or probably objecting, and so on. If that is the idea then I personally don't think there is anything wrong with it. But I just reacted to the way it was raised earlier that we will formulate the questions to be presented during the consultation.

CHAIRMAN ABUEVA.

A tentative draft of our sense as a group...

COMMISSIONER GARCIA.

Mr. Chairman, since we are in the Committee on the Structure of Government and the consultation will start Monday, I believe that we have to decide now on the position of the committee or the Commission in regard to the structure of government. Now, the last paper explained by the Chairman, I believe, is something we can live with and even concur with. So that if that is the position of the committee and eventually of the Commission, perhaps this can be, what we can present to the people and let them comment with or ask questions on why this is so and that is that. We have so little time left to formulate, crystallize, if we may, the position of the committee but that last paper, the blue one, is something we can live with.

*(applause)*

COMMISSIONER APOSTOL.

Mr. Chairman, we will still meet on Thursday, on plenary. I would suggest that we appoint 7 members of this committee to draft. So that, I would suggest that you appoint Azurin, Espina, Garcia, as three members, the rest you appoint. The ones which you like, so that we will have no qualms about the position taken up in the unitary government, that it was not taken up. Then you form your position and submit that to plenary. Because, we are running short of time, we are supposed to adjourn at 5 o'clock.

COMMISSIONER AZURIN.

Mr. Chairman. Mr. Chairman. Here.

CHAIRMAN TEVES.

Yes, Commissioner Azurin.

COMMISSIONER AZURIN.

I wonder if it will be appropriate as in other committees to get a sense position of the committee because the committees present a position to the plenary. So what is the position of this committee?

COMMISSIONER GARCIA

The blue one.

CHAIRMAN TEVES.

Okay, we seem to be leading towards that.

COMMISSIONER VILLANUEVA.

Mr. Chairman, just an inquiry.

CHAIRMAN TEVES.

Yes.

COMMISSIONER VILLANUEVA

Don't you think we should be honest to the people when we consult and say that, "we are from the Consultative Commission for the revision of the Constitution in favor of federal government." But let us not give the impression that we are not decided. Let us be honest and tell them, "Eto kami, we are advocating a federal system of government". We will explain. Because if we don't do that the people you are consulting will not even know. Diretso na sabihin na natin ang totoo.

CHAIRMAN TEVES.

The last 3 comments starting with Chairman Abueva and even Commissioner Garcia seem to point to that. Yes, your comment, Vice Chair Magno.

COMMISSIONER MAGNO.

Well, in fact (unintelligible) going to carry it one step further if Commissioner Abueg would be willing to withdraw his motion, I would move that this committee endorse to the plenary that we retain the unitary system and put that to a vote now.

COMMISSIONER ESPINA.

I second the motion

COMMISSIONER AZURIN

I second the motion.

COMMISSIONER TABANDA.

I object! Point of order Mr. Chairman.

CHAIRMAN TEVES.

We still have a pending motion on the table.

COMMISSIONER ESPINA.

Commissioner Magno premised his motion by saying if Commissioner Abueg withdraw...

CHAIRMAN TEVES.

Commissioner Abueg...

COMMISSIONER APOSTOL.

I-withdraw mo na...para magbotohan na tayo..

COMMISSIONER AZURIN

I simply mean we will vote.

COMMISSIONER ABUEG.

Our task, Mr. Chairman, pursuant to Executive Order 453 is to study the transfer from the unitary to federal and that is very clear. We have to confront the issue of federalism. This is what we need to be presented to the people and get their sentiment. It is not a question that we consider the retention of the presidential system of government.

COMMISSIONER AZURIN

Unitary.

COMMISSIONER ABUEG

I am not withdrawing Mr. Chairman.

COMMISSIONER TABANDA.

Point of order, Mr. Chairman.

COMMISSIONER ABUEG.

The question should be thrown to the people and for then for them to decide. In the 1971 Constitutional Convention and Delegate Espina here will back me up, we also did a consultation and after discussing the issues and then we gave them written question for them to answer. Probably that can also be an expedient procedure for us to know the sentiments of the people. Thank you Mr. Chairman.

CHAIRMAN TEVES.

Short reply by Co-Chair Magno.

COMMISSIONER MAGNO.

The reason why I proposed an alternative motion is since we are going to Visayas and Mindanao anyway, where presumably there are some federalist sentiments. The burden of arguing for federalism should come from the people. It's two sides of the same coin. What I am moving for is that we get a sense of where we stand, of the committee, by putting this question to a vote now. In which case, we can better frame the question, that's a mere technicality but we have to get a sense of this committee's thinking at this point.

COMMISSIONER ABUEG.

Mr. Chairman, if the question is that we retain the unitary form of government then we are not challenging our task.

COMMISSIONER ESPINA

Not necessarily.

COMMISSIONER TABANDA.

Point of order Mr. Chairman. Mr. Chairman his original motion was we formulate questions then he is being asked to withdraw. May we encourage Commissioner Abueg to withdraw the original motion and instead, make a motion that this committee recommends the adoption of the federal system of government. That is a better position.

COMMISSIONER GARCIA.  
Mr. Chairman, I would agree to that.

COMMISSIONER ABUEG.  
There must be a specific identity who will formulate the questions, not all of us, unless somebody suggests the question, as a committee of a whole.

CHAIRMAN TEVES.  
They are saying, Commissioner Abueg, after we get a sense of the committee, then we can go back to that proposal.

COMMISSIONER ABUEG.  
My purpose mainly is that we have a question to be presented to the people during consultation, in what manner it is made.

COMMISSIONER GARCIA  
Mr. Chairman.

COMMISSIONER MAGNO.  
My motion was conditional on the... as a matter of procedure. So if Commissioner Abueg...I don't mind if it's his question or my question...

COMMISSIONER ABUEG.  
I will be willing to have the consideration of my motion suspended..

COMMISSIONER GARCIA  
Tabled.

COMMISSIONER ABUEG  
...until after, no, not tabled, because that will be (unintelligible).. suspended, until such time that the committee reaches a consensus on what action to take. Okay.

Mr. Chairman.

COMMISSIONER MAGNO.  
I reiterate my motion Mr. Chairman that we, the motion is, that the committee endorse to the plenary the retention of the unitary form of government of the structure of the republic.

COMMISSIONER AZURIN  
Second.

COMMISSIONER ESPINA  
Second.

COMMISSIONER GARCIA.  
Mr. Chairman, some sort of objection or observation before we vote on it. There is a saying, that let us always avoid the acute angle. We are sharply divided on federalism and unitary. The last position paper presented by the Chairman of the Committee and explained by the Chairman, is somewhere in between.

COMMISSIONER AZURIN.

There was a motion which has been seconded...

COMMISSIONER GARCIA.

Yeah, that is why I was saying that this is going there but retaining the unitary system in the mean time. That is the gist of the position paper. In fact what we are amending is only Article 10 where the identities, the political identities and integrity of the cities, the municipalities, the provinces are retained. In fact, for the next 10 years or so we will be unitary and also there is the recognition of the right of self-determination.

COMMISSIONER MAGNO.

Point of order Mr. Chairman. I think at this point, only an objection can be entertained by the Chair.

CHAIRMAN TEVES.

What is that Commissioner Jurado? What's your...

COMMISSIONER APOSTOL

Are you objecting?

COMMISSIONER JURADO.

I think we are forgetting the sense of what we are doing. The Chairman has already said and we all concurred that we do not just go there without a stand. In fact the Chairman said there should be an element of advocacy and that advocacy should be in favor of a federal system. I think that if we are going to divide the house it will be to get a mandate to carry that out. Now, the motion of Commissioner Magno seems to reverse the theme. He will argue for a retention of the unitary system...(unintelligible)

COMMISSIONER AZURIN.

The motion was seconded...

COMMISSIONER ESPINA.

Mr. Chairman, to add some, very briefly, very briefly in support of the motion. Even if we approve the motion to retain the unitary, it does not necessarily mean that we will close the door to a possible shift to federalism. Because as a matter of fact, i-ku-consult pa natin yung tao sasabihin natin sa kanila. Maybe they will not agree even if the committee decides to retain the unitary, maybe they want parliamentary, I mean federal. Ang gusto lang nating ngayon malaman kung ano yung direksyon. But that is not the end of it. We are still going to..

CHAIRMAN TEVES.

Commissioner Pedrosa.

COMMISSIONER PEDROSA.

I think that I can accept the motion if you put the necessary definition which is that in a, for the time being, while the local authorities have not been consulted, while Congress is still going to be, enact the steps to be taken in order to..

COMMISSIONER MAGNO.

Point of order Mr. Chairman, I think we are just dividing the house just to get the sense of this committee. I don't see why all the other nuances... (unintelligible)...

COMMISSIONER APOSTOL.  
So, Mr. Chair, Let us vote and let's repeat the question.

COMMISSIONER PEDROSA.  
There is a time element.

COMMISSIONER APOSTOL.  
Are you in favor of retention of the unitary system?

COMMISSIONER ADAMAT  
Mr. Chairman.

COMMISSIONER ESPINA  
Subject to consultation later.

CHAIRMAN TEVES.  
Yes Commissioner Adamat.

COMMISSIONER ADAMAT.  
Yeah. Do I get the motion as, if we vote against the motion then it means we are going federal?  
If that is the understanding, I am in favor of the motion.

CHAIRMAN TEVES.  
Yes. That is the understanding and that we are only trying to get the sense of this committee.  
We are still going to take it up in plenary, nothing ends in the Committee. It will have to end in a  
commission level, and only after consultation.

COMMISSIONER APOSTOL.  
So, we call the roll now. This is, calling the roll, and at the same time taking your votes. Abarico.

*(voices) What is the motion?*

COMMISSIONER APOSTOL  
The retention of the presidential system.

COMMISSIONER ESPINA  
No, of the unitary.

COMMISSIONER APOSTOL  
Are you in favor of retaining the unitary system?

*(voice) Yes or no.*

COMMISSIONER APOSTOL  
If you are yes, you are in favor. If you are no, you are against.

*(voices)*

COMMISSIONER ADAMAT.  
Mr. Chairman, please clarify that because it is a very confusing situation.

COMMISSIONER ESPINA.  
Point of order. We are already voting.

COMMISSIONER APOSTOL  
We are already voting. Abarico.

COMMISSIONER ABARICO  
No.

COMMISSIONER APOSTOL  
Abueg.

COMMISSIONER ABUEG  
Hindi. Hindi. Hindi. Yes.

COMMISSIONER APOSTOL  
Abueva.

CHAIRMAN ABUEVA  
No.

CHAIRMAN TEVES  
The motion is for the retention of the unitary system. The understanding is if you vote yes, you are for retention. If you vote no, you are for federalism.

COMMISSIONER AZURIN  
Yes. We understand that.

*(voices) Let us continue with the vote.*

COMMISSIONER ABUEG  
I will change my vote. It's no. It's now clear.

*(voices)*

COMMISSIONER APOSTOL  
Adamat.

*(male voice) Yes.*

COMMISSIONER APOSTOL  
Adamat.

COMMISSIONER ADAMAT  
No. A big no.

*(laughter)*

COMMISSIONER APOSTOL  
Angeles. Nandito kanina eh. Umalis. Apostol. Azurin.

COMMISSIONER AZURIN  
Yes.

COMMISSIONER ESPINA  
What is the vote of Apostol?

COMMISSIONER APOSTOL  
Yes. Bengzon. Bian.

COMMISSIONER BIAN  
No.

COMMISSIONER APOSTOL  
Bondoc. Carino.

COMMISSIONER CARINO  
Yes.

COMMISSIONER APOSTOL  
Espina.

COMMISSIONER ESPINA  
Double big yes.

COMMISSIONER APOSTOL  
Garcia.

COMMISSIONER GARCIA  
Yes.

COMMISSIONER APOSTOL  
Gonzales.

COMMISSIONER GONZALES  
Abstain.

COMMISSIONER APOSTOL  
Bakit ka abstain? Jimeno.

COMMISSIONER JIMENO  
Yes. For the time being. I'm here. Yes, for the time being.

COMMISSIONER APOSTOL  
Leviste. Lorenzana.

COMMISSIONER LORENZANA  
No. No.

COMMISSIONER APOSTOL  
Magno. Matula. Ortega. Speech?

COMMISSIONER ORTEGA  
May I just explain my vote?

*(laughter)*

COMMISSIONER APOSTOL  
Yes. Two minutes.

COMMISSIONER ORTEGA  
If you will not allow me to explain my vote, I will just abstain.

COMMISSIONER APOSTOL  
He is allowed two minutes to explain. But once you explain, you have to vote yes or no. No abstentions.

COMMISSIONER ORTEGA  
I need only one minute. One minute, Mr. Chairman. I am in favor of retaining the unitary system for the next ten years and federal after then.

COMMISSIONER APOSTOL  
But ten years from today you will be useless. You will be an old man.

*(laughter)*

COMMISSIONER ORTEGA  
In which case, Mr. Floor Leader, you will be older.

*(laughter)*

COMMISSIONER APOSTOL  
Paterno. Pedrosa.

COMMISSIONER PEDROSA  
No.

COMMISSIONER APOSTOL  
Rodriguez.

COMMISSIONER RODRIGUEZ  
No.

COMMISSIONER APOSTOL  
Romualdo. Sarmiento.

COMMISSIONER SARMIENTO  
Same position as Commissioner Ortega with the condition, be included, the strengthening of the existing Local Government Code. It's a no.

COMMISSIONER APOSTOL  
Seno. Tabanda. Teves.

CHAIRMAN TEVES  
No.

COMMISSIONER APOSTOL.  
Vilar.

COMMISSIONER VILAR  
Yes.

COMMISSIONER APOSTOL.  
Villanueva.

COMMISSIONER VILLANUEVA  
Yes.

COMMISSIONER APOSTOL  
Yuchengco.

COMMISSIONER ADAMAT  
Yes

COMMISSIONER APOSTOL  
One, two, three, four, five, six, seven, eight. No, one, two, three, four, five, six, seven, eight, nine, ten, eleven, twelve, thirteen, fourteen, fifteen, sixteen. Abstention, one.

COMMISSIONER APOSTOL.  
We have a quorum Mr. Chair and then the votes that are in favor are 8 members who voted. Those who voted No are 16 and one abstention.

*(applause)*

CHAIRMAN TEVES.  
The no's have it. So that is the sense of the committee. Let us proceed to the next task at hand. And this is where Commissioner Abueg is back on the floor.

COMMISSIONER ABUEG.  
Thank you Mr. Chairman. Considering that a consensus has been reached on the issue, I now revive my motion that the committee Chairman be authorized to create an ad hoc committee to formulate the questions to be presented during the consultation.

I so move.

## **ADJOURNMENT OF MEETING**

CHAIRMAN TEVES.  
There's the motion. Seconded. Objections? No objections. Motion is carried and we are adjourned and on the way to Malacanang.

*It was 5:17 p.m.*