

R.C.C. NO. 77

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Monday, September 8, 1986

OPENING OF SESSION

At 9:56 a.m., the President, the Honorable Cecilia Muñoz Palma, opened the session.

THE PRESIDENT: The session is called to order.

NATIONAL ANTHEM

THE PRESIDENT: Everybody will please rise to sing the National Anthem.

Everybody rose to sing the National Anthem.

THE PRESIDENT: Everybody will please remain standing for the Prayer to be led by the Honorable Gregorio J. Tingson.

Everybody remained standing for the Prayer.

PRAYER

MR. TINGSON: From the Holy Scriptures, specifically from the Book of Hebrews, we read about the subject of faith:

Now Faith is the substance of things hoped for, the evidence of things not seen, for by it the elders obtained a good report. Through Faith we understand that the worlds were framed by the Word of God so that things which are seen were not made of things which do appear.

Let us pray. Loving heavenly Father, Whose we are and Whom we serve, we approach Thy throne of grace this morning as we start another day of work at our Constitutional Commission with deep humility and with a profound sense of gratitude; deep humility because we are not worthy to be entrusted with such a heavy and intricate task; profound gratitude because we can do all things through Christ Who strengthens us which is really faith at work; faith which is the substance of things hoped for, the evidence of things not seen; faith which is the flow of divine energy through us who are willing to do that which is well pleasing in Thy sight; faith which is believing the incredible, seeing the invisible and doing the impossible.

Our country, dear Lord, needs a political stabilizing document. Help us write it well. We need to finish this Charter fairly soon. We cannot afford to disappoint our people. Bless us with a discerning mind, a believing heart, a strong physique, and a living and uncompromising faith.

And along with St. Paul, we declare true faith in Thy goodness, tolerance and understanding when he said: "This is our work and we can do it because Christ's mighty energy is at work within us."

In the Blessed and Matchless Name of Christ, we pray. Amen.

ROLL CALL

THE PRESIDENT: The Secretary-General will please call the roll.

THE SECRETARY-GENERAL, reading:

Abubakar Present [*] Natividad Present

Alonto

Present Nieva Present

Aquino Present [*] Nollado Present [*]

Azcuna Present [*] Ople Present [*]

Bacani Present Padilla Present

Bengzon Present Quesada Present

Bennagen Present [*] Rama Present

Bernas Present Regalado Present

Rosario Braid

Present Reyes de los Present

Calderon Present [*] Rigos Present

Castro de Present Rodrigo Present

Colayco Present Romulo Present

Concepcion Present Rosales Absent

Davide Present Sarmiento Present

Foz

Present Suarez Present

Garcia

Present [*] Sumulong Present

Gascon Present Tadeo Present

Guingona Present Tan Present [*]

Jamir

Present Tingson Present

Laurel Present [*] Treñas Present

Lerum Present [*] Uka Present

Maambong

Present [*] Villacorta Present [*]

Monsod Present Villegas Present

The President is present.

The roll call shows 33 Members responded to the call.

THE PRESIDENT: The Chair declares the presence of a quorum.

MR. RAMA: Madam President.

THE PRESIDENT: The Floor Leader is recognized.

MR. RAMA: I move that we dispense with the reading of the journal of yesterday's session.

THE PRESIDENT: Is there any objection? (Silence) The Chair hears none; the motion is approved.

APPROVAL OF JOURNAL

MR. RAMA: Madam President, I move that we approve the Journal of yesterday's session.

THE PRESIDENT: Is there any objection? (Silence) The Chair hears none; the motion is approved.

MR. RAMA: Madam President, I move that we proceed to the Reference of Business.

THE PRESIDENT: Is there any objection? (Silence) The Chair hears none; the motion is approved.

The Secretary-General will read the Reference of Business.

REFERENCE OF BUSINESS

The Secretary-General read the following Communications, the President making the corresponding references:

COMMUNICATIONS

Letters urging the Constitutional Commission to incorporate in the Constitution a provision that the separation of the Church and State shall be inviolable as embodied in the 1973 Constitution and as understood historically and jurisprudentially in the Philippines, each from the following:

(1) Miriam E. Auza 60-B
Mabilis Street Diliman, Quezon City Communication No. 759

(2) Beth Bañez
32-A Scout Madriñan
Quezon City Communication No. 760

(3) Josephine Sasoy
56 Miranda Street Panabo, Davao Communication No. 761

(4)
Ana E. Japay
58 Peach Street
SSS Village

Marikina, Metro Manila

Communication No. 762

(5) Orpah Marasigan

32-C Scout Madriñan

Quezon City Communication No. 763

(6) Karenina B. Montemayor

Beverly Hills Subdivision

Antipolo, Rizal Communication No. 764

(7)

Beth C. Manalastas

Sampaguita Street, Sto. Nino San Fernando, Pampanga

Communication No. 765

(8) Jing Carpio

32-A Scout Madriñan

Quezon City Communication No. 766

(9) Leah M. Darwin

73-E Scout Lazcano

Diliman, Quezon City Communication No. 767

(10)

Cyd H. Latuño

66-D Gen. Lim Street

Heroes Hill, Quezon City

Communication No. 768

(11) Rachel Ma. Virtucio

70-3 Gen. Malvar Street

Davao City Communication No. 769

(12) Adela S. Erpelo

914 Guadalupe BLISS I

Makati, Metro Manila Communication No. 770

(13) Maria Jovita M. Perez

56 Luna Street

San Pedro, Laguna Communication No. 771

(14) Lutgarda Ocastro

1721 Phase 3 Guadalupe BLISS

Makati, Metro Manila Communication No. 772

(15) Leonida Ramos

217 Paraiso Street

Tondo, Manila Communication No. 773

(16) Alvina Torres

ACPO Box 51 Quezon City Communication No. 774

(17) Roy Bolina
70 Scout de Guia Street
Quezon City Communication No. 775

(18) Zillah Balico
Barotac
Nuevo Iloilo Communication No. 776

(19)
Rowena Jameo
Quezon City
Communication No. 777

To the Committee on General Provisions.

Letter from Mr. Manuel Navoa expressing his gratitude and that of the 300 persons in death row for the abolition of the death penalty and also seeking the enactment of a law providing compensation to acquitted prisoners, as well as to victims of crimes.

(Communication No. 778 — Constitutional Commission of 1986)

To the Committee on Social Justice.

Communications urging the Constitutional Commission to include in the Constitution a provision obliging the State to protect the life of the unborn from the moment of conception, from the following:

- (1) 121 signatories from BIR Catholic Charismatic Community, East Triangle, Diliman, Quezon City;
- (2) 7005 concerned citizens of the Province of Misamis Occidental.

(Communication Nos. 779 and 780 — Constitutional Commission of 1986)

To the Committee on Preamble, National Territory, and Declaration of Principles.

Letter from Mr. Jesus B. Blando, submitting Resolution No. 1 of the BIR Improvement Movers Association, urging the creation of a Constitutional Commission on Revenue.

(Communication No. 781 — Constitutional Commission of 1986)

To the Committee on Constitutional Commissions and Agencies.

Communication from Mr. Delfin R. Manlapaz of 1707 E. Rodriguez, Sr. Boulevard, Cubao, Quezon City, suggesting a constitutional provision mandating the State to create a citizen-owned reservoir of national credit, wherein each citizen, natural-born or naturalized, is credited with a prorated initial bank deposit.

(Communication No. 782 — Constitutional Commission of 1986)

To the Committee on the National Economy and Patrimony.

MR. RAMA: Madam President.

THE PRESIDENT: The Floor Leader is recognized.

CONSIDERATION OF C.R. NO. 29

(Article on Education, Science, Technology, Arts and Culture)

Continuation

PERIOD OF AMENDMENTS

MR. RAMA: I move that we resume consideration on Second Reading of the proposed Article on Education, Science, Technology, Arts and Culture.

THE PRESIDENT: Is there any objection? (Silence) The Chair hears none; the motion is approved.

The honorable chairman and members of the Committee on Human Resources are requested to occupy the front table: Commissioners Villacorta, Guingona, Quesada, Bennagen and Gascon.

MR. RAMA: With the indulgence of the body, Madam President, there is a registered request for a three-minute question of privilege in behalf of the Muslim population. I ask that Commissioner Alonto be recognized.

THE PRESIDENT: May we know the nature of the question of privilege, because as a rule, privilege speeches are to be held on Friday, unless there is some urgency for them. So, may we know the subject of the privilege?

MR. ALONTO: Madam President, this concerns the reaction of the Muslim community to the historic peace mission of the President of this country to the South.

THE PRESIDENT: Is there any objection? (Silence) The Chair hears none; Commissioner Alonto may proceed.

QUESTION OF PRIVILEGE OF COMMISSIONER ALONTO

MR. ALONTO: Thank you, Madam President.

I rise this morning, in the name of God Almighty, on a question of collective privilege to put on record the reaction of the Muslim population of this country to that historic trip of the President of this Republic to the South.

Last Friday, September 5, 1986, which happened to be the first day of the first month of the Hegira Year 1407, the President of the Republic stepped down from the pedestal of power and, against the advice of her advisers and well-wishers, proceeded to the South, to one of the centers of Muslim population in the Philippines — at Jolo, Sulu — and there she met with former UP Professor Nur Misuari, the leader of that portion of the Moro National Liberation Front which has persisted in its stand to secede from this Republic. In her own words, that trip was for her a mission of peace and she said she would do anything for the sake of peace. As a Muslim and as a citizen of this Republic — and I know that all my fellow Muslims in this country are with me — I sincerely congratulate her and all those who accompanied her on that mission of peace which hopefully can bring peace to that part of the country.

I would also like to point out the fact that the President chose as the venue of her historic meeting with Professor Misuari a convent — the convent of the Carmelite nuns, which is situated in the midst of a Muslim city which had not known peace for almost two decades during the regime of Mr. Marcos.

President Aquino chose to go on her historic mission of peace on the first day of Hegira Year 1407, an occasion highly symbolical of the Islamic objective, which is peace. The President and Nur Misuari met in a convent, which in Islam is a House of God, just as any building where the name of God Almighty is openly and oftentimes mentioned as a House of God such as a church, a mosque or a synagogue. In Islam these are sacred places where peace and security must reign and where hatred, dissension and disunity are not allowed.

In her statements to the audience in Zamboanga City and in Jolo, President Aquino told the people, and I quote:

I am not afraid to face any danger. I am ready to face anything and if I have to make sacrifices, gladly will I do it, if only to achieve peace for all. After all, what good is a leader if he is not capable of attaining peace and order for the people? We must remember we are Filipinos and we must not countenance this bloodshed and killing of Filipinos by Filipinos.

I am confident that as long as I am true to the people, they will continue to have faith in me. So long as the people have confidence, the leaders will have credibility, which is important at this time in our country.

Those meaningful statements, filled with sincerity for the welfare and well-being of the Filipino people, including Muslims and Christians and even pagans, demonstrate the President's deep and sincere concern for the welfare and well-being of the nation. And so she deserves not only the accolade of the Filipino people but also their complete support and cooperation in all the policies and efforts to achieve the best for the people of this country.

At this point, Madam President, let me digress a little in stating that the objective of the mission of our President to the South was to look for a situation or atmosphere where peace could be established. About 12 years ago, that atmosphere was recommended by a group of 20,000 Muslims during a conference called by President Marcos regarding government policies on Muslim Mindanao. The 20,000 Muslims who signed this petition declared that the only workable solution to the national crisis in relation to the Muslim community, short of complete independence for them, is the grant of a complete local autonomy to the Muslims and with the following basic features, among others, to be guaranteed:

1. A definite and guaranteed territorial jurisdiction.
2. A legislative power to adopt local laws based on the Holy Qur'an and the Sunnah of the Holy Prophet (Peace be upon him).

This recommendation of over 20,000 Muslims was based on what Dr. Cesar Adib Majul said in a privilege speech before the Constitutional Convention of 1971, and I quote:

Let us abandon the 'straitjacket' to which we were plunged by our erstwhile master as a condition sine qua non to the grant of a political freedom and which became the basic cause of our failure to imbue the society with a desirable sense of oneness and a common destiny. For unless we can bestow to our people a sense of oneness and common destiny, there seems to be no possible recourse to contain the process of disintegration going on in our very midst, involving not only a certain sector of our society but its whole entirety.

Again, let us listen to the wisdom of the following statement made by Dr. Majul relevant to this particular issue:

The present-day requirements of a developing society which is a universal phenomenon make it crucial to emphasize the positive contributions of divergent groups or sub-cultures within the wider community. The experiences of some of the most developed countries which are competing with one another to serve as models of what a modern society should aim at demonstrate that it is infinitely wiser to maximize the efforts of every group in the body politic rather than to suppress one in favor of a majority.

Madam President, this august body has sufficiently contributed its effort in supporting the policy of the President. For in connection with the task assigned to this august body and in spite of the constraints of time, this Commission has clearly demonstrated its support for the efforts of the present regime, led by our beloved President, in establishing peace, harmony and unity. This was manifested by the body's unanimous approval on Second Reading of the report of the Committee on Local Governments, which includes the provision for the establishment of the autonomous regions in Muslim Mindanao and the Cordilleras. The approval on Second Reading took place on August 21, 1986 at 12:45 p.m., which incidentally was the date and the hour, three years

ago, when our hero and martyr, former Senator Ninoy Aquino, was assassinated at the tarmac of the Manila International Airport before he could touch Philippine soil to perform a mission of peace.

It has been stated on the floor if this august body by distinguished Members of this Commission that the rationale, the most important imperative for the creation of autonomous regions for Muslim Mindanao and the Cordilleras, was to solve a persistent problem of peace that has pestered the harmonious effort at nation building in this country for the last two decades.

Madam President, before I close, allow me to implore the guidance of Almighty God, not only in the deliberations of this august body, but also for all the Filipino people, particularly our President who has demonstrated that she, as of this moment, is capable of leading us on the road to peace and hence, success.

I thank you, and may Allah bless us and grant us peace.

MR. RAMA: Madam President.

THE PRESIDENT: The Floor Leader is recognized.

MR. RAMA: The last proponent when we adjourned last Saturday was Commissioner Regalado.

May I ask that Commissioner Regalado be recognized to present his amendment.

SUSPENSION OF SESSION

THE PRESIDENT: Before we recognize Commissioner Regalado, the session is suspended for a few minutes.

It was 10:19 a.m.

RESUMPTION OF SESSION

At 10:41 a.m., the session was resumed.

THE PRESIDENT: The session is resumed.

Commissioner Villacorta is recognized.

MR. VILLACORTA: Madam President, the concepts being discussed now are first, ownership of all schools, and the committee is proposing that it be 100-percent ownership. The second concept has to do with ownership of educational institutions of religious orders, missionary boards and charitable organizations. And here, the committee is proposing 75-percent control by Filipinos.

So, Madam President, we are discussing two issues here: ownership of nonreligious schools and ownership of religious schools.

THE PRESIDENT: Do we have any speakers for the first concept — on private educational institutions wholly owned by Filipino citizens other than the religious?

MR. PADILLA: Madam President.

THE PRESIDENT: Vice-President Padilla is recognized.

MR. PADILLA: In the last session, I asked to be recognized to support the view of Commissioners Regalado, Bernas and others for the return of the provision in the 1973 Constitution.

The schools or educational institutions of religious orders and mission boards should not be subject to ownership requirement. These are the many schools of religious orders and mission boards that are not only in the urban or

metropolitan areas but also in the remote places where we hardly have any school. The excuse is that many of our colleges and universities are "Filipinized." But even Commissioner Bernas, President of the Ateneo University, admitted or stated in the last session that not all colleges and universities of religious orders are wholly owned by Filipino citizens. On a previous occasion, I had my doubts as to the meaning of the word "Filipinized" because the University of Santo Tomas has a Filipino Dominican as President, and so forth. But that might only refer to administration or management, and not necessarily to ownership. I believe that religious orders whose members are pledged to the three vows of obedience, chastity and poverty cannot really own any portion of the educational institution whose valuable assets consist of premier lots, enormous buildings and equipment for adequate education. Likewise, Madam President, the requirement for the other educational institutions, as corporations or associations according to the 1973 Constitution, is sixty per centum of the capital of which is owned by such citizens.

I reiterate my support and conformity with the proposed amendment to the committee report that we return or revert or readopt the 1973 Constitution.

Thank you, Madam President.

MR. RAMA: Madam President, I ask that Commissioner Regalado be allowed to restate his amendment which was a result of his conference with the majority of the members of the committee and Commissioner Davide.

MR. GUINGONA: Madam President, may I be allowed to react to the statements of the honorable Commissioner Padilla?

THE PRESIDENT: Commissioner Guingona is recognized.

MR. GUINGONA: The stand of the committee as mentioned by our chairman, the honorable Commissioner Villacorta, is for a 75-25 ratio, although our chairman and I have expressed the view that we would be willing to pare this down or reduce it to a 60-40 level. There are several reasons, and one of these has been brought to our attention by Commissioner Regalado himself during the caucus that occurred after the suspension of session. Referring to the school where he is the dean of the college of law, Commissioner Regalado mentioned that the charter of this school provides that upon liquidation, all the assets of the school will revert to the religious organization which owns it. Where we have the religious organization which is 100 percent owned by foreigners, the assets will revert to the religious organization which is 100 percent foreign controlled.

I was wondering whether there could be measures to make sure that this foreign religious organization will not bring out these assets for use outside of our country. So I was thinking that a 60-40 ratio might be initially provided, but with perhaps a saving clause that the legislature may change this ratio later on.

Thank you.

MR. RAMA: I ask that Commissioner Regalado be recognized.

THE PRESIDENT: Commissioner Regalado is recognized.

MR. REGALADO: Madam President, first a comment on the interpretation of Commissioner Guingona. It was not correct to say that the assets of the school with which I am connected, when it should be dissolved, will go back to foreign ownership. It will just go back to the Order and the Order involved is the Los Padres Benedictinos de Filipinas, not a foreign entity.

With respect to the proposed amendment on Section 4 (a), after conferring with the committee, as well as Commissioners Davide, Padilla, Rodrigo and others, we have more or less reached a consensus that with respect to schools established by charitable organizations, we do not feel very strongly about this. In the first place, most

of us are not even aware what these charitable organizations contemplated in the 1935 and 1973 Constitutions are, as supposed proprietors of educational institutions. Although there was mention about YLAC or something, we have no information on the point. But the Commissioners I have consulted are more concerned about the educational institutions established by religious orders and mission boards, excluding those by charitable organizations.

There is more or less a consensus that we make a little change from the 1973 provision to the effect that said educational institutions shall continue to operate as they now operate under the exemption of the 1973 Constitution, until Congress shall provide otherwise in the future. Whether Congress will provide for that in 10 or 5 years from now, we leave it to Congress, but the institutions will operate under the exemption from the equity requirement under the 1973 Constitution until such time.

With respect to the other schools — proprietary, cooperative or foundations — there has been no consensus as to whether the equity should be 60-40, 75-25 or wholly owned and we would prefer that insofar as those schools are concerned, the equity stated there should be submitted to the floor. Originally, the committee I think adopted the 1973 constitutional provision for 60-40, after which there was a proposal of 75-25, but now the committee is for complete and full ownership insofar as these schools not owned by religious orders or mission boards, which are broad enough to include proprietary schools, free-stock proprietary schools, those owned by cooperatives and the foundations, are concerned. So they would prefer that one to be submitted to the floor.

MR. GUINGONA: Madam President, may I just react to the statement of Commissioner Regalado.

I do not dispute that as far as his school is concerned, the religious organization is 100% Filipino or majority of these organizations are Filipino-controlled, but I am thinking of other religious organizations or mission boards which, if there is no restriction provided in the Constitution, may be fully owned by foreigners and they may also have a similar provision which will say that upon liquidation, all the assets will go back to this organization which is 100 percent owned by foreigners.

MR. REGALADO: I was wondering if the committee, for that purpose, could conduct the corresponding survey, get the corresponding data from the Securities and Exchange Commission, the Ministry of Education, Culture and Sports, so that instead of going on speculations, surmises and conjectures, we will have a basis to discuss here.

MR. VILLACORTA: Madam President, we do have data. Last week, we said that the Securities and Exchange Commission did not have classified files but then we got this directory from the Catholic Educational Association of the Philippines. I wonder what Commissioner Regalado has in mind. We are not talking here about Metro Manila schools, I presume.

MR. REGALADO: I think we should get the complete data so we would know. It is very hard to be discussing when we do not know the real situation.

MR. VILLACORTA: This directory would affirm what Brother Rolando Dizon, President of the CEAP, has said about all Catholic schools being Filipino-owned, whether on a 60-40 or 100 percent equity. We are worrying, as I said, over a phantom — there is no missionary school now that is non-Filipino owned, and Commissioner Rigos has spoken for the Protestant schools. Now, why are we making an exception for schools that are not existent? Why are we so worried about alien missionary schools? And why should we constitutionalize this worry?

MR. GUINGONA: Madam President, it would seem that our committee does have some statistics although these are not really very complete, but I would like to call the attention of the honorable Commissioners that the proposal of Commissioner Regalado would refer not only to existing schools but would involve schools that will be established in the future.

MR. REGALADO: Yes.

MR. GUINGONA: And there could be no data as far the schools in the future are concerned.

MR. REGALADO: No, the existing data are what I am referring to.

MR. GUINGONA: As I said, we do have some data which our chairman has presented but it seems to me that those who have proposals to make have absolutely no data themselves.

MR. REGALADO: Madam President, Commissioner Guingona mentioned about the other religious orders and the provision that in case the school is dissolved, its property and assets will revert to the religious order. But the Commissioner said he is not familiar with respect to the other religious orders. I would think that those data are available in the Ministry of Education, Culture and Sports because such facts are submitted for purposes of authority to operate and for recognition. The data may not be in the Securities and Exchange Commission. That is true, because formerly, corporations sold did not register in the Securities and Exchange Commission until only very lately. But I would think those data may be available in the Ministry of Education, Culture and Sports in connection with the application of that school for the authority to operate or for government recognition. The data that may be in the CEAP records may not be complete because those are done purely on a voluntary basis. Some Catholic schools may not have sent the corresponding data, but in the Ministry of Education, Culture and Sports, I assume, those data are required to be submitted.

THE PRESIDENT: Shall we hear Commissioner Bacani first so that there will only be one response?

BISHOP BACANI: Madam President.

THE PRESIDENT: Commissioner Bacani is recognized.

BISHOP BACANI: A point of information, Madam President. Because of the vocation crisis in Europe, many religious orders are coming to the Philippines, and Cardinal Sin has spoken to us more than once of religious congregations wanting to come here and they are increasing in number. Among the recent arrivals here which could not have Filipino members at present are, for example, the Scalabrini Fathers, the Servants of Mary, and among the nuns, I can name of a very recent arrival, the Congregation of St. John the Baptist which has, in fact, a school which I recently blessed. I think the school is in a subdivision in Parañaque or Las Piñas.

These religious congregations will be coming in increasing numbers. If they should want to establish schools, obviously, they will not and cannot have Filipino members immediately. It will take a minimum of eight years before they can recruit, before they can have what we call a perpetually professed member; that is, a full member of the institute. Hence, for that reason, it will take some time. And yet, one of the means by which they can grow in the Philippines and by which they can carry out their mission is precisely through the building of schools.

That is why, I would be in favor of retaining this provision with the additional phrase "UNLESS OTHERWISE PROVIDED BY LAW." I would be in favor really of Congress later on legislating for the transfer of ownership within a certain period of time because we do need to Filipinize even schools of religious orders. Besides, that has also been a trend, for example, in the Catholic Church. But there are cases, and they may increase in the near future, where it will not be possible to have 100 percent Filipino ownership of such schools, not even on a 60-40 basis.

Thank you very much.

MR. DAVIDE: Madam President.

THE PRESIDENT: Commissioner Davide is recognized.

MR. DAVIDE: For an intelligent voting on this particular issue, may I move that we vote first on ownership of schools not run by religious orders and mission boards, and then we can take up later the issue of ownership of educational institutions owned and maintained or to be owned and to be maintained by religious orders and mission boards. I have a proposal for a 100 percent Filipinization of educational institutions not run by religious orders and mission boards; and another proposal for educational institutions run by said religious orders or mission boards.

THE PRESIDENT: What we have here is the committee report, and as stated by the chairman, the committee report submits that private educational institutions shall be owned solely by citizens of the Philippines or corporations or associations wholly owned also by such citizens. I believe that the committee sticks to that particular portion of their report.

Would Chairman Villacorta agree to a voting first on this particular section?

MR. VILLACORTA: Yes, Madam President, the committee agrees.

THE PRESIDENT: Private educational institutions other than those established by religious orders.

MR. VILLACORTA: Yes, Madam President.

MR. MONSOD: Madam President, may I just ask a question on this point.

THE PRESIDENT: Please proceed.

MR. MONSOD: I just wanted to know if the committee has any complementary proposals, perhaps in the Transitory Provisions, on how much time these institutions will be allowed in order to reach the 100 percent proposed by the committee.

MR. VILLACORTA: I am glad the Commissioner asked that. We were going to propose in the Transitory Provisions that Congress determine the period within which the foreign-owned religious schools may divest their . . .

MR. MONSOD: Excuse me. In other words, is the Commissioner saying that it does not take effect immediately upon ratification? Suppose Congress says 20 years, it is not immediately executory?

MR. VILLACORTA: No, it is not. We will leave it to Congress, because Congress would have the luxury of time to look more into the problem.

MR. MONSOD: Would the Gentleman accept the phrase, "WITHIN THE PERIOD DETERMINED BY CONGRESS"? Because I understand even from statistics that most or all of them are 60 percent owned by foreigners; maybe some are over 60 percent. But unless there is a provision that is proposed that will go along with this, it would mean that right after ratification, there has to be a compliance.

MR. VILLACORTA: I consulted other members of the committee. They would want that allowance to be in the Transitory Provisions.

MR. MONSOD: All right. But what is the period specified? What is the Gentleman's proposal for the period? Is it just an open-ended period or is the Gentleman going to state a period?

MR. VILLACORTA: It is an open-ended period to give Congress the leeway to decide the time frame.

MR. MONSOD: Thank you.

MS. QUESADA: Madam President.

THE PRESIDENT: Commissioner Quesada is recognized.

MS. QUESADA: Before we vote, could we just set the principle that should guide us in deciding whether or not the schools, other than religious or charitable schools meaning, the proprietary schools, will also be allowed to be owned by foreigners? I think the underlying principle that the committee was guided by is the recognition that education is a very vital mechanism for inculcating and developing the concept of nationalism. That once Filipinos do not have that effective control in this particular dimension of our societal life, then we can never learn to become self-reliant and that there will always be this subservient and colonial mentality that is characteristic of our citizenship.

I think that should help us now look at education as a very vital instrument for the liberation that we were talking about, the total human liberation and development of the Filipino.

MR. VILLACORTA: Madam President, may we call for a vote on the first issue?

THE PRESIDENT: Commissioner Bernas, I believe, would like to be recognized.

FR. BERNAS: Madam President, for a more solid decision on this, I would suggest to the committee that what they contemplate to put in the Transitory Provisions be included in the discussion now because the vote of many will depend on how the Transitory Provisions will look like. It would be easy enough for us to transfer that to the Transitory Provisions even after we shall have approved it, otherwise we will be voting on this, not knowing what the Transitory Provisions will be, or whether we are already approving what we contemplate to be included in the Transitory Provisions.

MR. LACORTA: Madam President, the vote that the committee is asking for is on the first issue.

FR. BERNAS: Precisely, even on the first issue, we have a 60-40 position at the moment. How much time are we giving them to go 100 percent?

MR. VILLACORTA: Madam President, we are allowing Congress to have the flexibility to determine the time frame.

FR. BERNAS: But will the committee or the Commission be allowing Congress? Those two are together.

MR. VILLACORTA: All right.

FR. BERNAS: So, this is one whole package.

MR. VILLACORTA: It is the committee proposal that for the first and the second issues we would like Congress to determine the time frame in the Transitory Provisions.

FR. BERNAS: Suppose we take that up first, because the vote on the main body of the proposal could also be affected by what we approve in the Transitory Provisions. People may be willing to vote in favor of the body provided that the transitory provision is there. But for as long as the transitory provision is hanging, then we are not in a position.

MR. VILLACORTA: The committee accepts the suggestion of Commissioner Bernas.

FR. BERNAS: May I suggest that we vote first on this proposition that Congress will provide the time frame for transition.

MR. VILLACORTA: All right, the committee accepts the suggestion.

FR. BERNAS: Assuming that we go 100 percent, assuming we change this, Congress will provide for the

transition.

MR. VILLACORTA: Yes, that suggestion is accepted.

BISHOP BACANI: Madam President.

THE PRESIDENT: Commissioner Bacani is recognized.

BISHOP BACANI: May I ask Commissioner Bernas whether he will be amenable to changing the order first? Instead of the question of Congress providing the length of time of transition, let us decide first on the ownership question.

FR. BERNAS: We are not talking about the mission boards yet.

BISHOP BACANI: Not yet?

FR. BERNAS: We are talking about proprietary schools.

BISHOP BACANI: Just proprietary schools?

Thank you very much.

MR. GUINGONA: All educational institutions except religious and mission boards.

MR. RODRIGO: Madam President.

THE PRESIDENT: Commissioner Rodrigo is recognized.

MR. RODRIGO: May I raise the same observation which I made on the provision on free high school education. In that provision, I proposed that we do not separate two parts of the provision — the head from the tail. My proposal was to state clearly that the government try to provide free high school education. But what the committee did was, in the body, it placed a categorical statement that the State shall provide free elementary and high school education, and then it separated the portion providing discretion to Congress and placed this in the Transitory Provisions. So, I said this can be deceptive because when one reads the body of the Constitution, he will be led to believe that the government is guaranteeing free elementary and high school education, and then it separated the portion providing discretion to Congress and placed this in the Transitory Provisions. So, I said this can be deceptive, because when one reads the body of the Constitution, he will be led to believe that the government is guaranteeing free elementary and high school education, unless somebody tells him: "Wait a minute, there is a proviso in the Transitory Provisions." Many people will not see that. And so my suggestion was not to split these two; instead, combine them.

That is the same observation I want to make now. Let us not separate these. Why not just say in one provision "unless otherwise provided by law"? Then people will see that this is subject to the action of Congress. The provision will not then be deceptive. Then in one reading, one knows the whole meaning now — to wit, that the Constitution is giving Congress the discretion to change it. That is my observation, Madam President.

MR. TREÑAS: Madam President.

THE PRESIDENT: Commissioner Treñas is recognized.

MR. TREÑAS: After consulting with the other members of the committee, we feel that there is merit in the suggestion of Commissioner Rodrigo that instead of putting that provision regarding the period within which an educational institution shall be converted to 100 percent Filipino, if ever it is approved, it may be stated in this same article itself.

MR. RODRIGO: Yes, it should be, I think.

MR. TREÑAS: So that the article may provide, more or less, that educational institutions shall be owned by Filipinos, so forth and so on, and Congress is given the right or prerogative to provide a time within which educational institutions shall comply with the provisions of this article. So, there is no more need of putting it in the Transitory Provisions because it can be embodied in the provision itself.

MR. RODRIGO: I think that is the nature of the amendment proposed by Commissioner Regalado.

MR. TREÑAS: And it would be clearer for those who may be reading the provisions of the article, instead of being misled or referring still to the Transitory Provisions. That is why it is the stand of the committee, after discussing and hearing the suggestion of Commissioner Rodrigo, that there is merit unless, of course, we hear better reasons why it should be placed in the Transitory Provisions. For the moment, therefore, the committee accepts the suggestion.

THE PRESIDENT: Commissioner Regalado is recognized.

MR. REGALADO: In other words, Madam President, the committee would accept the statement of the 1973 provisions with the proviso "unless otherwise provided by law" preceding it.

MR. TREÑAS: No, Madam President.

MR. REGALADO: May we have at least the gist of what the Commissioner proposes?

MR. TREÑAS: No, that is not the sense of the committee. The committee stands by its report that it should be wholly owned by Filipinos, however, giving Congress the flexibility to provide the time within which present educational institutions which are not wholly owned can become wholly owned.

MR. REGALADO: May we have the formulation?

MR. TREÑAS: In fact, our chairman has now, more or less, the formulation which he shall give to the body.

MR. VILLACORTA: Madam President, may we read the reformulation.

THE PRESIDENT: Please proceed.

MR. VILLACORTA: "Private educational institutions shall be owned solely by citizens of the Philippines, or corporations or associations wholly owned by such citizens EXCEPT FOR EDUCATIONAL INSTITUTIONS OF RELIGIOUS ORDERS, MISSIONARY BOARDS AND CHARITABLE ORGANIZATIONS WHICH SHALL BE AT LEAST SEVENTY-FIVE PERCENT OWNED BY FILIPINO CITIZENS. CONGRESS MAY, BY LAW, PROVIDE THE PERIOD WITHIN WHICH THIS REQUIREMENT IS MET. THE ADMINISTRATION OF ALL SCHOOLS SHALL BE VESTED IN FILIPINO CITIZENS."

We added, Madam President, the sentence "CONGRESS MAY, BY LAW, PROVIDE THE PERIOD WITHIN WHICH THIS REQUIREMENT IS MET."

SUSPENSION OF SESSION

FR. BERNAS: Madam President, may we ask for a suspension of the session.

THE PRESIDENT: The session is suspended.

It was 11:15 a.m.

RESUMPTION OF SESSION

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

THE PRESIDENT: The session is resumed.

MR. RAMA: Madam President, I ask that Commissioner Regalado be recognized.

THE PRESIDENT: Commissioner Regalado is recognized.

MR. REGALADO: Madam President, it is proposed as an anterior amendment that Section 4 (a) read as follows: "UNLESS CONGRESS OTHERWISE PROVIDES, EDUCATIONAL INSTITUTIONS OTHER THAN THOSE ESTABLISHED BY RELIGIOUS ORDERS, MISSION BOARDS AND CHARITABLE ORGANIZATIONS SHALL BE OWNED SOLELY BY CITIZENS OF THE PHILIPPINES OR CORPORATIONS OR ASSOCIATIONS 60 PER CENTUM OF THE CAPITAL OF WHICH IS OWNED BY SUCH CITIZENS. THE CONTROL AND ADMINISTRATION OF EDUCATIONAL INSTITUTIONS SHALL BE VESTED IN CITIZENS OF THE PHILIPPINES."

In other words, it is the 1973 Constitutional provision but subject this time to such prescription as Congress may provide.

MR. VILLACORTA: Madam President, the committee has its own formulation for the first part.

THE PRESIDENT: Please proceed.

MR. REGALADO: May we ask for a vote on that first, Madam President, as an anterior amendment. And if it is not carried now, the committee's formulation will be presented.

FR. BERNAS: Madam President.

THE PRESIDENT: Commissioner Bernas is recognized.

FR. BERNAS: One question for Commissioner Regalado. The phrase "unless otherwise provided by law" seems to include administration. Is the Gentleman referring only to ownership?

MR. REGALADO: Ownership only, Madam President.

FR. BERNAS: So, the Gentleman refers to ownership only.

MR. REGALADO: Yes, because the matter of administration is a second sentence.

MR. GUINGONA: Madam President, there are actually three issues here. The first issue refers to private educational institutions in general and it is on this that the committee has formulated the proposed provision. The second issue, which Commissioner Regalado has touched upon, refers to the exception as far as religious groups and mission boards are concerned.

The third issue is regarding administration but I think we should first vote on the first issue which is the general rule on ownership, with the proviso that Congress shall by law provide for the time frame within which the 100 percent ownership requirement shall be complied with.

MR. RODRIGO: Madam President, parliamentary inquiry.

THE PRESIDENT: Commissioner Rodrigo is recognized.

MR. RODRIGO: I think the parliamentary situation is that there is a proposed amendment.

THE PRESIDENT: Yes, of Commissioner Regalado.

MR. RODRIGO: And I think we should vote on that proposed amendment now. If the proposed amendment is carried, then we proceed from there. If the proposed amendment is rejected, then let us go again to the committee formulation.

MR. GUINGONA: But, Madam President, there are three issues and the proposed amendment refers to the second issue.

MR. RODRIGO: It is all right. Then it is resolved.

MR. GUINGONA: But this is an anterior provision and I think we should first consider the anterior provision before going to the next provision.

MR. REGALADO: Madam President, we are not asking about the issues; we are asking for a vote on the entire proposed amendment.

MR. RODRIGO: On the proposed amendment.

THE PRESIDENT: All right. May the Chair now make some statements.

There is a proposed amendment of Commissioner Regalado which has been submitted to the body. In fact, we may say that it seeks to reinstate the provision of the 1973 Constitution as a substitute of the committee report. Therefore, we really have to vote on the Regalado amendment. But before doing so, the Chair will allow the committee to submit its new formulation in order to guide the Members of the Commission in casting their votes on the Regalado amendment.

So, will the chairman please read the committee formulation with respect to the private educational institutions, other than religious.

MR. VILLACORTA: Madam President, the committee formulation is as follows: "PRIVATE EDUCATIONAL INSTITUTIONS SHALL BE OWNED SOLELY BY CITIZENS OF THE PHILIPPINES OR CORPORATIONS OR ASSOCIATIONS WHOLLY OWNED BY SUCH CITIZENS, PROVIDED THAT CONGRESS SHALL DETERMINE THE PERIOD WITHIN WHICH EXISTING EDUCATIONAL INSTITUTIONS SHALL COMPLY WITH THIS REQUIREMENT." This incorporates the suggestions of Commissioners Monsod, Bernas and others, and we also took into consideration the suggestion of Commissioner Rodrigo that we provide for congressional action within the body of the provision and not in the Transitory Provisions.

THE PRESIDENT: All right. So we have this Regalado amendment and the suggested formulation of the committee, so that in casting our vote, I hope that we will all be guided accordingly. We are now ready to vote on the proposed amendment of Commissioner Regalado; so, will the Commissioner please restate the same.

MR. SUAREZ: Madam President.

THE PRESIDENT: Commissioner Suarez is recognized.

MR. SUAREZ: May we clear up two points with Commissioner Regalado, Madam President.

THE PRESIDENT: Please proceed.

MR. SUAREZ: When the Commissioner suggested employment of the phrase "unless Congress otherwise provides," I understand that he would want that to refer only to the matter of ownership and not to the matter of control and administration as provided in the second sentence of this particular section.

MR. REGALADO: That is right, as I have already answered Commissioner Bernas, because the matter of "administrative control" is a separate sentence.

MR. SUAREZ: Does the Gentleman have no intention of including that particular phrase under "administration and control"?

MR. REGALADO: No, Madam President. I am for full administrative control by Filipino citizens of all educational institutions.

MR. SUAREZ: In other words, even if they have not yet been Filipinized, the Gentleman would want that at the very least the control and administration should be vested in the hands of Filipino citizens.

MR. REGALADO: My understanding is that in the matter of "administrative control," they were already Filipinized as early as school year 1975-1976, except for two, I understand. But assuming that they have not yet all been Filipinized, then the purpose of the amendment is also to see to it that from the standpoint of administrative control they should also be Filipinized, if there should be any which have not yet been Filipinized.

MR. SUAREZ: Was that a way of implementing the provisions of P.D. No. 176?

MR. REGALADO: That is right.

MR. SUAREZ: Thank you.

The second point is, when we say "unless Congress otherwise provides," we contemplate a situation where private educational institutions need not be owned solely by citizens of the Philippines or wholly by corporations or associations. Is my understanding correct?

MR. REGALADO: Insofar as that portion is concerned, the Gentleman can refer to the exact provision of the 1973 Constitution which says:

Educational institutions, other than those established by religious orders, mission boards, and charitable organizations, shall be owned solely by citizens of the Philippines, or corporations or associations sixty per centum of the capital of which is owned by such citizens.

This goes with the qualification "unless Congress shall otherwise provide," meaning that Congress may change the equity ratio.

MR. SUAREZ: The way it is formulated, it will deviate from the provisions of the 1935 and 1973 Constitutions because in those two Constitutions, what was provided was with respect only to corporations or associations which are not wholly owned by Filipinos. But the Gentleman's proposal will even include individuals.

MR. REGALADO: Then in which case, if that is the Commissioner's worry and to make it clear, we will make that qualificative phrase "unless otherwise provided by law" apply to corporations or associations because there is that sixty per centum equity. Whereas in the case of citizens, it should be wholly owned so it can be transposed to read "OR UNLESS OTHERWISE PROVIDED BY LAW OR BY CORPORATIONS OR ASSOCIATIONS SIXTY PER CENTUM OF THE CAPITAL OF WHICH IS OWNED BY SUCH CITIZENS."

MR. SUAREZ: I think that is the correct formulation, but again that is diametrically opposed to what was suggested by the honorable members of the committee.

MR. REGALADO: That is why I consider this an anterior amendment, so that if it is rejected by the Commission, then we proceed with the committee's formulation.

MR. SUAREZ: Thank you for the clarification.

FR. BERNAS: Madam President.

THE PRESIDENT: Commissioner Bernas is recognized.

FR. BERNAS: One final question, Madam President. When we say "until otherwise provided by law" or "unless otherwise provided by law," do we mean to authorize Congress to decrease Filipino participation?

MR. REGALADO: No, Madam President.

FR. BERNAS: So, "unless otherwise provided by law" simply means that the law can make it 100 percent Filipino but in no case less than what is presently provided?

MR. REGALADO: Yes.

MR. RODRIGO: Madam President.

THE PRESIDENT: Commissioner Rodrigo is recognized.

MR. RODRIGO: In that case, will Commissioner Regalado accept an amendment to his amendment? I propose to insert "AT LEAST" between the words "ASSOCIATIONS" and "SIXTY PER CENTUM " so that the phrase will read: "OR CORPORATIONS OR ASSOCIATIONS AT LEAST SIXTY PER CENTUM OF THE CAPITAL OF WHICH . . ."

MR. REGALADO: That is accepted, because it puts the thought and the intendment raised by Commissioner Bernas into the intendment also of the amendment.

THE PRESIDENT: Commissioner Maambong is recognized.

MR. MAAMBONG: Just one point, Madam President. When we say "associations," do we include foundations? Because RA 6055 enjoins most educational institutions to change their structure into foundations. I just want it clarified whether or not foundations are included in the word "associations."

MR. REGALADO: As a matter of fact, under Section 25 of the Education Act of 1982 as I have heretofore mentioned, the matter of establishment of schools in the future is enjoined and required to be purely on a nonstock educational arrangement or a nonstock corporate arrangement. And the purpose there, among others, was to encourage the putting up of foundations.

MR. MAAMBONG: And so the answer is that in this formulation when we say "associations," foundations are deemed to be included in the term. Is that it?

MR. REGALADO: Yes, subject to the provisions of the Corporation Code on the matter of foundations.

MR. MAAMBONG: Do I understand from the creation of foundations that the government will exempt the foundations from the payment of all taxes, import duties, assessment and other charges imposed by the government, and that is why most educational institutions were enjoined to change their structure into foundations?

MR. REGALADO: Yes.

MR. MAAMBONG: Thank you, Madam President.

MR. REGALADO: Subject to such other requirements under the Corporation Code with respect to foundations.

MR. GASCON: Madam President, I have one question.

MS. QUESADA: Madam President.

BISHOP BACANI: Madam President.

THE PRESIDENT: Commissioner Bacani is recognized.

BISHOP BACANI: This is a question addressed to Commissioner Regalado. Did the Commissioner change the words "religious orders" to religious groups? Earlier, there was a concern expressed by Commissioner Alonto that we should take care that the Muslims are not prejudiced and that they also should be included in such provisions. Did the Commissioner take that into account?

MR. REGALADO: What would be the categorization, because we are referring to religious orders, mission boards and charitable organizations? I would be willing to accept an amendment to the amendment to read "RELIGIOUS GROUPS" which would include religious orders and religious societies.

BISHOP BACANI: Groups, yes.

MR. REGALADO: Aggregate or sole, as the case may be. "RELIGIOUS GROUPS" is accepted, Madam President.

BISHOP BACANI: I wish to introduce that amendment.

MR. REGALADO: I think that is broad enough.

THE PRESIDENT: Commissioner Quesada is recognized.

MS. QUESADA: Thank you, Madam President.

May I ask Commissioner Regalado some clarifications. If the Gentleman will recall during the discussion on the Article on National Economy and Patrimony, there were some questions on whether we would grant Congress the power to change the equity. But now the Gentleman is saying that the formulation would in fact grant Congress the power to modify the equity that is going to be provided in this particular section. Is that right?

MR. REGALADO: Yes. I recall in the discussions on the Article on National Economy and Patrimony there was Section 9 that authorizes Congress to increase the equity requirement even up to 100 percent. Now with the amendment of Commissioner Rodrigo stating "AT LEAST 60 per centum," Congress may in the future not decrease the Filipino equity participation, but it may increase it up to 100 percent.

MS. QUESADA: So it is to increase the equity participation?

MR. REGALADO: The equity participation can be increased even up to 100 percent. It will not be decreased below 60 percent because of the amendment of Commissioner Rodrigo.

MS. QUESADA: I thank the Commissioner.

MR. OPLE: Madam President, will Commissioner Regalado yield to just one question?

MR. REGALADO: Gladly, Madam President.

MR. OPLE: Did I hear the Commissioner right earlier that private educational institutions are now wholly Filipinized except for two schools or colleges?

MR. REGALADO: Not administratively, because there are two kinds of Filipinization that were being discussed here — in the matter of ownership and in the matter of administration. From what I understand, under P.D. No. 176, effective April 16, 1973, all private institutions were required to be Filipinized from the standpoint of administrative control not later than school year 1976-1977. And my understanding, at least from the schools I have been dealing with, is that they so complied except that later I learned there was a little legal controversy

about the University of Sto. Tomas. The Dominicans allegedly still had some foreign religious members there. And I recall that it was in the papers, and I think it was even raised in the Ministry of Education, Culture and Sports by Dean Marcos Herras of Adamson University. I understand, however, that they have now complied with it because the rector was replaced by a Filipino.

MR. OPLE: At this very moment, are we talking about ownership rather than administration?

MR. REGALADO: Regarding what is now before the body, insofar as administration is concerned, there is no question. The second sentence of the proposed amendment is to the effect that the control and administration of educational institutions shall be vested in citizens of the Philippines. So there is no question insofar as administration is concerned.

MR. OPLE: In a situation where ownership is shared between Filipino and foreign equity holders, can the Commissioner foresee various degrees of control over administration arising from that sharing of equity so that in the board of directors or its equivalent there remains vestiges of foreign preponderance, the board being the policy-making and determining body, and that, in fact, the so-called Filipinized administration can be specious and misleading since it will presumably yield to impositions of the policy-determining body where the foreign equity is significant or substantial?

MR. REGALADO: I do not believe so, Madam President, because on a 60-40 arrangement, the foreign equity holders are entitled to only 1/3 of the number of the board of directors or trustees thereof and the 2/3 majority are still the Filipino stockholders. In corporation law, the highest majority vote, subject to some exceptions, is only 2/3. So, ordinarily, the Filipino controls the majority vote.

MR. OPLE: Considering that the distinguished Commissioner is a very famous dean of a university . . .

MR. REGALADO: No, dean of a small law school, not of a university.

MR. OPLE: I stand corrected. We will grant the Commissioner his other trait for which he is noted, which is becoming modesty. But that has not changed the fact that he is in a position to contribute from that vantage point.

In the case of San Beda, Madam President, does Commissioner Regalado warrant that in spite of the significant participation of foreign equity in the policy-determining body of San Beda, this has no consequence whatsoever on the autonomy of the school administration?

MR. REGALADO: Insofar as San Beda is concerned, there is no foreign equity. All the members of its board of trustees are Filipino. We are just going to have a new election because Minister Lourdes Quisumbing is a member of the board of trustees and we are going to replace her.

MR. OPLE: Is this a corporation sole?

MR. REGALADO: They are all Filipinos, Madam President.

MR. OPLE: Is this a corporation sole or a corporation under the Securities and Exchange Commission?

MR. REGALADO: A corporation sole, duly registered, because it works coordinately with the Los Padres Benedictinos de Filipinas, which is a religious order.

MR. OPLE: One last question. If we choose the committee formulation meaning, then this amendment the Commissioner has put forward is rejected. What sort of impact would the Commissioner foresee on the educational system, especially on the children?

MR. REGALADO: Insofar as my amendment is concerned, things will be on a status quo as they have been since

1973, unless Congress now provides for an increase in the Philippine equity ratio. When we make it 100 percent, I suppose Congress would provide a time frame for such divestiture.

On the other hand, the committee wants it right away to be 100 percent Filipino and also to provide for a time frame within which the present Philippine equity ratio will be converted into 100 percent.

MR. OPLE: With a provision for a time frame to be set by Congress for the divestment.

MR. REGALADO: With a time frame also.

MR. OPLE: So the Commissioner and the committee are both headed for a common goal.

MR. REGALADO: Eventually, but the means employed should be different.

MR. OPLE: In the case of the Commissioner's amendment, he would leave to Congress the matter of determining future equity shares, whereas in the committee formulation, they want to fix that goal now of 100-percent Filipino equity subject to terms that Congress will provide. Does that sum up the respective distinctions?

MR. REGALADO: It makes a little difference.

MR. OPLE: Thank you.

MR. NOLLEDO: Madam President, I would like to ask a very important question.

THE PRESIDENT: Commissioner Nolleddo is recognized.

MR. NOLLEDO: Thank you, Madam President. Will the Honorable Regalado yield to one or two questions?

MR. REGALADO: I will yield to the Commissioner, Madam President.

MR. NOLLEDO: Thank you.

In the Commissioner's proposal, "OTHER THAN THOSE ESTABLISHED BY RELIGIOUS ORDERS, MISSION GROUPS AND MISSION BOARDS . . .," does it mean that these educational institutions run by religious orders, mission boards, et cetera may be owned 100 percent by aliens?

MR. REGALADO: As Congress may later provide.

MR. NOLLEDO: I do not think so because the general rule is with respect to educational institutions other than those established by religious orders. Even Congress may not change the equity requirements of schools run by religious orders as they now exist under the proposal. It is very clear: "OTHER THAN THOSE ESTABLISHED BY RELIGIOUS ORDERS . . ." The Commissioner lays down the general rule and also the exception.

MR. REGALADO: No, Madam President.

MR. NOLLEDO: And so it means that the schools run by religious orders, et cetera may be owned 100 percent by aliens and the Congress is powerless to do anything about it, if it wants to Filipinize these schools.

MR. REGALADO: That is why the committee was proposing a transitory provision along that line which it has not formulated yet. I was asking for that formulation.

MR. NOLLEDO: But that transitory provision, Madam President, would be out of place if we approve the Commissioner's proposal which is very clear. Religious orders are exempted from the general rule, and the 60-40 arrangement can be changed by Congress. But that pertains to the general rule. The exception is very clear. That is why I agree with the issues presented by the committee.

Thank you, Madam President.

MR. TREÑAS: Madam President.

THE PRESIDENT: Commissioner Treñas is recognized.

MR. TREÑAS: A final word. Under the formulation presented by Commissioner Regalado, he leaves the matter to Congress, while under the formulation presented by the committee, it is left to this Commission itself. My last word is: Let us be the one to determine this matter, whether it shall be wholly owned or not, and leave to Congress the period within which existing educational institutions shall comply with this provision and not leave it to Congress as formulated in the proposed amendment.

MR. GUINGONA: Madam President, by way of clarification.

THE PRESIDENT: May we hear Commissioner Bernas first?

FR. BERNAS: Madam President, in response to the questions of Commissioner Nolleto, and I think they are very well taken, I think it is better to place "UNLESS OTHERWISE PROVIDED BY CONGRESS" at the beginning rather than at the middle of the sentence so that it will cover even religious schools.

MR. REGALADO: To obviate that apprehension of Commissioner Nolleto, and since Commissioner Rodrigo who was the proponent of that transposition appears to be in favor of it, considering now the possible implication, then we can transpose that qualificative provision at the outset to cover the situation of schools established by religious orders and so forth and, at the same time, also the so-called "proprietary schools" which are used in a broad sense.

MR. GUINGONA: Madam President.

THE PRESIDENT: Commissioner Guingona is recognized.

MR. GUINGONA: By way of clarification, if I am not mistaken, the honorable Commissioner Regalado includes within the exception to the general rule not only religious groups and mission boards but also charitable institutions. I would like to invite the attention of the honorable Commissioners that under the committee proposals, we will not include charitable institutions. And in reply to the interpellation of Commissioner Ople, the Honorable Regalado talked about a 2/3-1/3 ratio, but actually his proposal is not 2/3-1/3; it was 60 40.

Thank you, Madam President.

MR. DAVIDE: Madam President.

THE PRESIDENT: Commissioner Davide is recognized.

MR. DAVIDE: I would just like to oppose the proposal of Commissioner Regalado by returning to the original proposal, placing "UNLESS OTHERWISE PROVIDED BY CONGRESS" at the beginning of the section because this would be far worse than the second proposal because it will now allow Congress to grant a private alien to own an educational institution. It will now allow Congress to not even require Filipino equity in any corporation or association to operate and establish an educational institution. It will even destroy the very exemption which we contemplate to be allowed to educational institutions operated by religious orders or mission boards. So it would really be a retrogression of the highest order.

THE PRESIDENT: May we now have the formulation of Commissioner Regalado. We will proceed to a vote immediately after its reading because otherwise, we will lose track of what is being proposed by the proponent.

MR. REGALADO: Madam President, may I have a short conference with Commissioner Rodrigo who was

responsible for that prior transposition?

THE PRESIDENT: The Commissioner will please proceed.

MR. REGALADO: Madam President, after conferring with those whose amendments I have heretofore accepted but with the explanation I will hereafter give at their suggestion, the proposed amendment would read: "UNLESS OTHERWISE PROVIDED BY CONGRESS, EDUCATIONAL INSTITUTIONS OTHER THAN THOSE ESTABLISHED BY RELIGIOUS ORDERS, MISSION GROUPS AND MISSION BOARDS SHALL BE OWNED SOLELY BY CITIZENS OF THE PHILIPPINES OR CORPORATIONS OR ASSOCIATIONS AT LEAST SIXTY PER CENTUM OF THE CAPITAL OF WHICH IS OWNED BY SUCH CITIZENS. THE CONTROL AND ADMINISTRATION OF EDUCATIONAL INSTITUTIONS SHALL BE VESTED IN CITIZENS OF THE PHILIPPINES."

And by way of explanation, because of the comment of Commissioner Davide on the transposition of the qualificative phrase, "UNLESS OTHERWISE PROVIDED BY CONGRESS," it does not mean that Congress will hereafter allow foreign orders or foreign citizens to establish educational institutions contemplated herein. I want this explanation for the record.

VOTING

THE PRESIDENT: As many as are in favor of the amendment as read by Commissioner Regalado, please raise their hand. (Several Members raised their hand.)

As many as are against, please raise their hand. (Few Members raised their hand.)

The results show 23 votes in favor and 18 against; the amendment is approved.

SUSPENSION OF SESSION

THE PRESIDENT: The session is suspended.

It was 12:02 p.m.

RESUMPTION OF SESSION

At 12:04 p.m., the session was resumed.

THE PRESIDENT: The session is resumed.

The committee chairman is recognized.

MR. VILLACORTA: Madam President, we would just like to inquire from the Chair whether or not it is assumed that the first paragraph of Section 4 or the paragraph preceding paragraph (a) is approved. Is that a safe assumption, Madam President?

THE PRESIDENT: No, what was approved was the Regalado amendment which is a substitute amendment of the committee report.

MR. VILLACORTA: That is for subparagraph (a), Madam President.

THE PRESIDENT: Yes, subparagraph (a).

MR. VILLACORTA: But there is an unlettered paragraph before subparagraph (a).

THE PRESIDENT: Does the Commissioner mean the opening paragraph?

MR. VILLACORTA: Yes, the opening paragraph.

THE PRESIDENT: Does the Commissioner want to submit it to a vote?

MR. VILLACORTA: It has not been submitted to a vote. So we would like to formalize it.

THE PRESIDENT: Have there been any amendments submitted to the Floor Leader? This refers to the first paragraph of Section 4.

MR. ROMULO: Madam President, there are none listed.

THE PRESIDENT: How about the chairman? Are there any proposed amendments on Section 4?

MR. VILLACORTA: There are none, Madam President.

THE PRESIDENT: Will the Commissioner please read the first paragraph of Section 4.

MR. MONSOD: Madam President.

THE PRESIDENT: Commissioner Monsod is recognized.

MR. MONSOD: I have a proposed amendment to the opening paragraph. I just want to put a period (.) after the word "institutions" on line 23, because the rest of the paragraph is already reflected in the general statement education and it would be a surplusage.

MR. VILLACORTA: The committee accepts the amendment.

MR. MONSOD: I thank the Commissioner, Madam President.

THE PRESIDENT: Will the chairman please read now the opening paragraph of Section 4.

MR. DE LOS REYES: Madam President.

MR. VILLACORTA: Commissioner de los Reyes would like to say something, Madam President.

THE PRESIDENT: Commissioner de los Reyes is recognized.

MR. DE LOS REYES: I would just like to make a slight amendment on line 19, which is to insert the phrase "THE COMPLEMENTARY ROLES OF" between the words "recognizes" and "public." Then on line 20, delete the words "as complementary aspects of" so that the sentence will now read: "The State recognizes THE COMPLEMENTARY ROLES OF public and private educational institutions in an integrated system of Philippine education," and so on and so forth.

MR. VILLACORTA: The amendment is accepted by the committee, Madam President.

MR. DE LOS REYES: Thank you, Madam President.

THE PRESIDENT: Is there any other amendment? So will the Commissioner please read the whole sentence now.

MR. VILLACORTA: It would read: "The State recognizes THE COMPLEMENTARY ROLES OF public and private educational institutions in an integrated system of Philippine education, and shall exercise reasonable supervision and regulation of all educational institutions."

MR. MONSOD: Madam President.

THE PRESIDENT: Commissioner Monsod is recognized.

MR. MONSOD: May I suggest that we also delete the word "reasonable" and just say "shall exercise supervision and regulation . . ."

THE PRESIDENT: Does the committee accept?

MR. GUINGONA: Madam President, as we explained earlier, the reason for the inclusion of the word "reasonable" is to erase the concept that has been expressed in an obiter dictum in the case of PACU vs. Secretary of Education and the Board of Textbooks, where the Supreme Court said that it is enough to point out that local educators and writers think the Constitution provides for control of education by the State. The Solicitor General cited many authorities to show that the power to regulate means the power to control. I am quoting from the proceedings of the Constitutional Commission. The Court went on to say: "The State control of private education was intended by the Organic Law . . ."

MR. MONSOD: Madam President, I withdraw my proposal.

MR. GUINGONA: I thank the Commissioner, Madam President.

MR. DAVIDE: Madam President.

THE PRESIDENT: Commissioner Davide is recognized.

MR. DAVIDE: I would like to ask for a reconsideration of the approval or the acceptance by the committee of the deletion of the last phrase "shall establish, maintain and support a complete and adequate system of education relevant to the needs of the people and society" on page 2, lines 23 to 25. The reason being given is that it is a surplusage or it is unnecessary. I move for its reconsideration and in lieu of the deletion, for its transfer as subsection (a) of Section 2. So Section 2 (a) would read: "THE STATE SHALL ESTABLISH, MAINTAIN AND SUPPORT A COMPLETE AND ADEQUATE SYSTEM OF EDUCATION RELEVANT TO THE NEEDS OF THE PEOPLE AND SOCIETY."

MR. VILLACORTA: The committee accepts the amendment, Madam President.

MR. DAVIDE: On the same section, I would like to change the phrase "in an integrated system of Philippine education" to simply "IN THE EDUCATIONAL SYSTEM, so it would read: "The State recognizes THE COMPLEMENTARY ROLES OF public and private educational institutions IN THE EDUCATIONAL SYSTEM."

MR. GUINGONA: Madam President, the word "integrated" is just a recopy of what actually appears in Section 8, Article XV of the 1973 Constitution, where it speaks of the establishment of a complete, adequate and integrated system of education. Although we have no serious objection to the amendment, perhaps it will be better to just leave the word "integrated" there.

MR. DAVIDE: Madam President, that is already carried out by the last clause which has been transferred to another section.

MR. GUINGONA: Did the Commissioner include "integrated"? Our original wording is only "complete and adequate." Does the text that the Commissioner proposed to transfer include "integrated," Madam President?

MR. DAVIDE: I would propose so. Yes, it should be "a complete, INTEGRATED and adequate system of education."

MR. GUINGONA: I think the wording is "complete, adequate and INTEGRATED."

MR. VILLACORTA: We accept, Madam President. So the first sentence will read: "The State recognizes THE COMPLEMENTARY ROLES OF public and private educational institutions IN THE EDUCATIONAL SYSTEM."

Madam President, may we ask for a vote.

THE PRESIDENT: Is there any objection to the first sentence of Section 4?

MR. MONSOD: Madam President.

THE PRESIDENT: Commissioner Monsod is recognized.

MR. MONSOD: Can we just delete the word "education" because it is redundant? The sentence says: "The State recognizes THE COMPLEMENTARY ROLES OF private and public institutions IN THE EDUCATIONAL SYSTEM." We do not have to repeat the word "educational" twice.

THE PRESIDENT: It is a matter of style. Does the committee agree?

MR. VILLACORTA: Yes, it is just a matter of style. We accept, Madam President.

VOTING

THE PRESIDENT: The committee will please take note of the matter.

As many as are in favor of the first paragraph of Section 4 as read by the honorable chairman, with the corresponding amendments, please raise their hand. (Several Members raised their hand.)

As many as are against, please raise their hand. (No Member raised his hand.)

The results show 33 votes in favor and none against; the opening paragraph of Section 4 is approved.

The chairman is recognized.

MR. VILLACORTA: Madam President, just for clarification. We will vote on the amendment of Commissioner Davide to transpose the deleted clause of the first paragraph to Section 2 as Section 2 (a).

THE PRESIDENT: Is there any objection? (Silence) The Chair hears none; the amendment is approved.

MR. ROMULO: Madam President, I ask that Commissioner Davide be recognized for an additional paragraph on Section 4.

THE PRESIDENT: Commissioner Davide is recognized.

MR. DAVIDE: This proposal will affect educational institutions organized by religious orders or mission boards. However, they had been already affected by the Regalado proposal, so I am constrained to withdraw this particular proposal. I wanted to require ownership to the extent of 60 per centum by Filipino citizens.

MR. VILLACORTA: Madam President, may we vote on lines 1 to 7, page 3.

THE PRESIDENT: Will the Commissioner please read lines 1 to 7 on page 3.

MR. VILLACORTA: Lines 1 to 7 read: "No educational institution shall be established exclusively for aliens and no group of aliens shall comprise more than one-third of the enrolment in any school. The provisions of this paragraph shall not apply to schools established for foreign diplomatic personnel and their dependents and for other temporary residents, as may be provided by law."

MR. DAVIDE: Madam President.

THE PRESIDENT: Are there any proposed amendments?

MR. DAVIDE: Madam President.

THE PRESIDENT: Commissioner Davide is recognized.

MR. DAVIDE: On line 6, before the word "temporary," add the word "FOREIGN," so that it would read: "for other FOREIGN temporary residents." And instead of the phrase "as may be" change it to "UNLESS OTHERWISE," so the lines would now read: "and their dependents and for other FOREIGN temporary residents, UNLESS OTHERWISE provided by law."

MR. VILLACORTA: The amendments are accepted, Madam President.

THE PRESIDENT: Commissioner Bacani is recognized.

BISHOP BACANI: May I ask the committee a question which may not necessitate an amendment? What is the idea behind the clause "no group of aliens shall comprise more than one-third of the enrolment in any school"?

MR. VILLACORTA: By the way, this is a reproduction of the 1973 Constitution.

BISHOP BACANI: Yes, I understand it is.

MR. VILLACORTA: But the idea here is to prohibit schools established mainly for foreigners except those that are meant for children of diplomatic personnel and other foreign temporary residents.

BISHOP BACANI: Yes. Would this same purpose not be safeguarded if we say: "No educational institution shall be established exclusively for aliens and no group of aliens shall comprise more than ONE-HALF of the enrolment in any school"?

MR. VILLACORTA: So the Commissioner is proposing to substitute "one-third" with "ONE-HALF."

BISHOP BACANI: Yes, "ONE-HALF." I suggest that as an amendment.

MR. VILLACORTA: The committee accepts the amendment.

BISHOP BACANI: I thank the Commissioner very much, Madam President.

MR. DAVIDE: Madam President.

THE PRESIDENT: Commissioner Davide is recognized

MR. DAVIDE: I would like to object to an increase of the configuration of aliens in any educational institution from the one-third to one-half. The evil sought to be remedied by this particular provision in the 1973 Constitution was not just an imagined evil. It was a real evil, especially that at the time the 1973 Constitution was adopted, there were many educational institutions solely for aliens, especially the Chinese. That was the reason the enrolment of aliens was limited to one-third because of the possible danger that the members, the students or the pupils of a particular educational institution who are Filipinos might be unduly influenced by foreign or alien interests, and they would easily become the minority group or second-class citizens. Also, the one-third requirement as a maximum was imposed by the 1973 Constitution because we do not want to see Filipino youths and children being the minority in any given educational institution, especially now that we return to the old concept of 60-40 ratio in educational institutions. I hope the committee will reconsider the acceptance of the proposal.

BISHOP BACANI: Madam President.

THE PRESIDENT: Commissioner Bacani is recognized.

BISHOP BACANI: Madam President, I am willing to withdraw my amendment if that is the reason.

REV. RIGOS: Madam President.

THE PRESIDENT: Commissioner Rigos is recognized.

REV. RIGOS: May I ask the committee whether the paragraph mentioned on line 4 refers to the entire subsection (a)? I ask because in the draft that I have, line 1 is not a new paragraph. Or is this supposed to be a new paragraph beginning with the words "No educational institution"?

MR. VILLACORTA: We shall make it a new paragraph.

REV. RIGOS: So that this paragraph refers to lines 1 to 5.

MR. VILLACORTA: No, lines 1 to 4.

REV. RIGOS: All right. The provisions of this paragraph shall not apply to schools established for foreign diplomatic personnel and their dependents and for other foreign temporary residents, unless otherwise provided by law. Does our committee have a record of the schools under this category?

MR. VILLACORTA: Diplomatic schools?

REV. RIGOS: Yes, Madam President.

MR. VILLACORTA: The only school established for children of diplomatic personnel is the International School (IS). I understand that some embassies have schools within their grounds. But then, they are beyond the jurisdiction of the Philippines because they are within the vicinity of the embassies. Some of these are the Indonesian School and the German School.

REV. RIGOS: The committee list does not include the Brent School in Baguio City.

MR. VILLACORTA: The Brent School is more for the foreign temporary residents.

REV. RIGOS: So does it also fall under this provision?

MR. VILLACORTA: Under this exception, also Faith Academy which is established for the children of pastors.

REV. RIGOS: I thought Brent School falls under the educational institution established by mission boards in the previous paragraph.

MR. VILLACORTA: Let me confer with the other members of the committee.

REV. RIGOS: Thank you.

FR. BERNAS: Madam President.

THE PRESIDENT: Commissioner Bernas is recognized.

FR. BERNAS: This is a question addressed to Commissioner Villacorta. First of all, an observation. I do not think that we should try to determine which schools are covered by this provision because that depends on a factual situation. Whether or not Brent School is covered will depend on the factual situation of that school. Secondly, the chairman said that the provisions of this paragraph, in answer to the question of Commissioner Rigos, have reference only to the provisions starting with line 1. In other words, he is changing the provisions of the 1973

Constitution. Under the 1973 Constitution, the exceptions covered ownership, administration and student population. Whereas, it is the chairman's intention to exempt them only from the requirements of student population.

MR. VILLACORTA: We get the Commissioner's point, Madam President. I think what he is saying is that in the original 1973 provision, the exemption also applies to ownership.

FR. BERNAS: Yes, and also administration.

MR. VILLACORTA: The Commissioner's point is well-taken, Madam President. This paragraph actually refers to subsection (a).

FR. BERNAS: Subsection (a).

MR. VILLACORTA: Would the appropriate terminology be "subsection" rather than "paragraph"?

FR. BERNAS: If we have split subsection (a) into more than one paragraph, then perhaps subsection (a) would be better.

MR. VILLACORTA: I ask because the 1973 provision says "subsection," not "paragraph." So probably the better wording is "subsection."

MR. JAMIR: Yes, I agree.

MR. BENGZON: Madam President.

THE PRESIDENT: Commissioner Bengzon is recognized.

MR. BENGZON: I wish to call the attention of the body to lines 5 and 6 with respect to the provisions of this sentence regarding the establishment of schools for foreign diplomatic personnel and their dependents. If we leave the phrase "UNLESS OTHERWISE provided by law" at the end, it will appear that Congress can enact measures that would prohibit the establishment of schools for foreign diplomatic personnel. Therefore, I propose that the phrase "UNLESS OTHERWISE provided by law" be transposed to line 6 after the word "and" so that the sentence will read: "The provisions of this paragraph shall not apply to schools established for foreign diplomatic personnel and their dependents and, UNLESS OTHERWISE provided by law, for other FOREIGN temporary residents."

MR. VILLACORTA: Just a clarification, Madam President. Is the Honorable Bengzon saying that Congress may prohibit schools established only for foreign temporary residents?

MR. BENGZON: It is the other way around; it should not.

MR. VILLACORTA: It should not?

MR. BENGZON: Yes. The way it is worded now, Congress can prohibit the establishment of schools which would be strictly for diplomatic personnel.

MR. VILLACORTA: But the Commissioner is saying that if we place "UNLESS OTHERWISE provided by law" before "for other FOREIGN temporary residents," then that means that Congress may prohibit the establishment of schools for foreign temporary residents. Is that right, Madam President?

MR. BENGZON: Yes, it may for other foreign temporary residents.

MR. VILLACORTA: It may.

MR. BENGZON: I do not want Congress to have the power to prohibit the establishment of schools for foreign diplomatic personnel because that is a reality. That is a part of life.

MR. VILLACORTA: Actually, the original wording of the 1973 Constitution is what the Commissioner is proposing now.

MR. BENGZON: Yes, I am going back to that.

MR. VILLACORTA: May I just know, for information, what was the intention of the 1971 Constitutional Convention with respect to this matter?

MR. BENGZON: The intention of the 1971 Constitutional Convention with respect to this matter is that it did not want Congress to prohibit the establishment of schools for foreign diplomatic personnel.

MR. VILLACORTA: But the Commissioner was open to prohibiting the establishment of schools for temporary residents.

MR. BENGZON: For other temporary residents, because we have foreign diplomats, and that is because of our relations with other nations.

MR. VILLACORTA: With that clarification, Madam President, we accept the amendment of Commissioner Bengzon.

MR. BENGZON: I thank the Commissioner, Madam President.

SR. TAN: Madam President.

THE PRESIDENT: Commissioner Tan is recognized.

SR. TAN: This is just a clarification of line 5 which states: "schools established for foreign diplomatic personnel." Will these personnel include personnel from the World Bank and the IMF?

MR. VILLACORTA: Yes, Madam President.

SR. TAN: Will they include personnel from the Bank of America and Citibank?

MR. VILLACORTA: No, Madam President, because these banks are not diplomatic institutions.

SR. TAN: Yes. So this will bring about a very big change in IS. Would this mean that Filipinos who live here, like Sharon Cuneta, may not study at IS? How about Kris Aquino? She used to study at IS.

MR. VILLACORTA: It does not mean that, Madam President, because there is no provision prohibiting nationals or local citizens from enrolling in these schools.

SR. TAN: I thank the Commissioner, Madam President.

MR. VILLACORTA: I also thank Commissioner Tan.

MR. REGALADO: Madam President.

THE PRESIDENT: Commissioner Regalado is recognized.

MR. REGALADO: Just for a clarification which may obviate the need of an amendment on page 3, lines 3 and 4 which state: "no group of aliens shall comprise more than one-third of the enrolment in any school." Is it understood that the phrase "any school" refers to a particular college, a course or a discipline in an educational institution? I ask because if it is a university consisting of several colleges and we take the overall enrolment as

the basis of the one-third it will become absurd. For instance, if a university has, let us say, 20,000 enrolment but it has a medical school which can only accommodate 2,000, one-third of 20,000 will be more or less 7,000 students. So is it understood that the word "school" in the phrase "and no group of aliens shall comprise more than one-third of the enrolment in any school" refers not to the entire educational institution but to the particular college course or discipline offered therein?

MR. VILLACORTA: Madam President, "school" refers to the entire institution, because there was a time when in our Philippine Studies program there was only one student who was from the People's Republic of China. So that should not disqualify him. This does not apply to a course of study but to the entire educational institution.

MR. REGALADO: Therefore, does it mean to say that if a university has a 50,000 overall enrolment and it has a college of medicine which can accommodate only about a thousand students, foreigners can completely displace Filipinos in that college of medicine because they will be less than one-third of the entire enrolment?

MR. GUINGONA: Madam President, legislation will provide for that and the Ministry of Education, Culture and Sports can provide for quotas as it does now. So I think this is not a matter to be considered; it is a detail that should be left to the legislature and to the ministry to implement.

MR. REGALADO: No, it is not a question of implementation; it is a question of intent. What is the intent of this one-third of the total overall enrolment?

MR. GUINGONA: Our chairman, Commissioner Villacorta, has already stated that the word "school" refers to the entire school, because it is very hard to go on an institute-to-institute basis or offerings-to-offerings basis.

MR. REGALADO: As a matter of fact, Madam President, that was one of the questions in one of the medical schools in Manila where, without the intervention of the MECS, the foreigners were about to displace completely all the students in the medical school because of the one-third requirement.

MR. GUINGONA: Yes, because even the schools through their admission requirement can refuse foreigners.

MR. REGALADO: But it is good if they want to.

MR. GUINGONA: Yes, but they are subject to regulation and supervision by the ministry, and the ministry has, in fact, required it.

MR. REGALADO: So it is understood, however, that this provision is not intended to completely displace Filipino students taking certain particular courses or any discipline in that particular school?

MR. GUINGONA: Definitely, yes.

THE PRESIDENT: Commissioner Ople is recognized.

MR. OPLE: Madam President, may I put a question to the committee concerning the last sentence of this subsection on education. I think it is a matter of common knowledge that there are about 2,000 students from Thailand in the Philippines and about, at the peak, I think some years ago, 3,000 students from Iran. Some of our policy-makers looked differently at this phenomenon. Some of them said that we ought to aspire to a role as the new Athens of Asia. Others think that by opening our doors to the influx of foreign students we are, in effect, depriving our own students in the Philippines of seats that should go to them as a matter of top priority.

I do not think this issue is settled in this paragraph. That is to say, we do not define a policy whether we are going to be the Athens of Asia or we shall take a more inward view of our own educational seats for our own people.

But I also wanted to raise another point, that of reciprocity. In many parts of the world today, because of the

Filipino exodus to other countries, members of the Filipino community, such as in Geneva, take the initiative of organizing school for temporary residents from the Philippines because workers very often do fall under this classification. Do I take it, without having to indicate reciprocity here, that when Congress considers an enabling law, it will take reciprocity into account?

MR. VILLACORTA: Yes, Madam President.

MR. OPLE: I thank the Commissioner very much.

MR. BENGZON: Madam President.

THE PRESIDENT: Commissioner Bengzon is recognized.

MR. BENGZON: Just a question to the committee.

Right now, Madam President, there are schools in Makati offering courses in Tagalog, Cebuano and Ilocano and in addition to that, they offer foreign languages like Spanish, French and others. I understand that a great majority of the students in these schools are foreigners who want to learn Tagalog, Ilocano and Cebuano. Would these particular schools come under this paragraph, specifically lines 1 to 5, so that if the foreign students enrolled in these schools would be more than one-third, these schools would have to close down? I ask because there are less Filipinos who want to learn Spanish, French and other languages while there are more foreigners, particularly the Japanese, who want to study Tagalog, Cebuano and Ilocano.

MR. GUINGONA: I think, Madam President, that it should be determined whether the school is giving these courses with or without credit, because if these courses are without credit and are not subject to the supervision and regulation of the Ministry of Education, Culture and Sports, then these would not fall under the concept that we have on educational institutions.

MR. BENGZON: What if it is a school for business, because the Commissioner says "without credit"?

MR. GUINGONA: If the course or subject offered is not recognized by the Ministry of Education, Culture and Sports, it would not be given recognition in any educational institution here. So that anyone who finishes a course in Spanish in these schools cannot claim credit for this in order to substitute for the six or 12 units of Spanish required under the curriculum.

MR. BENGZON: But those schools are accredited by the Ministry of Education.

MR. GUINGONA: In that case, they would probably fall under this provision.

MR. BENGZON: When I say "accredited," the school has the permit.

MR. GUINGONA: Yes. So it is an educational institution which is subject to the supervision and regulation of the Ministry of Education, Culture and Sports and, therefore, falls within the concept of the words "educational institution" as contained in this provision.

MR. BENGZON: But suppose the grades obtained by the students in that school are not subject to accreditation by the other schools; in other words, the permit to operate given by the Ministry of Education does not give that particular kind of credit that the Commissioner is talking about, such that the students of that school will not be able to use the grades they get as a credit if they enroll in another school like La Salle?

MR. GUINGONA: I am not speaking for the committee, but my personal view is this: As long as the school falls under the supervision and the regulation of the MECS and has obtained permit or recognition, the course for which the permit or recognition has been granted is covered under this provision.

MR. BENGZON: May we have the view of the committee, Madam President. As I understand it, no particular institution, company or corporation can open a school unless such company or corporation gets a permit from the Ministry of Education.

MR. VILLACORTA: Just a question, Madam President. Is this school the Commissioner is referring to an existing school, or is it a hypothetical school?

MR. BENGZON: No, it is an existing school. It is in Paseo de Roxas, Makati. It is an international language school.

MR. VILLACORTA: Is it the Centro Hispanico?

MR. BENGZON: That is one of them.

MR. VILLACORTA: These schools do not only offer local languages but also Spanish, French, Chinese, et cetera.

MR. BENGZON: That is right, Madam President.

MR. VILLACORTA: And I know for a fact that a lot of Filipinos enroll in these language courses. So I wonder whether the majority of the studentry of these schools are foreigners or not.

MR. BENGZON: But there are several of these, Madam President, and I happen to know that in one smaller school, there are more foreigners than Filipinos enrolled to learn foreign languages. So my only question is: Must these schools seek permission from the Ministry of Education?

MR. VILLACORTA: I am not sure about that because they are not degree-granting schools.

THE PRESIDENT: Commissioner Rosario Braid is recognized.

MS. ROSARIO BRAID: Yes. Madam President, I think the jurisdiction of the MECS is only on credited units. But if a school offers a professional development program — training or nondegree programs — it does not fall under the jurisdiction of the ministry.

MR. BENGZON: So with that distinction and under that circumstance, this kind of schools will not fall under this particular paragraph.

MR. VILLACORTA: Yes, the Commissioner is correct.

MR. BENGZON: I thank the Commissioner, Madam President.

MR. MAAMBONG: Madam President.

THE PRESIDENT: Commissioner Maambong is recognized.

MR. MAAMBONG: May I address a query to the committee? In line with the question of Commissioner Tan, I understand from the committee that these schools established primarily for dependents of foreign diplomatic personnel and other foreign temporary residents accept Filipino students. I just want to find out what is the rationale for this, because adverting to International School, Incorporated, in relation to P.D. No. 732, the decree says that the school:

. . . shall determine its own curriculum and teach whatever language or languages it may deem proper and determine the amount of fees and assessments which may be reasonably imposed upon its students, to maintain or conform to the school standard of education.

It further states that it shall:

. . . employ its own teaching and management personnel selected by it either locally or abroad, from Philippines or other nationalities, such personnel being exempt from otherwise applicable laws or regulations attending their employment, except laws that have been or will be enacted for the protection of employees.

My point, Madam President, is this: If we allow Filipinos to enroll in these schools, they will not be imbued with what we are talking about here in the Constitution because the schools' curriculum is different. They can even establish their own calendar of studies and work schedule to maximize their efficiency and promote the education of students. Why is it that we allow Filipino students to enroll in schools like the International School, Incorporated?

MR. VILLACORTA: The committee is open to amendments from the Commissioner in order to provide for that problem he pointed out. We acknowledge that it is a problem.

MS. ROSARIO BRAID: Also, Madam President, many of the students who enroll in these schools are children of Filipino diplomats assigned to different places all over the world so that majority of them are assigned to Asian Development Bank and United Nations agencies. Of course, a few are children who can afford, but many of them are sent to these schools because their parents usually move around.

MR. MAAMBONG: I have no problem with those children, Madam President, but I am talking specifically of children of Filipinos in the Philippines.

In Cebu, we have a branch of International School, Incorporated. Personally, I have no quarrel in allowing Filipinos to enroll in these schools. It has become some sort of a status symbol. The fees are very high; only very few rich can really enroll their children there.

I am just asking the committee the rationale. Maybe there is a good reason for this.

THE PRESIDENT: Commissioner Gascon is recognized.

MR. GASCON: Madam President, we have agreed that these schools are primarily for children of foreign diplomats. As far as this report is concerned, we have no statement saying that Filipinos cannot enroll in these schools. The point is, perhaps, since they are Filipinos and our intent is to provide them with Philippine education, my thinking is that this provision does not preclude the Congress or the Ministry of Education, for that matter, to set certain regulations for Filipino students who may wish to enroll in said schools. For example, if some Filipinos wish to study in these schools and because they are Filipino citizens, there may be some requirements added to whatever they are getting from these schools, such as that they may have to be taught Philippine history which can be taught in those schools, among other things.

So my thinking is that the statement, as it is now, does not preclude Congress or the Ministry of Education to set requirements for Filipino citizens who will study in these schools so that they will be able to receive Philippine education as well.

MR. MAAMBONG: Actually, Madam President, what I am only asking is the rationale of it all. Is it all right, as far as the committee is concerned, to allow Filipino citizens to enroll in these schools? If the committee says so, I have no quarrel with that. I just want to find out the rationale of the whole thing.

MR. GUINGONA: Madam President, I agree with the statement of Commissioner Gascon. But in the same way, I do not think we should prohibit parents to send their children to schools abroad to study where, of course, the curricula will be different. I do not see any reason they should be prohibited from sending them here, because otherwise, the logical thing to do is to prohibit the students from going abroad because they will not be able to

learn Filipino culture.

MR. MAAMBONG: In other words, is it the thinking of the committee that this is justifiable? Does it mean the whole thing is all right? Is that the thinking of the committee, Madam President?

MR. VILLACORTA: I do not know whether or not I express the position of the committee, but my own thinking on this matter is that we appreciate the Commissioner's having raised the question because a lot of the children of the elite, political and economic elite, are in these international schools for status symbol and all that. And there seems to be something wrong with that kind of practice where the children of the elite go to international schools which do not have the same curricula as the Philippine schools.

THE PRESIDENT: In fact, Mr. Chairman, if I may interrupt, that matter is not involved in this section. That is included in the Constitution. This particular section raises the question of whether or not we allow the establishment of the schools exclusively for aliens. So I believe we are now ready to vote.

MR. GASCON: Yes, Madam President.

MR. MAAMBONG: Thank you, Madam President.

THE PRESIDENT: Will the chairman please read the amendments that have been accepted by the committee.

MR. VILLACORTA: Madam President, the last two paragraphs on page 3, starting with line 1, read: "No educational institution shall be established exclusively for aliens and no group of aliens shall comprise more than one-third of the enrolment in any school."

THE PRESIDENT: How about the Bacani amendment? Was that withdrawn?

MR. VILLACORTA: That was withdrawn, Madam President.

THE PRESIDENT: All right; so we stay with "one-third."

MR. VILLACORTA: The other paragraph reads: "The provisions of this SUBSECTION shall not apply to schools established for foreign diplomatic personnel and their dependents and, UNLESS OTHERWISE PROVIDED BY LAW, for other FOREIGN temporary residents."

VOTING

THE PRESIDENT: As many as are in favor of this particular paragraph, please raise their hand. (Several Members raised their hand.)

As many as are against, please raise their hand. (No Member raised his hand.)

As many as are abstaining, please raise their hand. (One Member raised his hand.)

The results show 32 votes in favor, none against and 1 abstention; the paragraph is approved.

REV. RIGOS: Madam President, may we clarify whether the wording is "SUBSECTION" or "paragraph"?

MR. VILLACORTA: It is "SUBSECTION," Madam President.

REV. RIGOS: Does that refer only to that paragraph beginning on line one?

MR. VILLACORTA: It refers as well to the preceding paragraph regarding ownership and administration.

REV. RIGOS: I thank the Commissioner.

SUSPENSION OF SESSION

MR. ROMULO: May I ask for a suspension of the session.

THE PRESIDENT: The session is suspended until two-thirty in the afternoon.

It was 12:49 p.m.

RESUMPTION OF SESSION

At 2:55 p.m., the session was resumed.

THE PRESIDENT: The session is resumed.

We ask the chairman and the members of the committee to please occupy the front seats.

Can we now proceed to Section 4 (b), page 3, lines 8 to 10?

Commissioner Villacorta is recognized.

MR. VILLACORTA: Yes, Madam President. The formulated subsection reads as follows: "The State shall encourage the establishment of educational foundations and cooperatively-owned educational institutions."

THE PRESIDENT: Are there any amendments to this particular subsection?

MR. GUINGONA: Madam President, may I just add that under RA 6055, otherwise known as the Educational Foundation Act, these exemptions are already granted, but we have included these in the Constitution because the Educational Foundation Act, being a statute, is subject to repeal.

THE PRESIDENT: All right. Is the body ready to vote on this subsection (b)?

MR. VILLACORTA: Madam President, if I am not mistaken Commissioner Rosario Braid has an amendment to this subsection but she is not around. Could we defer action?

MR. GUINGONA: Commissioner Rosario Braid is here.

THE PRESIDENT: Commissioner Rosario Braid is recognized.

MS. ROSARIO BRAID: Madam President, we feel that the 1973 Constitution has encouraged the organization of educational foundations, and a subsequent law has been passed encouraging educational institutions to become nonstock educational foundations. We also know that certain institutions, like the Centro Escolar University, have converted themselves into cooperatives in view of the trend now of broadened ownership. We feel that this is perhaps one structure that could be adopted by many proprietary institutions, particularly those that encounter financial difficulties. So in view of this, we feel we should constitutionalize this provision. I think this structure would enable foundations to be exempt from all taxes, and should they decide not to operate, then I think the facilities and resources could be given back to the State or to other selected institutions.

MR. VILLACORTA: Does Commissioner Rosario Braid have an amendment to this provision?

MS. ROSARIO BRAID: Yes, I have an amendment, Madam President. Earlier, we passed this omnibus provision on nonformal education, and majority of the committee members have suggested an amendment — this amendment is found in the handout given to everybody last Saturday — which reads: "The State shall STRENGTHEN VOLUNTARY COMMUNITY LEARNING CENTERS INCLUDING PRESCHOOLS AND FACILITATE DEVELOPMENT OF INNOVATIVE APPROACHES BASED ON THE UNIQUE CAPABILITIES OF THE COMMUNITY AND THE LEARNERS."

Let me explain briefly what this means. This means beyond just encouraging the organization of independent learning systems. We would like to strengthen already existing learning centers particularly in the community. There are experiments going on now in La Salle. They have the pull-out system where students who are more creative and more advanced than others are pulled out and given special instructions. Likewise in St. Scholastica's College, they also have special programs for those with unique capabilities. In other schools, they have programs for the slow learners. There is also another special program for parents' get-together and they organize schools particularly the preschool level where they decide on the curriculum to be offered to the children. We feel, however, that most of these preschools are of the elitist kind and that we have not been able to move towards really providing the majority of our population, especially in the rural communities, with preschool instruction which could be done if we can encourage this kind of development. INNOTECH, through its DELSILIFE and other experiments in community learning centers, has given us models where the parents and other community learning members group together and provide a design, a curriculum suited for the community.

There are many models in the different parts of the world that support what we call folk education and we feel that this should be encouraged in view of our emphasis on giving local governments the opportunity to develop their own creative facilities and in view of the public hearings we have heard where some of the cultural communities would like to go beyond the madrasah schools to have their own type of learning systems. So, this is the rationale behind this provision.

MR. GUINGONA: Madam President, this is a reaction from the committee. I was thinking if Commissioner Rosario Braid would be willing to present that as a separate section so that we could already vote on Section 4 (b). In other words, that would be a complementary section to Section 4 (b).

MR. SARMIENTO: Madam President, may we support the request of Commissioner Guingona since we are actually discussing educational foundations and cooperatively owned educational institutions. Commissioner Rosario Braid is proposing another amendment, the establishment of preschools. So may we suggest that we defer consideration of her amendment and tackle first these educational foundations for order and clarity?

MS. ROSARIO BRAID: The amendment is acceptable.

THE PRESIDENT: Let us hear first from Commissioner Nolleddo.

MR. NOLLEDDO: Madam President, I would like to ask Commissioner Rosario Braid some questions with respect to Section 4 (b) of the current section.

THE PRESIDENT: Yes, but we would like to confine ourselves first. We can defer that.

MR. NOLLEDDO: I am not talking of the preschool because I know that Commissioner Rosario Braid is instrumental in increasing the schools.

THE PRESIDENT: Excuse me, Commissioner Nolleddo, we will defer that and we will first concentrate on lines 8, 9 and 10 and then afterwards, we will go to the proposed amendment of Commissioner Rosario Braid.

MR. NOLLEDDO: Madam President, my questions are centered on lines 8 to 10.

THE PRESIDENT: Lines 8 to 10 on educational foundations?

MR. NOLLEDDO: Yes, Madam President.

THE PRESIDENT: The Commissioner may proceed. May I remind everybody, including the members of the committee, that we are limiting the time to three minutes per speaker unless there is a motion to extend the time.

Commissioner Nolleddo is recognized.

MR. NOLLEDO: Thank you, Madam President.

On lines 8 to 10, page 3, the following provision appears: "The State shall encourage the establishment of educational foundations and cooperatively-owned educational institutions." This is an entirely new provision and with emphasis on the word "encourage." Commissioner Rosario Braid must be talking of incentives from the State.

MS. ROSARIO BRAID: Yes. This would mean, of course, exemption from all taxes which would mean equipment, et cetera.

MR. NOLLEDO: Am I right if I say subsidy from the government?

MS. ROSARIO BRAID: Yes. They will get priority over proprietary institutions.

MR. NOLLEDO: If my memory serves me right, I think there is an existing law known as RA 6055 which states that proprietary educational institutions that convert themselves into educational foundations shall be fully tax exempt.

With respect to cooperatives, who may compose the cooperatives? Can parents and teachers form the cooperatives in establishing the so-called cooperatively owned educational institution?

MS. ROSARIO BRAID: Yes. In the Centro Escolar University model, the cooperative started with the faculty, nonteaching and administrative staff, but does not preclude opening it to parents and other interested members of the community.

MR. NOLLEDO: Is Commissioner Rosario Braid aware that a group of parents from an elitist village formed a cooperative in order to raise the standard of education of their children and they also agreed to form an institution composed of parents and teachers as the incorporators? They also agreed that all their children will be sent to this school.

MR. ROSARIO BRAID: Yes. As a matter of fact that was the school I was referring to when I was explaining certain innovative structures that are being done now.

MR. NOLLEDO: In this case, considering that the group consisted of members of the family who are rich, will the government still grant incentive in the form of tax exemption, considering that the composition is elitist? Does Commissioner Rosario Braid think that under this provision the government should still grant tax exemption and other incentives?

MS. ROSARIO BRAID: Yes. They are nonprofit to start with. And so being nonprofit, they are entitled to exemptions. It is very clear that the intent of this provision is to move toward the community, especially to the more rural or to the less elitist regions, so that we can democratize education. I hope my amendment will follow this provision.

MR. NOLLEDO: Thank you, Madam President.

MR. GUINGONA: Madam President, without disputing the statement of Commissioner Rosario Braid about the matter of subsidy, may I invite the attention of the Commissioners to the thrust which was underscored by Commissioner Monsod when he said that principally, subsidy should be given to students, and this is something that we have already approved.

MR. RAMA: Madam President, the body is ready to vote on subsection (b).

MR. SARMIENTO: Madam President, before we vote, may I just address one question to the committee?

THE PRESIDENT: Commissioner Sarmiento is recognized.

MR. SARMIENTO: Regarding these foundations, Commissioner Rosario Braid stated that these foundations are given tax exemptions by the government. Am I correct?

MS. ROSARIO BRAID: Yes. It is provided in RA 6055.

MR. SARMIENTO: From 1980 to 1984, 400 so-called foundations were registered with the SEC, most of which are the Montessori schools that have mushroomed throughout the metropolitan area. Considering the mushrooming of these foundations with tax exemptions, does the Commissioner think this will be for the good of our country?

MS. ROSARIO BRAID: Yes. I think these foundations are giving quality education and are also serving the needs of the poor.

MR. SARMIENTO: But many of the enrollees of these Montessori schools belong to the middle and upper classes of our society — the rich people. And then, these Montessori schools will be enjoying tax exemptions. Will that be for our benefit?

MS. ROSARIO BRAID: We can accept an amendment with a phrase which says "PARTICULARLY THOSE THAT CATER TO THE NEEDS OF THE DISADVANTAGED," although we would put on record that the priority is the less privileged communities. As what the chairman of the Committee on Education has mentioned, we will encourage subsidies to the parents of the students of these institutions.

MR. SARMIENTO: I have another question. When we speak of educational foundations, will these cover foreign foundations?

MS. ROSARIO BRAID: No. We have these omnibus provisions which indicate that we would like to have a nationalist education; we would like to have educational foundations whose ownership is Filipino. And so, these foundations should be owned and managed by Filipino citizens.

MR. SARMIENTO: Thank you.

MR. MAAMBONG: Madam President.

THE PRESIDENT: Commissioner Maambong is recognized.

MR. MAAMBONG: May I just be more specific about questions asked by the other Commissioners regarding foundations. Republic Act 6055 says that the foundations will be exempt from the payment of all taxes, import duties, assessments and other charges imposed by the government, and all income derived from property, real or personal, used exclusively for their educational activities. With this in mind, are these exemptions contemplated in this section that we are talking about?

MS. ROSARIO BRAID: Yes. We should also know that under the provisions on educational foundations, an owner of a foundation is expected to have a large percentage of the income plowed into the instruction and the improvement of the curriculum, faculty, rather than for other uses. In other words, it does not totally go to the board of trustees. So there are limitations.

MR. MAAMBONG: I am more concerned about this because I notice from this RA 6055 that the only benefit to the government is upon the dissolution of the foundation because it says:

If for any reason its corporate existence ceases, all its assets shall escheat to the State, subject to its liabilities to third persons.

So, as far as the committee is concerned, all these exemptions I am talking about under RA 6055 will be operative in the interpretation of this section we are talking about.

MS. ROSARIO BRAID: Yes. I think the other clause also stipulates that the board of such foundation can select another foundation or an appropriate agency related to the goals of the foundation, which could be the beneficiary of the resources once it is dissolved.

MR. MAAMBONG: Thank you.

MR. GASCON: As far as the benefit from educational foundation is concerned, if we look at it from the point of view on the issue of education, the assets do not accrue to the government, but accrue directly to the people because of the education service given to the people at low cost. What we would really like to encourage is development of educational foundations which are nonprofit and which give impeccable education to those who need it most.

MR. GUINGONA: Madam President, my understanding is that there are educational foundations which are established in accordance with the provisions of RA 6055, and are, therefore, exempt from taxes as provided in Section 8 thereof. However, there are educational foundations which do not comply with the requirements of RA 6055, and, therefore, are not exempt. I suppose the question of Commissioner Maambong refers to educational foundations which are established under RA 6055.

Madam President, I would like to underscore what Commissioner Rosario Braid mentioned and which we already underscored before. I think there should be concern on the part of the legislature to see to it that a substantial amount of the surplus goes to the benefit of the students, faculty members and nonacademic personnel — that is to say, the rank and file — and should not go to the officials, beginning from the dean up to the president and the members of the board of trustees.

MR. SARMIENTO: Madam President.

THE PRESIDENT: Commissioner Sarmiento is recognized.

MR. SARMIENTO: May I introduce an amendment to this particular subsection?

Since the committee said that the purpose of these educational foundations is to respond to the needs of the poor, will the committee accept an amendment which will read: "The State shall encourage the establishment of educational foundations FOR THE UNDERPRIVILEGED and cooperatively owned educational institutions . . ."?

MS. ROSARIO BRAID: It is accepted. I wonder if the Commissioner can use the concept of democratization such as: "The State shall encourage the establishment of educational foundations and cooperatively owned educational institutions . . . TO ATTAIN THE OBJECTIVES OF DEMOCRATIZATION."

MR. SARMIENTO: When we speak of "cooperatively owned educational institutions," I think the thrust is to democratize ownership, to broaden ownership, so that will be unnecessary.

MS. ROSARIO BRAID: So, we accept the Commissioner's amendment. It will be placed after the word "foundations" and the concept is for the underprivileged.

MR. SARMIENTO: Thank you.

MR. MAAMBONG: Madam President, may I get a clarification of that.

When we say, "educational foundations for the underprivileged," does it mean that students who will enroll in these foundations have to prove that they are underprivileged? I think that is a very limiting provision. Thus, I

would like to get a clarification from the committee on that matter, because it could be subjected to so many interpretations.

MR. GUINGONA: I think that the one who should really explain it is the proponent. But the way I understood it, it is like the University of the Philippines which is established principally for the underprivileged. In other words, even a State university can have rich people but principally, it is open for the underprivileged as against some schools which Commissioner Sarmiento has mentioned. Those schools are almost exclusively open for the higher income group. But, of course, Commissioner Sarmiento would be in a better position to explain his proposal.

THE PRESIDENT: Commissioner Sarmiento is recognized.

MR. SARMIENTO: I suggested this amendment, Madam President, because we have at present a trend. As I said a while ago, from 1980 to 1984, we have had 400 so-called foundations registered with the Securities and Exchange Commission, and these are the Montessori schools catering to the rich, to the middle or upper classes of our society. The poor are deprived of this preschool education. So if we state in this Constitution "establishment of educational foundations," then this would mean that we are encouraging establishment of foundations that cater only to the rich. Since our thrust is to have a Constitution that is pro-people and we have to democratize educational opportunities, we should specify the following amendment: "the establishment of educational foundations FOR THE UNDERPRIVILEGED," with special emphasis on the word "UNDERPRIVILEGED."

MR. MAAMBONG: Madam President.

THE PRESIDENT: Commissioner Maambong is recognized.

MR. MAAMBONG: I would request a vote on the amendment "FOR THE UNDERPRIVILEGED." Considering what Commissioner Sarmiento has said about the 400 educational foundations, I feel that the term "FOR THE UNDERPRIVILEGED" is a very limiting exception. This could be interpreted in different ways, for example: Will the educational institution be forced to accept a person who claims to be underprivileged or vice versa? We should take a second look at this amendment.

THE PRESIDENT: May the Chair address the question to Commissioner Sarmiento?

MR. SARMIENTO: Madam President.

THE PRESIDENT: With the Commissioners amendment, is it his intent to prohibit or exclude the establishment of educational foundations as a rule in general, or is it his purpose to stress that the State encourage the establishment of such kind of a foundation?

MR. SARMIENTO: It is only to stress the establishment of such kind of a foundation. Maybe we can have this amended to read: "educational foundations PRINCIPALLY FOR THE UNDERPRIVILEGED." Will that satisfy Commissioner Maambong?

THE PRESIDENT: In other words, educational foundations like the Montessori can still continue to exist and to be established.

MR. SARMIENTO: Yes, Madam President.

THE PRESIDENT: That is the point, Commissioner Maambong.

MR. MAAMBONG: But the phrase is entirely unnecessary because as of the moment, there are 400 institutions, according to Commissioner Sarmiento, and I am sure that most of them are catering to the underprivileged. We do not need that kind of qualifying term.

THE PRESIDENT: Is there any other comment?

MR. GUINGONA: Madam President, I think we should relate this with the exemptions, because if the school is catering to the elitist or to those groups who can afford to pay high tuition fees, then there should be some proportionate reduction as far as exemptions on taxes, duties, et cetera are concerned.

THE PRESIDENT: Shall we hear from Commissioner Azcuna?

MR. AZCUNA: Thank you, Madam President.

I propose to reword the amendment to read: "PARTICULARLY THOSE FOR THE UNDERPRIVILEGED," so as not to limit it but to give emphasis on the underprivileged. Anyway, it is just an encouragement. Will Commissioner Sarmiento be agreeable to that?

MR. SARMIENTO: It is accepted, Madam President.

THE PRESIDENT: How will the amendment be, Commissioner Azcuna?

MR. AZCUNA: It will read: "shall encourage the establishment of educational foundations PARTICULARLY THOSE FOR THE UNDERPRIVILEGED."

MR. VILLACORTA: The committee accepts the amendment to the amendment, Madam President.

MR. DAVIDE: Madam President.

THE PRESIDENT: Commissioner Davide is recognized.

MR. DAVIDE: Just for a clarificatory question. This particular proposal would allow Congress to enact a law, or the President to issue a presidential order allowing the establishment of such a foundation, particularly for the underprivileged. It would necessarily follow that there may be guidelines or restrictions as to who can enroll in said particular institution, meaning to say, that only those who are classified as underprivileged may enroll. Would we not, in effect, impair or delimit the right of a student who may want to enroll in that particular school but cannot because he is not classified as underprivileged?

MS. ROSARIO BRAID: Another way of interpreting this amendment is that this will encourage or give preferential treatment to the poor such that legislation can come up with more specific provisions that will ensure those foundations to give special attention to the disadvantaged. Maryknoll College Foundation, Inc. has students from the less privileged class.

MR. DAVIDE: Yes.

MS. ROSARIO BRAID: Likewise, Montessori being a foundation is also forced to cater to the poor.

MR. DAVIDE: Even without the limitation on Congress to encourage the establishment of foundations to serve the underprivileged, this particular proposal would, in effect, result in class legislation in the sense that in the future, foundations allowed to establish particularly for the underprivileged must admit only students belonging to that particular class because that is already the limitation provided for. But if we do not provide a qualification, it is certain that the State must encourage these foundations. So, the protection allowed or the encouragement granted would, in effect, restrict.

FR. BERNAS: Madam President.

THE PRESIDENT: Commissioner Bernas, is it on the same point?

FR. BERNAS: Yes, Madam President, it is on the same point. I have only one question. What is the central

purpose of this provision? Is it to encourage the establishment of nonprofit educational institutions?

MS. ROSARIO BRAID: Yes.

FR. BERNAS: Is that the principal purpose?

MS. ROSARIO BRAID: Yes, and the other purpose is to provide alternative structures for proprietary institutions. In other words, these institutions could convert themselves into cooperatives or foundations, especially those that are financially distressed. Hence, this is an alternative.

FR. BERNAS: But the central idea is to discourage profit-making educational institutions, is it not?

MS. ROSARIO BRAID: Yes. The Commissioner is right there.

FR. BERNAS: If that is the central idea, why does it not appear in the text at all? We assume that if we make it a foundation or a cooperatively owned educational institution, it will be nonprofit.

So, why should we not just say: "The State shall encourage the establishment of NON-PROFIT educational institutions"? Whether it is a foundation or a cooperatively owned institution or what have you, it should be nonprofit.

MS. ROSARIO BRAID: We would like to stress that there are other structures, but the possible structure is the cooperatives, where we have the teachers and the parents as the co-owners. So this could be an alternative to nonprofit educational institutions. Moreover, there are many types of nonprofit institutions.

FR. BERNAS: Precisely, that is why I would propose a substitute provision, an amendment by substitution, which will simply say: "The State shall encourage the establishment of NON-PROFIT educational institutions." These nonprofit educational institutions can be foundations, cooperatives or any form we like, but the central idea is that they are nonprofit.

MR. GUINGONA: As mentioned by Commissioner Rosario Braid, we do not envision a cooperatively owned educational institution to be nonprofit. The profit will go to the members of the cooperative who may be faculty members or nonacademic personnel. Besides, the Commissioner's idea, which is very acceptable, is precisely provided in the succeeding section which speaks of exemptions for nonstock, nonprofit educational institutions.

However, we feel that if we use that general expression, it might imply that cooperatively owned educational institutions are prohibited from making profit. But as far as the committee is concerned, that is not our concept.

FR. BERNAS: My whole point is that unless we make the idea of nonprofit the central thing, I see no constitutional usefulness for this provision.

MS. ROSARIO BRAID: The usefulness I see here is that we encourage primarily initiative and creativity in terms of coming up with new structures that could even work towards profit as long as the profit is channeled not to individuals but to the common good.

So, these suggest many ways and let us explore creative and innovative ways of restructuring present ownership structures.

FR. BERNAS: I would like to formalize a motion to delete this provision.

MR. RAMA: Madam President, that is an anterior motion.

MR. BENGZON: I second the motion, Madam President.

MR. RAMA: I move that we vote on that anterior motion to delete the said provision.

THE PRESIDENT: There is the Sarmiento amendment which is already accepted by the committee.

MR. RAMA: That is anterior even to the Sarmiento amendment. But now the motion is to delete the whole section.

MR. MONSOD: Madam President.

THE PRESIDENT: Commissioner Monsod is recognized.

MR. MONSOD: May we manifest that the motion to delete does not necessarily preclude our inclusion of the word "cooperatives" in the next paragraph, where we talk about "proprietary educational institutions, INCLUDING COOPERATIVES," so that the idea is not completely lost.

VOTING

THE PRESIDENT: The body will first vote on the proposed amendment of Commissioner Bernas to delete the entire Section 4 (b) as contained in the draft.

As many as are in favor of this particular proposed amendment to delete lines 8, 9 and 10, please raise their hand. (Several Members raised their hand.)

As many as are against the proposed amendment, please raise their hand. (Few Members raised their hand.)

The results show 15 votes in favor and 14 against; the proposed amendment is approved.

MR. RAMA: Madam President, I ask that Commissioner Suarez be recognized.

THE PRESIDENT: Commissioner Suarez is recognized.

MR. SUAREZ: Madam President, in connection with the first sentence of Section 4 (c) which presently reads: "Non-stock, non-profit educational institutions shall be exempt from taxes and duties as may be provided by law," we would like to submit the following proposal by substitution.

MR. VILLACORTA: A prejudicial point, Madam President, before Commissioner Suarez comes up with his amendment.

THE PRESIDENT: Please proceed.

MR. VILLACORTA: There was a mistake in the typing here. On lines 12 and 13, the word "such" and the phrase "as may be provided by law" should be deleted. Somehow, there was a mix-up and, therefore, the sentence should read: "Non-stock, non-profit educational institutions shall be exempt from taxes and duties."

MR. SUAREZ: Thank you for the clarification.

Precisely, that phrase "as may be provided by law" is one of the points I am going to raise. Before I submit my amended proposal which is taken in the light of the chairman's information that the word "such" and the phrase "as may be provided by law" have already been deleted by the committee, may we just ask one clarificatory question? When we say "non-stock, non-profit educational institutions shall be exempt from taxes and duties," this is a very general statement. However, does the Commissioner have in mind those educational institutions with earnings that are exempt from taxes, because these earnings are going to be used exclusively for educational purposes?

MR. VILLACORTA: That is right.

MR. SUAREZ: Does the Commissioner have in mind also this importation of cars by educational institutions

whereby they would be exempt from the payment of customs duties or import duties?

MS. ROSARIO BRAID: This exemption would apply to a limited degree, like the needed laboratory equipment, audio-visual van, books and library equipment. They will be exempt from such duties.

MR. SUAREZ: But not these imported cars.

MR. VILLACORTA: I do not think any nonstock school imports cars these days.

MR. SUAREZ: What is important here is that they must be directly and exclusively used for educational purposes.

MR. VILLACORTA: That is right.

MR. SUAREZ: That is why I was thinking that in order to harmonize the idea behind this provision, would the committee entertain this amendment by substitution? It will read something like this: "ALL REVENUES AND ASSETS OF non-stock non-profit educational institutions USED DIRECTLY AND EXCLUSIVELY FOR EDUCATIONAL PURPOSES shall be exempt from taxes and duties."

To make it emphatic, only those which are directly and exclusively used for educational purposes, whether they are revenues, assets, equipments, buildings, all of these, should be exempt from taxes and duties. The essential factor is that they must all be used by nonstock, nonprofit educational institutions, directly and exclusively for educational purposes.

MR. GASCON: I would like to ask a question. Does this also contemplate realty tax?

MR. SUAREZ: Yes, all assets and revenues.

MR. GASCON: Our point is this: There are many schools which are genuinely nonprofit and nonstock but which have been taxed at the expense of the students. In the long run, these schools oftentimes have to increase tuition fees which is detrimental to the interest of the students. So when we encourage nonstock, nonprofit institutions by assuring them of tax exemption, we also assure the students of lower tuition fees. That is the intent.

MR. SUAREZ: Yes, that is the intent.

MR. GASCON: If that intent is not lost by the Commissioner's proposal . . .

MR. SUAREZ: No, it is definitely not lost. In fact, it encourages the reduction, if not total elimination, of these tuition fees that Commissioner Gascon is talking about.

MR. VILLACORTA: The committee accepts the Commissioner's amendment.

MR. SUAREZ: Thank you.

MR. NOLLEDO: Madam President.

MR. DAVIDE: Madam President.

THE PRESIDENT: Commissioner Davide is recognized.

MR. DAVIDE: Madam President, I would like to invite the attention of the members of the committee and the Commissioners that in Section 29 of the proposed Article on the Legislative which the Commission had already approved on Second Reading, we have the following provisions:

- (3) Charitable institutions, churches and parsonages or convents appurtenant thereto, mosques, non-profit cemeteries and all lands, buildings and improvements actually, directly and exclusively used for religious,

charitable, or educational purposes shall be exempt from taxation.

(4) No law granting any tax exemption shall be passed without the concurrence of a majority of all the Members of Congress.

Under the proposal of Commissioner Suarez, properties are included, meaning, assets, as proposed, and therefore, the same already falls under the approved subsection (3) of Section 29 of the proposed Article on the Legislative. Insofar as the revenues are concerned, I do not think that it would be appropriate for us to make a total exemption now. I would rather suggest that we should leave it to Congress to provide later, because we do not have the data or statistics showing how much income taxes the government had actually collected from existing institutions. Hence, if we grant this general overall tax exemption, it may mean depletion of the income of the government. It should be noted that we have provided for a complete, free education up to the secondary level. We even had the problem of its approval because of the difficulty of the government to provide for the necessary outlays for a free high school education.

So, I would propose that in respect to revenues, exemptions may be provided only if Congress so mandates. As to properties, we already have Section 29 (3) of the Article on the Legislative.

MR. GASCON: The proposal is with regard to nonstock, nonprofit institutions. Does the Commissioner contemplate that nonstock, nonprofit schools should not be exempted from income tax because we have another subsection on proprietary schools?

MR. DAVIDE: Yes, we leave it to Congress as proposed by the committee.

MR. GASCON: This is what we feel — we should not encourage profit-making in education.

MR. DAVIDE: In like manner, we should not also be very quick in granting total exemptions.

MR. GASCON: That is why we feel that when an institution is nonstock and nonprofit, at least in principle, the income generated will accrue back as far as its education service is the one concerned.

MR. DAVIDE: That is if we mandate that all its income shall have to accrue back to the operation of the school, because unless we also so provide in the Constitution that such income must be exclusively used for the operation of the school, it would be dangerous. There can easily be an avoidance of the requirement.

FR. BERNAS: Madam President.

THE PRESIDENT: May we hear first from Commissioner Nollado, after which Commissioner Bernas will follow.

MR. NOLLEDO: Thank you, Madam President.

I agree with Commissioner Gascon, because we have a mandate that education is an obligation of the State and in order to give meaning to this mandate, we should grant tax exemption to educational institutions that are nonprofit.

In the words of Commissioner Ople, institutions are educating the youth, whether nonprofit or otherwise suffering from financial hemorrhage. I was one of those who set up schools before because I thought we would make money. However, we had to close our schools because of the ever continuing demands on the part of the students for a higher standard of education. So, I think what is important here is the philosophy behind the duty on the part of the State to educate the Filipino people and that duty is being shouldered by private institutions. In order to provide an incentive to private institutions to share with the State the responsibility of educating the youth, I think we should grant tax exemption.

With respect to the tax exemption contemplated in the Suarez amendment, it is not true that it is already covered by the provision in the Article on the Legislative because the said article refers only to lands, buildings and real property, while the Suarez amendment, which is very logical, refers to other properties, like importations, to be exempt from compensating tax, advance sales tax, other customs duties and charges. These would give true meaning and substance to the duty of the State to provide education.

I plead to the Members of this Commission to realize the present situation. It is not only in the present situation, but also in the past and in the future situations that there will always be a "financial hemorrhage" on the part of educational institutions, using the words of my friend, Commissioner Ople.

Thank you, Madam President.

THE PRESIDENT: Commissioner Bernas is recognized.

FR. BERNAS: Madam President, in addition to what Commissioner Nollado said, the provision, as formulated by Commissioner Suarez, has already the safeguards because the phrase "USED DIRECTLY AND EXCLUSIVELY FOR EDUCATIONAL PURPOSES" modifies not just assets but also revenues. That is the clear intent of this proposal. So, if the revenue or the income is to be used directly and exclusively for educational purposes, that is the one that is exempt, but not revenues for other purposes. Second, this is perfectly in keeping with a provision which we had earlier approved, where we tell the State to maintain a system of scholarship grants, student loan programs, subsidies and other incentives which shall be available to deserving students in both public and private schools, especially the underprivileged.

It is all in this spirit. It is true that the State will be losing some income, but that income comes in as a built-in subsidy to the operation of the school. This subsidy will, therefore, enable the school to either give more scholarships or increase the salary of the faculty without passing on the cost to the students. This is in keeping with our idea of trying to make quality education available to all.

BISHOP BACANI: Madam President.

THE PRESIDENT: We will first hear from Commissioner Bacani. Then we will have Commissioner Ople.

BISHOP BACANI: May I add to the comments of Commissioners Nollado and Bernas.

I am now a director of two schools, one in the province and the other in Paco, Manila. Let me just tell the body that our school in Manila, which is nonprofit and nonstock, is losing this year. I am surprised because I reported a smaller figure before. However, I am really frantic now because we are losing P500,000 despite the fact that we have 7,200 students. I also know that one of our schools in a certain province, when I was the director there, could barely make both ends meet. Also, when I was the assistant parish priest in that same province, we had a hard time maintaining one of the colleges there, if it were not for the foreign subsidies that we were receiving from a religious order.

Hence, it is very appropriate and necessary that we donate and we do not burden the schools any further because there is no profit in them. One is crazy if he will establish a school at present in order to gain profit, because he certainly will not make profit.

Thank you, Madam President.

MR. OPLE: Madam President.

THE PRESIDENT: Commissioner Ople is recognized.

MR. OPLE: There is really a crisis in the tertiary education in the Philippines for the simple reason that according

to the Ministry of Education, Culture and Sports, 85 percent of all tertiary schools are private. When one owns a private school, he has to earn the cost of his continued survival by turning in some surpluses which he may call a profit if he likes. What happened to the University of the East helps focus the attention on this gathering crisis for the tertiary system. We can begin with the assumption that the State cannot replace this 85 percent of tertiary schools in private hands and, therefore, it is a wise course for this Commission to help meet this crisis partially by extending assistance to the private tertiary sector appearing in Section 4 (c) by providing exemption from taxes. However, they wanted to find out whether this is a blanket exemption.

I begin to agree with Commissioners Suarez and Davide that it may not be possible to anticipate loopholes in such a blanket grant, especially with the elimination of the phrase "as may be provided by law." Will this also include the importations of textbooks, reading materials and supplies?

MR. VILLACORTA: Yes, that is the intention.

MR. OPLE: I am all in favor of liberalizing the inflow of books and reading materials even of general character to the Philippines. These will raise implications in our own textbook and printing industry. Maybe the people engaged in this industry should have the opportunity to lobby in the future Congress which will be created by this Constitution just to be able to get a day in court, because we do manufacture our own textbooks. A very sturdy publishing company, like the National Bookstore or even the Rex Bookstore, which publishes the books of Commissioners Bernas and Nollado, may end up unintentionally causing the destruction of this particular industry. As what Commissioner Davide has suggested, we might be able to reinstate — if the committee agrees — the safeguard so that Congress will have a role, and the industries adversely affected will have their day in court.

In the second sentence, I suggest that we be more explicit and say: "Proprietary educational institutions MAY BE entitled to SUCH exemptions provided they limit stockholders dividends AND PLOW BACK THEIR EARNINGS TO THE INSTITUTION as the law may provide."

These are two suggestions for the committee, Madam President.

SUSPENSION OF SESSION

MR. VILLACORTA: Madam President, the committee requests a suspension so that we can incorporate all these proposals in the amended provisions.

THE PRESIDENT: The session is suspended.

It was 3:52 p.m.

RESUMPTION OF SESSION

At 3:56 p.m., the session was resumed.

THE PRESIDENT: The session is resumed.

MR. RAMA: Madam President, I ask that Commissioner Suarez be recognized.

THE PRESIDENT: Commissioner Suarez is recognized.

MR. SUAREZ: Thank you, Madam President.

In view of the provision that was originally submitted and presented by the committee, may I submit this amendment by substitution on the first sentence only. As proposed, it should read: "ALL REVENUES AND ASSETS OF non-stock non-profit educational institutions USED ACTUALLY, DIRECTLY AND

EXCLUSIVELY FOR EDUCATIONAL PURPOSES shall be exempt from taxes and duties." The co-authors of this amendment are: Commissioners Ople, Nollado, Monsod, Davide and this humble Representation.

MR. VILLACORTA: Madam President, the committee accepts the amendment and would like to ask for a vote.

MR. NOLLEDO: Madam President, just for purposes of the record, I would like to ask one clarificatory question.

THE PRESIDENT: Commissioner Nollado is recognized.

MR. NOLLEDO: When Commissioner Suarez talks of assets, does he also include importations and, therefore, should be exempt from compensating tax?

MR. SUAREZ: Yes, the Commissioner is right.

MR. NOLLEDO: Thank you.

THE PRESIDENT: This is just to clarify. The proposed amendment of Commissioner Suarez refers only to the first sentence, lines 11, 12 and 13.

MR. SUAREZ: Yes, Madam President, it refers only to the first sentence.

MR. GASCON: Will the Commissioner please repeat it.

MR. SUAREZ: Here is the amended proposal: "ALL REVENUES AND ASSETS OF non-stock non-profit educational institutions USED ACTUALLY, DIRECTLY AND EXCLUSIVELY FOR EDUCATIONAL PURPOSES shall be exempt from taxes and duties."

MR. PADILLA: Madam President.

THE PRESIDENT: Commissioner Padilla is recognized.

MR. PADILLA: I am in favor of that proposed amendment, but I would like to ask if these words "non-stock non-profit" are cumulative.

MR. SUAREZ: They are cumulative.

MR. PADILLA: Must it always be "non-stock" so long as it is "non-profit"?

MR. SUAREZ: The two must go together that is why there should be no comma to separate them.

MR. PADILLA: If it is a stock corporation but also nonprofit, it will not qualify.

MR. SUAREZ: It will not qualify; it must be nonstock and nonprofit.

MR. PADILLA: Why is there a particular preference to "nonstock" as distinguished from "stock," if the educational institutions are both nonprofit?

MR. SUAREZ: May I have the question again? I did not get the correct drift of the question.

MR. PADILLA: I was asking why we should stress "non-stock" as distinguished from "stock" if the educational institution in both is nonprofit. The underlying principle is that a nonprofit educational institution is tax exempt if its assets and revenues are directly, actually and exclusively used for educational purposes.

MR. SUAREZ: The moment we organize a stock corporation, then we as stockholders will surely have interest in the assets and are now entitled to dividends. In other words, although it may be essentially nonprofit in character, the fact remains that when we put up a stock corporation, we are thinking in terms of stockholders who have interest in the corporation in the event of dissolution or liquidation.

MR. PADILLA: But a nonstock educational institution also has members, only that they are not called stockholders because it is nonstock.

MR. SUAREZ: Yes.

MR. PADILLA: I do not really see the essential difference so long as both educational institutions are nonprofit.

FR. BERNAS: Madam President.

THE PRESIDENT: Commissioner Bernas is recognized.

FR. BERNAS: The word "non-stock" is placed mainly as a safeguard because the moment we form a stock corporation the implication is that it is for profit. So just to make sure that there will be no getting around the nonprofit idea, we require that the corporation be also nonstock. That is already a banner saying that this is nonprofit. The word "non-profit" means that no income accrues to the benefit of any member of the corporation.

THE PRESIDENT: All right. Are we ready now to vote?

MR. AZCUNA: Madam President, before we vote, may I ask a clarificatory question.

THE PRESIDENT: Commissioner Azcuna is recognized.

MR. AZCUNA: The proponent said that the revenues of nonstock and nonprofit educational institutions must be actually, directly and exclusively used for educational purposes. So, until the revenues are plowed back to an educational purpose and are just retained in the school for reserve, would the school have to pay taxes on these revenues?

MR. SUAREZ: If the reserve will be used for educational purposes, actually, directly and exclusively, the school will also enjoy the same exemption.

MR. AZCUNA: But the taxable year is reckoned from year to year and the reserve may not be actually used until five years from then; so is the tax postponed until such time as it is used?

MR. SUAREZ: There is no postponement in the enjoyment of the exemption because it could very well happen that there may be reserved funds there but are intended for the purchase of laboratory equipment, library books, et cetera.

MR. AZCUNA: How about "retained earnings," would they have to pay taxes on retained earnings?

MR. SUAREZ: No, retained earnings would have to be considered in the form of reserve, in the same category.

MR. AZCUNA: So, there will be no tax on that.

MR. SUAREZ: No, there will be no tax.

MR. AZCUNA: Thank you.

MR. REGALADO: Madam President.

THE PRESIDENT: Commissioner Regalado is recognized.

MR. REGALADO: Will the committee please place on the record what are these educational institutions they contemplate to be within the category of nonstock and nonprofit educational institutions, considering the fact that paragraph (b) was deleted and there were mention about "foundations" and "cooperatively owned corporations." Also, there was a proposal that somewhere along the subsequent paragraphs, we may incorporate the concepts in paragraph (b) which was deleted.

MR. VILLACORTA: Commissioner Treñas will answer that.

THE PRESIDENT: Commissioner Treñas is recognized.

MR. TREÑAS: On behalf of the committee, I think there is no need to enumerate what the Commissioner is asking for because this section is very clear. It only refers to nonstock and nonprofit educational institutions. Therefore, as long as it is nonstock and nonprofit, necessarily, it must fall within the ambit of this provision.

MR. REGALADO: How would the Commissioner put and consider the matter of educational foundations and cooperatively owned institutions?

MR. TREÑAS: If they are cooperatives, they fall under different classifications.

MR. REGALADO: Therefore, they will be proprietary, as shown in the second sentence?

MR. TREÑAS: Yes.

MR. REGALADO: Thank you.

MR. DAVIDE: Madam President.

THE PRESIDENT: Commissioner Davide is recognized.

MR. DAVIDE: Before we vote, may I be allowed to raise two points. The nonstock or nonprofit corporation will be organized for a specific period or a maximum of 50 years. If the corporation is dissolved or if it ceases to exist, what will happen to the properties acquired by the corporation while enjoying the tax exemption?

MS. ROSARIO BRAID: The Foundation Law will apply to this situation. It will either revert to the State or the owners could give the facilities, resources and assets to selected foundations.

MR. DAVIDE: So, it is the stand of the committee that if said nonstock and nonprofit educational institution shall cease to be a corporation before the expiry date of its lifetime or upon its dissolution following the expiration of its lifetime, will all the assets of this corporation be escheated in favor of the State according to the Foundation Law?

MR. GUINGONA: Madam President, if the foundation is established under RA 6055, there is a specific provision regarding escheat. With respect to those that are not established under RA 6055, there is a provision under Education Act of 1982 which speaks of transfer of assets to other nonprofit, nonstock foundations or to such institutions as the court may decide. However, this is a statutory law and is, therefore, subject to repeal. If there is such a repeal, then there is nothing in the law that will directly apply to the problem or to the situation that the Commissioner has stated. But under the existing laws, those institutions covered by RA 6055 will have no question regarding the requirement of the Education Act of 1982 that there will be escheat.

MR. DAVIDE: That is assuming that these laws would be made applicable?

MR. GUINGONA: There are existing laws.

MR. DAVIDE: Would not the committee entertain a rule on the distribution of the assets of this corporation upon its dissolution or upon the cessation of its corporate existence to be provided in the Constitution itself?

MR. TREÑAS: May I respond on behalf of the committee. I feel that we should leave that to the law already. After all, we are sure that there is a provision in the law regarding what will happen upon the dissolution of a nonstock and nonprofit corporation.

MR. DAVIDE: That may be true if the provision in the Constitution is subject to the qualification as may be

provided by law, in respect to the rule on the distribution of the assets upon the dissolution of the corporation or upon the cessation of its existence prior to its expiry date.

So, may I make a reservation to propose an amendment after the approval of the Suarez proposal regarding the rule on assets?

MR. TREÑAS: We shall hear that. In the meantime, I think we are ready to vote on the Suarez amendment which was already discussed exhaustively.

MR. RAMA: Commissioner Suarez will restate his amendment.

MR. SUAREZ: Thank you.

Here is the proposed amendment: "ALL REVENUES AND ASSETS OF nonstock, nonprofit educational institutions USED ACTUALLY, DIRECTLY AND EXCLUSIVELY FOR EDUCATIONAL PURPOSES shall be exempt from taxes and duties."

VOTING

THE PRESIDENT: As many as are in favor of this proposed amendment, please raise their hand. (Several Members raised their hand.)

As many as are against the amendment, please raise their hand. (No Member raised his hand.)

The results show 32 votes in favor and none against; the Suarez amendment is approved.

MR. RAMA: Madam President, I would like to ask the committee one or two questions regarding the definition of "educational institutions." There are many fake educational institutions that tend to set themselves up for purposes of availing themselves of tax exemption. So I hope that the committee would definitely define "educational institutions" not to include correspondence schools.

MR. VILLACORTA: Educational institutions would refer to those with a certificate of authority from the Ministry of Education, Culture and Sports.

MR. RAMA: Nevertheless, these educational institutions do not include those kinds of nonstandard education, like the widening of the mind normally set up by the gurus. One of these educational institutions often go into some incantation saying dai-lama dai-lama. I think these are not the institutions that should be included here.

MR. VILLACORTA: They are not accredited by the ministry. We are only talking about accredited educational institutions, accredited in the sense of having been given a certificate of authority.

THE PRESIDENT: We will now proceed to the second sentence.

MR. VILLACORTA: The second sentence, Madam President, reads: "Proprietary AND COOPERATIVELY-OWNED educational institutions MAY BE entitled to SUCH exemptions provided they limit stockholders' dividends as the law may provide."

MR. RAMA: Madam President, may I ask that Commissioner Ople be recognized to amend this particular sentence?

THE PRESIDENT: Commissioner Ople is recognized.

MR. OPLE: Madam President, after the phrase "limit stockholders' dividends," I propose to insert the phrase "AND REINVEST THE MAJOR PART OF THEIR EARNINGS IN THE INSTITUTION." So in its entirety, the

sentence will read: "Proprietary AND COOPERATIVELY-OWNED educational institutions MAY BE entitled to SUCH exemptions provided they limit stockholders' dividends AND REINVEST THE MAJOR PART OF THEIR EARNINGS IN THE INSTITUTION as the law may provide."

Madam President, in a sense, the original phrase "limit stockholders' dividends" may already be self-sufficient. But since this involves blanket exemptions from taxes and duties involving a major concession from the people, I think we should not stop short of saying "limit stockholders' dividends." After limiting the stockholders' dividends, we may have a situation where stockholders will borrow from the reserve which they sometimes invest indefinitely in the money market for the unearned increment. So when Congress considers the enabling law for this sentence in subsection (c), then they will be guided by a more rigorous standard for granting tax exemptions for proprietary institutions. That is to say not only to limit stockholders' dividends, but also to reinvest the major part of their earnings in the institution as the law may provide.

MR. TREÑAS: Madam President, may I ask a clarificatory question? What is the Commissioner's concept of the phrase "major part"?

MR. OPLE: After deducting the limited dividends, I suppose the major part of what is left of the earnings or of the retained earnings should be reinvested in the institutions.

MR. TREÑAS: Thank you.

MR. VILLACORTA: The committee accepts the amendment.

MR. MONSOD: Madam President.

THE PRESIDENT: Commissioner Monsod is recognized.

MR. MONSOD: May I ask the honorable Commissioner a question?

MR. OPLE: Yes.

MR. MONSOD: Are we saying in this provision that the limitations will only be those related to stockholders' dividends and reinvestment? Are we saying that Congress may not impose limitations other than those two?

MR. OPLE: These are not all inclusive, Madam President. They constitute minimum standards.

MR. MONSOD: I ask so because the Congress may consider salaries of the officers, borrowings of the officers from the funds at subsidized interest rates and so on, and by just enumerating these two limitations unless we are saying not exclusively or something like that, then it seems that we are telling Congress that as long as these two limitations are there it is all right to grant exemptions.

MR. OPLE: Yes. As I said these are minimum standards established by the Constitution and certainly will not prevent Congress from stipulating other limitations if they so wish within the spirit of these limitations provided in this section as amended.

MR. MONSOD: I am going to suggest saying that proprietary educational institutions may likewise be entitled to similar exemptions subject to the limitations provided by law, which gives Congress all the leeway to provide the limitations without seeming to limit them to these two types. And if the Commissioner wants, we can add "SUCH AS" or "INCLUDING" and so on.

MR. OPLE: I will have no difficulty with that. May I invite Commissioner Monsod to help me reword this text for the consideration of the committee?

MR. RODRIGO: Madam President.

THE PRESIDENT: Commissioner Rodrigo is recognized.

MR. RODRIGO: Just one or two questions. Does "proprietary educational institutions" include single proprietorship?

MS. ROSARIO BRAID: Yes.

MR. RODRIGO: Does it also include partnerships?

MS. ROSARIO BRAID: Yes.

MR. RODRIGO: Does it include nonstock corporations or associations?

MS. ROSARIO BRAID: Yes.

MR. RODRIGO: If the exemption will be based on the limit to stockholders' dividends, then single proprietorship, partnership and association have no stockholders.

MR. OPLE: Yes. That is quite correct.

If the Chair will be kind enough to grant us one minute to compare notes, we would appreciate it.

SUSPENSION OF SESSION

THE PRESIDENT: The session is suspended.

It was 4:19 p.m.

RESUMPTION OF SESSION

At 5:03 p.m., the session was resumed.

THE PRESIDENT: The session is resumed.

MR. RAMA: Madam President, I ask that Commissioner Ople be recognized for his pending amendment.

THE PRESIDENT: Commissioner Ople is recognized.

MR. OPLE: Thank you, Madam President.

May I read this amendment as already agreed upon by all the parties concerned and cleared by the members of the committee. The second sentence of subparagraph (c) will read as follows: "Proprietary educational institutions INCLUDING THOSE COOPERATIVELY-OWNED may LIKEWISE be entitled to such exemptions SUBJECT TO THE LIMITATIONS PROVIDED BY LAW INCLUDING RESTRICTIONS ON dividends AND PROVISIONS FOR REINVESTMENT." This combines contributions made by Commissioners Monsod, Nollado and myself.

May I seek the committee's approval, Madam President.

MR. VILLACORTA: The committee accepts the amendment.

MR. OPLE: Thank you.

VOTING

THE PRESIDENT: We will proceed now to vote on this proposed amendment which has been accepted by the committee.

As many as are in favor of the proposed amendment, please raise their hand. (Several Members raised their hand.)

As many as are against, please raise their hand. (No Member raised his hand.)

As many as are abstaining, please raise their hand. (One Member raised his hand.)

The results show 27 votes in favor, none against and 1 abstention; the proposed amendment is approved.

MR. VILLACORTA: Madam President, Commissioner Rosario Braid has an amendment that if approved will be a new subsection for the article.

THE PRESIDENT: Following subsection (c)?

MR. VILLACORTA: That is right, Madam President.

MR. DAVIDE: Madam President.

THE PRESIDENT: Commissioner Davide is recognized.

MR. DAVIDE: I have an anterior amendment related to the very section that was subject of the Ople amendment. After the Ople amendment, add the following new sentence: "UPON THEIR DISSOLUTION OR CESSATION OF THEIR CORPORATE EXISTENCE ASSETS OF NON-STOCK AND NON-PROFIT INSTITUTIONS SHALL BE DISPOSED OF IN THE MANNER PROVIDED BY LAW."

THE PRESIDENT: Is this acceptable to the committee?

MR. VILLACORTA: Will the Gentleman please repeat the amendment?

MR. DAVIDE: "UPON THEIR DISSOLUTION OR CESSATION OF THEIR CORPORATE EXISTENCE ASSETS OF NON-STOCK AND NON-PROFIT INSTITUTIONS SHALL BE DISPOSED OF IN THE MANNER PROVIDED BY LAW."

THE PRESIDENT: Commissioner Bacani is recognized.

BISHOP BACANI: Madam President, may the honorable Commissioner yield to just one question. Is that not yet provided in the present . . .

MR. DAVIDE: Madam President, under the Foundation Law, there is a provision. But if organized as a nonstock corporation under the Corporation Code, there is none.

BISHOP BACANI: Thank you.

MR. NOLLEDO: Point of information, Madam President.

THE PRESIDENT: Commissioner Nolleddo is recognized.

MR. NOLLEDO: Under the Corporation Code, there is a provision on nonstock corporations: that the assets shall be used for the same purposes as originally contemplated. So, it will enure to the benefit of institutions doing the same job; meaning, to engage in the business of education. In the absence of this provision, it will enure to the benefit of the municipality or city or the place where the institution is located.

Thank you, Madam President.

MR. DAVIDE: I do not think that particular provision would apply specifically to nonstock, nonprofit educational institutions. The proposal is precisely to govern these particular nonprofit and nonstock educational institutions.

THE PRESIDENT: What does the committee say?

MR. TREÑAS: May we suggest that that particular provision be inserted after this first sentence, not in the last, so that it will refer to nonstock, nonprofit educational institutions.

MR. DAVIDE: My proposal is the last because the Ople amendment is very much related to the first on exemptions. After all, we describe this as nonstock and nonprofit, referring again to the corporation mentioned in the first sentence of the subsection.

We will leave it to the Style Committee.

MR. TREÑAS: It is all right.

THE PRESIDENT: How will the amendment read?

MR. DAVIDE: It will read, Madam President, as follows: "UPON THEIR DISSOLUTION OR CESSATION OF THEIR CORPORATE EXISTENCE ASSETS OF NON-STOCK AND NON-PROFIT INSTITUTIONS SHALL BE DISPOSED OF IN THE MANNER PROVIDED BY LAW."

THE PRESIDENT: Is that clear enough, Commissioner Treñas?

MR. TREÑAS: Yes, Madam President, because the amendment of Commissioner Ople refers to proprietary educational institutions and cooperatives.

MR. DAVIDE: I have no objection, if that is the desire of the committee.

MR. TREÑAS: We accept the amendment.

VOTING

THE PRESIDENT: As many as are in favor of the Davide amendment, please raise their hand. (Several Members raised their hand.)

As many as are against, please raise their hand. (No Member raised his hand.)

As many as are abstaining, please raise their hand. (Two Members raised their hand.)

The results show 23 votes in favor, none against and 2 abstentions; the Davide amendment is approved.

MS. ROSARIO BRAID: Madam President.

THE PRESIDENT: Commissioner Rosario Braid is recognized.

MS. ROSARIO BRAID: May I now propose my amendment which will be Section 3 (c)? I started this earlier but the prevailing viewpoint was that this be treated as a separate section. This is an amendment proposed by the committee, together with Commissioner Sarmiento, copies of which I distributed to the Members last Saturday. It reads: "THE STATE SHALL ESTABLISH AND STRENGTHEN VOLUNTARY COMMUNITY LEARNING CENTERS INCLUDING PRESCHOOLS AND FACILITATE DEVELOPMENT OF INNOVATIVE APPROACHES BASED ON THE UNIQUE CAPABILITIES OF THE COMMUNITY AND THE LEARNERS." I explained this amendment earlier but I will be happy to summarize, if the Commissioners so desire.

The concept of "voluntary" here means that initiative would come from private organizations, families and community members. There are experiments on livelihood activities going on now for those especially gifted, for slow learners, for communities in the periphery of regions, such as the Bayanihan Schools Grassroots Development Institute, ACC Foundation, INNOTECH, and a dozen of others. But the intent is to tailor learning to the community's social and economic needs. We mentioned earlier that we would like to link this to development planning because in several studies undertaken, the dearth of community learning centers has been found to be one of the problems in effecting municipal development planning and barangay development planning. The schools were often so far away from the village and so, there is really a need for community learning centers.

If this provision is accepted, this would mean conversion of government offices, settlements, PNOC offices that are located in the communities into learning centers. This would also mean broadening preschools — that they are not only located in the urban areas but also in the communities. We all know that discipline and independence are taught at this early stage. Most importantly, the intent is to come up with innovative approaches that are tailored to individual needs; so, this provision seeks to strengthen and to democratize education in the community.

Thank you, Madam President.

MR. NOLLEDO: Madam President, just a few questions.

THE PRESIDENT: Commissioner Nollado is recognized.

MR. NOLLEDO: Thank you, Madam President.

When we talk of learning centers, are centers for vocational efficiency included?

MS. ROSARIO BRAID: Yes, Madam President, they would be.

MR. NOLLEDO: Would the Commissioner include small cottage industries?

MS. ROSARIO BRAID: Yes, Madam President.

MR. NOLLEDO: Handicrafts, for example.

MS. ROSARIO BRAID: Yes. Livelihood concerns small cottage industries.

MR. NOLLEDO: Therefore, when the Commissioner talks of learners, she also talks of employees who are being trained to do handicraft or other vocational work?

MS. ROSARIO BRAID: Yes, Madam President.

MR. NOLLEDO: Therefore, these jobs should be coordinated with the Ministry of Labor and Employment.

MS. ROSARIO BRAID: With the National Manpower and Youth Council, because the intent is also to encourage private initiative together with the MOLE's effort.

MR. NOLLEDO: Therefore, the purpose of this amendment is also to promote economic and social progress within the localities?

MS. ROSARIO BRAID: Yes, and to complement these economic activities with what we call social learning. They learn how to live within the community's self-reliance by possessing certain skills.

MR. NOLLEDO: Therefore, the provision is also designed to foster what we call cooperativism.

MS. ROSARIO BRAID: Yes.

MR. NOLLEDO: Thank you very much.

MR. PADILLA: Madam President.

THE PRESIDENT: The Vice-President, Commissioner Padilla, is recognized.

MR. PADILLA: May I propound one or two questions? Will this proposed section not be covered by the phrases I wanted to use; namely, formal, nonformal, informal, indigenous and self-learning?

MS. ROSARIO BRAID: Yes, but it is more than that. It also covers formal in the sense that this provision can be credit courses and provides mothers the opportunities to get together, establish schools and design the curriculum for their preelementary or elementary school children. This is credited and accepted by the ministry; this is a formal class but with an innovative feature because instead of accepting the curriculum that has been imposed by the ministry, they design their own curricula. As a matter of fact, there are experiments going on, not just on nonformal education but also on formal education.

MR. PADILLA: Yes, but the previous words included not only formal, nonformal, informal, indigenous and self-teaching.

MS. ROSARIO BRAID: Yes.

MR. PADILLA: So why qualify it with the words "unique and innovative"?

MS. ROSARIO BRAID: The concept of unique capabilities here takes into consideration that pupils and students have different capabilities in learning. Some are slower than the others perhaps because they come from barrios and, being deprived of information, do not easily grasp concepts that are given in a very uniform curriculum. Some also have special problems; some are more advanced than the others. But we have to submit that the present curriculum is very homogeneous and does not take into consideration the different aptitudes and capabilities of learners.

MR. PADILLA: I feel it is unnecessary and already covered by the previous words "apply to education."

MR. DAVIDE: Madam President.

THE PRESIDENT: Commissioner Davide is recognized.

MR. DAVIDE: Just some clarificatory questions. Did I hear it correctly that as worded the proposal will read: "THE STATE SHALL ESTABLISH AND STRENGTHEN VOLUNTARY COMMUNITY LEARNING CENTERS INCLUDING PRESCHOOLS"? The question is, the Commissioner included the word "ESTABLISH."

MS. ROSARIO BRAID: This was an amendment by Commissioner Sarmiento, but I see the point of the Gentleman that the original word is "STRENGTHEN." But the point of Commissioner Sarmiento is that preschools do not yet exist except in urban centers.

MR. DAVIDE: So the committee has accepted the Sarmiento amendment to include the word "establish"?

MS. ROSARIO BRAID: Yes, Madam President.

MR. DAVIDE: If this will be as such, it will, therefore, be mandatory upon the State to provide preparatory schools for pupils less than the school age of seven.

MS. ROSARIO BRAID: Yes, Madam President.

MR. DAVIDE: So, these will be special schools for Filipino citizens from 4 years old to 6 years old?

MS. ROSARIO BRAID: Yes, Madam President.

MR. DAVIDE: Has the committee studied the possibility of the number of preschoolers who will have to be enrolled in these community learning centers?

MS. ROSARIO BRAID: I think the intent of this provision is to encourage private initiative.

MR. DAVIDE: But the provision now with the Sarmiento amendment is that the State will have establish these preschools; therefore, it would be more expensive than maintaining a complete compulsory elementary school because there are more who are below 7 years old?

MS. ROSARIO BRAID: The Gentleman is right. So after looking at the provision, we would like to maintain the word "VOLUNTARY" — that this is initiative of the private enterprise — and delete the word "ESTABLISH."

MR. DAVIDE: Thank you for that information. So will it now stay as originally worded?

MS. ROSARIO BRAID: Yes.

MR. NOLLEDO: Madam President, may I speak in favor of the amendment.

THE PRESIDENT: Commissioner Nolleddo may proceed.

MR. NOLLEDO: Thank you, Madam President.

I think many Rosario Braid proposals are innovative in nature, that is why those proposals find unjustified resistance on the part of some Commissioners, with due respect to them. Madam President, I think that Rosario Braid proposal will involve the youth in the affairs of the community. When we say "including preschools," we do not mean that we cannot establish some sort of vocational work that will be fostered among the members of the community. Secondly, it will diversify local activities. I ask the Members of the Commission to take note of what happened in Negros when the people who were used only to doing work in the sugarcane fields experienced hunger and privation when the sugar industry failed because of maladministration on the part of President Marcos and his cronies, and there was no diversification. The learning centers will diversify activities in the local communities. They will learn handicrafts, promote vocational efficiency, etc.

The third reason for supporting the amendment is that it will destroy the passivity of the members of the community. We cannot deny that in many areas of the Philippines, if not in all areas of the Philippines, after harvesting rice or crops peculiar to the community, the people stay put in their respective houses without anything to do except perhaps to make children and increase the population of the Republic of the Philippines. So I ask the Members of the Commission to please support this amendment because it will revolutionize the local scene in the Philippines. Diversification of activities is very important in the economic life of the nation, Madam President.

Thank you very much.

THE PRESIDENT: Commissioner Sarmiento is recognized.

MR. SARMIENTO: Madam President, may I speak in favor of the revolutionary approach, the creation or establishment of preschools. Psychological studies support the concept of preschool education. Experimental and quasi-experimental studies made by psychologists as well as clinical studies made by psychoanalysts lead to one conclusion. The first five years of childhood are very crucial in determining behavior and reaction patterns in our adult life. Psychoanalysts have discovered that experiences in one's early childhood influence a person's behavior even 50 years later. All these psychological axioms, therefore, lead us to another intelligent conclusion and that is, preschool or pre-elementary education is vitally important. This is the stage where one's intellectual and emotional foundations are built. Higher education with a weak foundation is no education at all. Little need be said regarding this matter for we cannot belabor the obvious. Then we have this UNESCO study and the study

revealed that preschool education has the following advantages: First, it increases chances of success in elementary education, and second, it increases the ability of pupils to learn new skills. Even the Bureau of Elementary Education of the Ministry of Education, Culture and Sports is supportive of preschool education.

Dr. Juanita Guerrero, director of the Bureau of Elementary Education, said that preschool education will pave the way for increased skills and awareness of our pupils in the Philippines.

Thank you, Madam President.

MR. RAMA: Madam President, I ask that Commissioner Monsod be recognized.

THE PRESIDENT: Commissioner Monsod is recognized.

MR. MONSOD: Madam President, I would like to suggest an amendment to make the provision a little more within our reach. I suggest that the paragraph be rephrased to say: "THE STATE SHALL PROMOTE VOLUNTARY COMMUNITY LEARNING CENTERS WITHIN THE FINANCIAL RESOURCES OF THE GOVERNMENT TO FACILITATE THE DEVELOPMENT OF LOCAL EDUCATIONAL CAPABILITIES."

MS. ROSARIO BRAID: As long as the amendment includes the concept of preschool education and the notion of innovative approaches which will differ from the traditional approaches.

MR. MONSOD: Yes, Madam President, I believe that the general statement would be sufficient and the Commissioner can read into the record the types and configurations and refinements that would be included within the concept. Once we start enumerating, we may not be exhaustive.

THE PRESIDENT: Will the Gentleman read again his amendment?

MR. MONSOD: "THE STATE SHALL PROMOTE VOLUNTARY COMMUNITY LEARNING CENTERS WITHIN THE FINANCIAL RESOURCES OF THE GOVERNMENT TO FACILITATE THE DEVELOPMENT OF LOCAL EDUCATIONAL CAPABILITIES."

MS. ROSARIO BRAID: Yes. This will include the notion of government partnership with private foundations and private initiatives, the notion of linking existing resources of government with resources that can be tapped for these learning centers, like I did mention earlier.

MR. MONSOD: Yes, Madam President, because I think what is important is for us to say that it must be within the financial capabilities of the government because we have other priorities.

MR. OPLE: Madam President, will Commissioner Monsod yield to a question?

MR. MONSOD: Yes, Madam President.

THE PRESIDENT: Commissioner Ople is recognized.

MR. OPLE: Thank you.

When we speak of voluntary centers of learning, why do we talk about funding by the State? The way I understand it, when a learning center or an equivalent institution is voluntary, then it is private and civic in character and need not involve any cost to the government.

MR. MONSOD: I am putting it in the context of fact that the government will have to do something in promoting it, perhaps by making available facilities or assisting them in funding or things like that. I am amenable to removing the word "FINANCIAL" so that it says "WITHIN THE RESOURCES OF GOVERNMENT" to impart the idea that this should not be an unnecessarily additional burden to the government because we already have so

many other priorities.

MS. ROSARIO BRAID: Madam President, one clarificatory question of the proponent. Will this mean that one responsibility of the government will be to rechannel funding from UNESCO, Food Agriculture Organization, and other relevant funding agencies to nongovernmental organizations that will be involved in implementing community learning centers? This means that the NEDA, as the agency that will coordinate all the financial contributions for social development, should channel the funds.

MR. MONSOD: When there is a fixed amount of resources available to the country and it is not increased by reason of this provision, then it is a matter of allocation, and that is a matter of priorities. If, however, there are additional resources that will only be available for these types of education, then I agree with the Gentleman that they are available. Otherwise, it is a matter of allocation. As a matter of fact, my original thinking was to say "at no additional cost to the government." I am also willing to restate it in that manner, Madam President.

MR. OPLE: Madam President, what do we mean by releasing local educational capabilities?

MR. MONSOD: "TO FACILITATE THE DEVELOPMENT OF LOCAL EDUCATIONAL CAPABILITIES," Madam President.

MR. OPLE: That sounds somewhat abstract. "LOCAL EDUCATIONAL CAPABILITIES" may actually be all-encompassing to include every educational capability; whereas, I think we are dealing with a relatively modest proposal concerning voluntary community learning centers. Can we delete the final clause in the proposed amendment?

MR. MONSOD: How does the Gentleman propose to restate it now?

MR. OPLE: "THE STATE SHALL PROMOTE VOLUNTARY COMMUNITY LEARNING CENTERS," and probably end there.

MR. MONSOD: Without additional cost to the government?

MR. OPLE: Yes. I think if it is voluntary, then the cost to the government should be the incidental cost of promoting it.

MR. MONSOD: I accept the amendment, Madam President. "THE STATE SHALL PROMOTE VOLUNTARY COMMUNITY LEARNING CENTERS WITHOUT ADDITIONAL COST TO THE GOVERNMENT."

THE PRESIDENT: Is this acceptable to the committee?

MR. RAMA: It is accepted by the committee.

MR. VILLACORTA: It is accepted by the committee.

THE PRESIDENT: So, we can proceed to vote.

MR. DAVIDE: Madam President, before the vote is made.

THE PRESIDENT: Commissioner Davide is recognized.

MR. DAVIDE: If there is the proviso that it will entail no cost to the government, we should rather not have it. It means nothing.

SUSPENSION OF SESSION

THE PRESIDENT: The committee will please deliberate over this matter.

The session is suspended for a few minutes.

It was 5:34 p.m.

RESUMPTION OF SESSION

At 5:39 p.m., the session was resumed.

MR. MONSOD: Madam President.

THE PRESIDENT: Commissioner Monsod is recognized.

MR. MONSOD: We had a conference with the committee and it is our understanding that the nonformal type of education includes the voluntary community learning systems and we would, therefore, encourage the original proponent of this amendment to explain and read that into the record. With that, it will not be necessary to have a separate provision and, therefore, I am withdrawing my amendment.

THE PRESIDENT: So, what is before the body now is the proposed amendment of Commissioner Rosario Braid. Is that correct?

MS. ROSARIO BRAID: Yes.

THE PRESIDENT: Has this been already explained by Commissioner Rosario Braid?

MS. ROSARIO BRAID: Yes. The deliberations on this particular provision will be read into the record in support of the provision on nonformal education, but we would like to emphasize that what we are proposing now is a tangible, implementable project called a "community learning center" so that Congress could give priority to the promotion of voluntary efforts in establishing community learning centers, including preschools.

THE PRESIDENT: May we have now the proposed amendment of the Commissioner so that the body can vote on it, unless there are other comments.

MS. ROSARIO BRAID: Madam President, we will just read this concept into the record for the provision earlier approved on nonformal education.

MR. VILLACORTA: Madam President, Commissioner Rosario Braid is not insisting on her amendment. So, there is no need to vote on it.

MR. RAMA: Madam President, I ask that Commissioner Tingson be recognized for an amendment on subsection (d).

THE PRESIDENT: Commissioner Tingson is recognized.

MR. TINGSON: Commissioners Regalado, Maambong and this Representation join hands in proposing to the committee that we delete subsection (d) of this particular section on page 3, lines 16 to 18 which reads:

The State shall not interfere with the right of every citizen to select a profession or course of study, subject to admission and selection requirements.

We, Commissioner Maambong and I, feel that Section 1, as already approved, amply takes care of the sense of his particular subsection. Section 1 says:

The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all.

May I add, Madam President, that in point of language and in point of its nonnecessity, this Representation feels that probably we should really delete that. I do not seem to like the word "interfere" — "The State shall not interfere with the right of every citizen." I would rather use the sense of reinforcement, not to interfere but to inspire. I like Section 1 because it says something positive — "to protect and to promote the rights." It does not use the word "interfere." This particular subsection (d) is negative but Section 1 which says "it shall take appropriate steps to make education accessible to all" is positive. And so, Madam President, we respectfully suggest to the committee that we delete subsection (d).

MR. OPLE: Madam President.

THE PRESIDENT: Commissioner Ople is recognized.

MR. OPLE: Will either the committee or Commissioner Tingson respond to a question or two concerning this subsection (d)?

MR. TINGSON: Gladly, Madam President.

MR. OPLE: Thank you.

This paragraph seems to establish in the Constitution the principle of freedom of choice of individual citizen with respect to a profession or course of study. I suppose this is related to the freedom to choose one's career, the freedom to choose one's own employment, ultimately, the freedom to choose the kind of lifetime work to which he will dedicate himself. Is this sense of the freedom of choice sufficiently reflected in Section 1 this Article on Education, Madam President?

MR. TINGSON: Madam President, this Representation feels — and I think I also express the feelings of my coproponent here, Commissioner Maambong — that the phrase "The State . . . shall take appropriate steps to make such education accessible to all" would take in naturally the desire of everyone to select whatever profession or course of study he would like to pursue.

MR. GASCON: The committee does not believe that the intent is covered by Section 1, the issue of freedom of choice. What we seek to avoid is a situation where the State imposes on the individual what course or degree or profession he should choose. It may be true that the State may make education accessible to an individual but the State may also say, "This is the only course you can choose." Therefore, it is making education accessible, but not providing any choice.

MR. OPLE: I think access acquires a democratic meaning when it is taken in the context of access to several choices, the final choice being made by the individual citizen. I think this is a valid constitutional principle, the right to freedom of choice with respect to the lifetime career and work to which a young citizen will devote himself. But at the same time, may I call the attention of the committee to the fact that having granted this freedom of choice, there is an immediate check on the freedom of choice by saying that this is subject to admission and selection requirements.

In the context of the NCEE, we all know that it is a mandatory interference of the State on the freedom of choice of high school graduates. May I also point out that because of this, about 70 percent passed and 30 percent flunked. In Metro Manila, in the National Capital Region, the passing grade is 97 percent; in the outer regions the passing grade is 70 percent. Therefore, through the NCEE, the State effectively interferes with the choice of a course of study by eliminating this 30 percent who flunked. Of course, we can always say there must be a uniform

standard. We cannot discriminate in favor of the people from Sulu and Tawi-Tawi or from, let us say, the Cordillera, whose passing mark is of course conspicuously lower; and yet in the Philippine Science High School, according to Commissioner Monsod, they now establish two thresholds of tests — of the rigor tests — for entrance purposes. One is for the city-bred — 60 and the other, for the provincial students — 40. Yet after six months, the provincial student who ranked at 40 very quickly catches up with the city-bred at 60, probably after some exposure to television, to newspapers or print media and to the intellectually stimulating environment of a city atmosphere.

So, there is that interference on the part of the State through the NCEE, which immediately negates the freedom of choice enshrined as a fundamental principle in the Constitution. Therefore, without prejudice to the action on the proposed amendment of Commissioner Tingson, should the committee insist on retaining this paragraph, I would like some amendment to follow it, which will merely say that the State may establish national qualifying examinations but which will consider interregional equity.

MR. SARMIENTO: Madam President, may I suggest that the committee insist on this amendment.

MR. GASCON: Yes.

MR. SARMIENTO: I was the principal author of a resolution adopted by the committee and which is now reflected in this committee report. This is now the resolution I filed together with Commissioner Nollado.

Madam President, we believe that the State should not interfere with the right of every citizen to select a profession. This is a reaction against the NCEE. This is our response to the popular clamor of students whom we consulted and who made this proposal.

MR. OPLE: Will Commissioner Sarmiento agree to the deletion of the clause "subject to admission and selection requirements," and then the addition of a sentence: "THE STATE MAY ESTABLISH NATIONAL QUALIFYING EXAMINATIONS BUT THIS SHALL BE SUBJECT TO INTER-REGIONAL EQUITY"?

MR. GASCON: Madam President, may the committee respond. During the period of interpellations, the committee expressed its consensus that at this point in time, there is a great need to review and reassess the NCEE. But we do not feel that we should make a final judgment on the NCEE here in this constitutional body, the Constitutional Commission; rather we should leave it up to Congress and the different branches of government, particularly the MECS, to initiate the review and study of this. In fact, there is a popular clamor from the students, teachers and others at this point in time leading towards this. There is a move towards a review of the NCEE as it is now to reflect the position that Commissioner Ople has expressed, providing for greater consideration of the interregional differences. That is why we feel that we should not make a final judgment on this in this body, but instead we have a consensus that there is definitely a need to review and reassess it.

THE PRESIDENT: The committee does not accept the proposed amendment of Commissioner Tingson because the amendment is to delete the provision.

MR. GASCON: Yes, Madam President, because we feel that this clause is very important to assure the students the freedom of choice. With regard to the point of Commissioner Ople, it is also true that the committee believes that competence and certain requirements are needed for tertiary education. However, what these requirements would be, we leave it up to Congress again. For example, what Commissioner Ople is contemplating, a national examination, may be one of them, but not the only one. So, the whole point is, when we speak of tertiary education, we must realize that there is some form of admission and selection requirements necessary to handle the competence of tertiary education. So, we cannot accept Commissioner Tingson's amendment because there is a need to assure the students of this freedom of choice which is not present in Section 1. We feel that we should

avoid a situation where the State will impose on the student what he or she must take.

MR. TINGSON: Madam President.

THE PRESIDENT: Commissioner Tingson is recognized.

MR. TINGSON: May I just make a manifestation that I am in agreement with the sentiments expressed by Commissioner Ople about the NCEE and the whole philosophy behind it, because this is one of our concerns in my small school in Negros Occidental. About the amendment I am proposing, I must confess I am wavering on it, and I am going to leave it now to my cosponsor, Commissioner Maambong.

MR. OPLE: Before I leave the podium, Madam President.

THE PRESIDENT: Excuse me, let us settle this question first. Is Commissioner Tingson withdrawing his proposed amendment to delete?

MR. TINGSON: No, Madam President.

THE PRESIDENT: Because if that is withdrawn, then we can present amendments to this particular section.

What is the pleasure of Commissioner Maambong?

MR. MAAMBONG: Madam President, we request a vote.

THE PRESIDENT: On whether to delete or not to delete the subsection?

MR. MAAMBONG: Yes, Madam President.

MR. GASCON: The committee does not accept the proposed amendment.

VOTING

THE PRESIDENT: As many as are in favor of deleting subsection (d) as proposed by Commissioners Tingson and Maambong, please raise their hand. (Few Members raised their hand.)

As many as are against, please raise their hand. (Several Members raised their hand.)

As many as are abstaining, please raise their hand. (One Member raised his hand.)

The results show 12 votes in favor, 14 against and 1 abstention; the proposed amendment is lost.

We are now ready for amendments to subsection (d) of the committee report.

Commissioner Ople is recognized.

MR. OPLE: Will the committee consider stopping the sentence after the word "study"? "The State shall not interfere with the right of every citizen to select a profession or course of study." Since we are establishing a principle of freedom of choice, we do not need to burden this with qualifications. It is understood that there will be selection and admission requirements. I wanted very much to find out whether the committee could, after all, accommodate this sentence about the NCEE that will make this provision more meaningful. We are not abrogating the NCEE, neither are we enacting a law about the NCEE. So, my proposal is to insert the sentence: "THE STATE MAY ESTABLISH QUALIFYING EXAMINATIONS SUBJECT TO INTER-REGIONAL EQUITY" after the first sentence which shall read: "The State shall not interfere with the right of every citizen to select a profession or course of study."

MR. VILLACORTA: Just a question, Madam President.

THE PRESIDENT: Commissioner Villacorta is recognized.

MR. VILLACORTA: Would this amendment of the Gentleman sanction a student who insists on being accepted to a college or university even if he flunked the entrance examination?

MR. OPLE: No, Madam President. His is the freedom of choice. But that does not include the right to insist on being admitted if he has flunked the entrance examination.

MR. VILLACORTA: Another question, Madam President. With the amendment, may a student who is already enrolled insist that he be retained in the university even if he flunked his subjects?

MR. OPLE: No, certainly not, because that would be an abuse of the freedom of choice.

MR. VILLACORTA: Because if the freedom to choose one's profession is guaranteed without any qualification, then somebody who is in medical school but who did not meet the academic requirements of that medical school may invoke this provision and say, "We have the right to choose our profession and no one can infringe upon that right."

MR. OPLE: The freedom of choice may not be imposed especially where the rules are clear, and I think the rules of a university are binding on the students.

MR. GASCON: Madam President, basically, the questions of the chairman are with regard to the proposal to delete. The intent of the issue is that subject to admission and selection requirements, this freedom of choice is directed at the student to realize that when he has that choice to choose his profession or career, he is still subject to the admission and academic requirements of that particular course.

MR. OPLE: Yes. I wanted to help the committee strengthen this principle of freedom of choice which is somewhat vitiated when we have to put a string of qualifications.

MR. GASCON: The point of the Gentleman is that this line is already assumed and it is a basic premise.

MR. OPLE: Yes, exactly.

THE PRESIDENT: Commissioner Rama is recognized.

MR. RAMA: Madam President, I would like to speak against the proposal of Commissioner Ople. His idea is to have two or three sets of ratings, passing grades. For those who live in Manila, he said, higher grades should be required. To those who live in the rural areas, they can pass with lower grades. I do not know if there is any educational system of that sort anywhere in any civilized country because that would be solving the symptom rather than the disease. If people outside of Manila cannot make it, we should not make them pass because they live outside of Manila or they have no better opportunities. The cure there is to upgrade the schools so that they can come up to the standards of education.

In the whole Article on Education, we were emphasizing quality education, and this proposal would be a deterrent to quality education. It would be like the old preposterous laws in Congress where, if one is a veteran and he takes an examination for teachers, because of the gratefulness of the country, he is given an extra seven or ten percent in order to pass. The result was an army of misfits in the educational system, incompetent teachers producing incompetent graduates. We must emphasize quality education and we have to work hard. Instead of trying to solve these symptoms, we have to go to the disease and upgrade the school system outside of Manila because it has been shown that there are schools outside of Manila that produce students far superior to those students produced in Manila in terms of examinations. And if we follow the logic of Commissioner Ople, then we will have to have two sets of gradings for lawyers: lawyers who study in Manila and lawyers who study in the rural

areas and who should get only 60 percent. What kind of professionals will we have if we follow the logic of Commissioner Ople?

MR. OPLE: At the time I cited a concrete example of what "equity" can mean in this context, I think the Floor Leader was not in the hall. But I did point out that in the case of the Philippine Science High School, they actually start with two thresholds — one for those coming from the metropolitan areas and another for those coming from the outer provinces and regions; one begins at 40, the other at 60. After six months, those 40 catch up with those at 60, which probably is a function of the difference in the availability of information facilities between a highly urbanized area and an economically backward traditional area. And I think this experiment in the Philippine Science High School — I owe it to Commissioner Monsod who apparently had followed up this development in the Philippine Science High School — is a kernel of an idea for Congress in the future to consider, but we have to give them the principle. That is why, in connection with the review of the NCEE, we are saying that when Congress does enact the law that will implement the review of the NCEE, they should take account of these differences between highly urbanized and the more remote hinterland areas of the country.

I can agree with Commissioner Rama. There are many bright people in the hinterlands. When they come to Manila, they start with a handicap; but give them just a little time, and they catch up with their city-bred peers. And so, it is this kind of equity that I ask for. We do not need it in Bulacan. Commissioner Rama does not need it in Cebu; but without denigrating Palawan — not Puerto Princesa — I think it is needed in that very long island spanning Luzon and Sabah, and perhaps, Tawi-Tawi and Sulu, and maybe a lot of Mindanao province. It is not a function of the Constitutional Commission now to segregate those areas that should be given a kind of a lower threshold in equity. But Congress, following the experiment in the Philippine Science High School, will be able to proceed farther than that.

So that is my proposed amendment, Madam President, and I submit

MR. DAVIDE: Madam President.

THE PRESIDENT: Commissioner Davide is recognized.

MR. DAVIDE: This is an amendment to the proposed amendment of Commissioner Ople, taking into account the observation of Commissioner Rama. My proposal is to insert the words "REASONABLE AND FAIR" before "admission," and the words "AND RETENTION" after "selection." So the phrase will read: "subject to REASONABLE AND FAIR admission, selection AND RETENTION requirements."

The problem of Commissioner Ople will be taken care of by the words "REASONABLE AND FAIR." Congress may now formulate the necessary guideline for the possibility of giving equitable considerations to graduates of hinterland barangay areas. Because if we provide for his proposal, it is really very counterproductive. Not only is it not promotive of quality education all over, but there is the possibility that students urban areas, in order to be able to pass an examination, will enroll now in a rural area in order not to be subjected to the higher qualifications required for urban cities.

MR. OPLE: That is probably exacerbating the possibilities, but I could admit Commissioner Davide's proposal if this is applied to the national qualifying examination rather than merely to school level entrance examinations.

THE PRESIDENT: Is the Davide suggestion acceptable?

MS. ROSARIO BRAID: Madam President, may I just ask one questions.

MR. OPLE: May I reply to the Chair. I had proposed to Commissioner Davide, but he was in conference apparently.

MR. DAVIDE: I am sorry, Madam President. May I have it again.

MR. OPLE: Yes. If these qualifications of the entrance examinations can be transposed to the national qualifying examinations from the individual school level, then I will be happy to entertain the amendment to the amendment.

MR. DAVIDE: In which case, we will be constitutionalizing the NCEE. The idea is to, in a very subtle way, provide for the possibility of a review or reassessment of the NCEE requirements.

MR. OPLE: Yes. We do not refer to the NCEE but to a national qualifying examination.

MS. ROSARIO BRAID: Does Commissioner Ople mean that he will have to do away with the NCEE?

MR. OPLE: No.

MS. ROSARIO BRAID: Would his amendment also mean that this is a mandate to improve the NCEE's methods of evaluating native intelligence, coming up with more culturally appropriate methods of assessing the potentiality of, say, a barrio girl in Samar?

MR. OPLE: Yes. It can lead to a very exciting review of various components of the NCEE, including the equity components.

MS. ROSARIO BRAID: Then the more important aspect of this is the methodology of assessment of potential intelligence and capability, rather than providing a differential treatment of those who live in the rural communities and the urban. It is more on improving the tools for evaluation of the NCEE.

MR. OPLE: Yes. If equity can be satisfied short of different thresholds, then I see nothing wrong in Congress going ahead with that.

MR. MONSOD: Madam President.

THE PRESIDENT: Commissioner Monsod is recognized.

MR. MONSOD: I was in favor of deleting the provision actually, but my problem is that this talks about the State, and we just said that 85 percent of the tertiary education is private schools. I was wondering whether we should really reformulate this to say: "EVERY CITIZEN HAS THE RIGHT TO SELECT A PROFESSION OR COURSE OF STUDY OF HIS CHOICE, SUBJECT TO REASONABLE ADMISSION, SELECTION OR ACADEMIC REQUIREMENTS AS MAY BE PROVIDED BY LAW."

MR. GASCON: What is Commissioner Davide's position? Is he willing to accept the transposition?

MR. DAVIDE: It is not really a transposition but instead of "RETENTION," Commissioner Monsod substituted it with "ACADEMIC." In short, the last clause will be "SUBJECT TO REASONABLE ADMISSION, SELECTION AND ACADEMIC REQUIREMENTS."

MR. OPLE: Which may also be applicable to national qualifying examinations.

MR. DAVIDE: Certainly, that could be the interpretation.

MR. GASCON: Is it "REASONABLE AND FAIR ADMISSION"?

MR. DAVIDE: Yes, "REASONABLE AND FAIR ADMISSION, SELECTION AND ACADEMIC REQUIREMENTS . . ."

THE PRESIDENT: How about the first portion, Commissioner Monsod, how does it read?

MR. MONSOD: Instead of saying "The State shall not interfere," it will read: "EVERY CITIZEN HAS THE

RIGHT TO SELECT A PROFESSION OR COURSE OF STUDY OF HIS CHOICE, SUBJECT TO . . ."

THE PRESIDENT: Instead of "shall not interfere"?

SUSPENSION OF SESSION

MR. MONSOD: Yes, Madam President. I was wondering if we can have a suspension of the session.

THE PRESIDENT: The session is suspended.

It was 6:11 p.m.

RESUMPTION OF SESSION

At 6:14 p.m., the session was resumed.

THE PRESIDENT: The session is resumed.

The Acting Floor Leader is recognized.

MR. GASCON: May we request that Commissioner Monsod be recognized.

THE PRESIDENT: Commissioner Monsod is recognized.

MR. MONSOD: As reformulated, the subsection will read: "EVERY CITIZEN HAS THE RIGHT TO SELECT A PROFESSION OR COURSE OF STUDY OF HIS CHOICE, SUBJECT TO FAIR, REASONABLE AND EQUITABLE ADMISSION AND ACADEMIC REQUIREMENTS, AS MAY BE PROVIDED BY LAW."

MR. OPLE: Before the committee acts, Madam President, may I just ask one question.

Is it the intent of Commissioner Monsod and the committee that the same principles of admission and selection might apply to the review of the national qualifying test, so that they may also take account of interregional equity considerations?

MR. MONSOD: Yes, Madam President.

MR. VILLACORTA: Yes, that is included in the interpretation.

MR. OPLE: Thank you, Madam President.

REV. RIGOS: Madam President.

THE PRESIDENT: Commissioner Rigos is recognized.

REV. RIGOS: Madam President, I wonder if Commissioner Monsod would be willing to delete the words "OF HIS CHOICE" since he used the word "SELECT" anyway.

MR. MONSOD: It is accepted, Madam President.

MR. RODRIGO: Madam President.

THE PRESIDENT: Commissioner Rodrigo is recognized.

MR. RODRIGO: Does the last phrase "AS MAY BE PROVIDED BY LAW" call for an act of the legislature? Can it not be by a department circular, a bureau order, or a Ministry of Education circular? There are experts in the Ministry of Education who, I think, are better qualified to judge this than the members of the legislature who are not expert educators. Why do we not just delete "AS MAY BE PROVIDED BY LAW" so that it can be either

by law or by department or bureau circular?

THE PRESIDENT: Is that acceptable, Commissioner Monsod?

MR. MONSOD: May I just consult with the other Commissioners?

MR. NOLLEDO: Point of information, Madam President.

THE PRESIDENT: Commissioner Nolleddo is recognized.

MR. NOLLEDO: I think the law may provide for a general provision authorizing the Ministry of Education to set forth the standards that can be done. When we talk of law, Madam President, we also talk of circulars issued pursuant to law, or within the competence of the Ministry of Education. So, when we talk of law there, we do not necessarily refer to an act or previous act of Congress. But we do not preclude Congress from passing a law that sets forth the standards under which the provision may be implemented by the Ministry of Education merely through circulars.

MR. RODRIGO: But when it says "AS MAY BE PROVIDED BY LAW," each law meets a legislative act.

THE PRESIDENT: In the report of the committee, there is even no requirement "AS MAY BE PROVIDED BY LAW." So that as worded, this would include what Commissioner Rodrigo says that it can be from the Ministry of Education or from the legislature.

MR. NOLLEDO: That is correct.

MR. RODRIGO: Why do we not delete "AS MAY BE PROVIDED BY LAW"?

MR. MONSOD: Madam President.

THE PRESIDENT: Commissioner Monsod is recognized.

MR. MONSOD: In view of the manifestation of Commissioner Rodrigo that deleting the phrase would mean it may be by law or by regulations of the ministry, we accept the amendment of Commissioner Rodrigo.

MR. RODRIGO: Thank you.

MR. BENNAGEN: Madam President.

THE PRESIDENT: Commissioner Bennagen is recognized.

MR. BENNAGEN: May we ask Commissioner David who made the proposal to include "REASONABLE AND FAIR" to please explain the meaning of unreasonable and fair," in addition to the manifestation of Commissioner Ople which has something to do with equity.

MR. DAVIDE: The word "equitable" is already included in the proposed reformulated amendment. So, it is "FAIR, REASONABLE AND EQUITABLE . . . REQUIREMENTS." "REASONABLE" simply means that it should be consistent with the right of a student. In other words, the law should not impair or impede that particular right.

MR. BENNAGEN: Thank you, Madam President.

MR. VILLACORTA: The committee accepts the Monsod amendment.

Madam President, may we ask for a vote?

THE PRESIDENT: Commissioner Monsod will please read the amendment.

MR. MONSOD: Madam President, the amendment states: "EVERY CITIZEN HAS THE RIGHT TO SELECT A PROFESSION OR COURSE OF STUDY, SUBJECT TO FAIR, REASONABLE AND EQUITABLE ADMISSION AND ACADEMIC REQUIREMENTS."

VOTING

THE PRESIDENT: As many as are in favor of this proposed amendment, please raise their hand. (Several Members raised their hand.)

As many as are against, please raise their hand. (One Member raised his hand.)

The results show 26 votes in favor and 1 against; subsection (d), as amended, is approved.

MR. VILLACORTA: Madam President, the committee has been significantly depleted and the request of the remaining Members is that we adjourn because we are all exhausted and we still have to meet after this. Would it be possible for the session to adjourn for the day?

THE PRESIDENT: What is the pleasure of Commissioner Maambong?

MR. MAAMBONG: Before we take that up, since we have approved subsection (d), may I know from the committee if the committee is willing to have this transposed to Section 1, considering that it does not really belong to Section 1. Actually, this properly belongs to the jurisdiction of the Subcommittee on Rubrics of the Committee on Sponsorship but I want the concurrence from the Chair before we do anything.

MR. VILLACORTA: To what section will it be transferred, Madam President?

MR. MAAMBONG: It will be transposed to Section 1 because it should properly belong to Section 1.

MR. VILLACORTA: There is no strong objection to that, Madam President.

MR. MAAMBONG: Thank you.

ADJOURNMENT OF SESSION

THE PRESIDENT: The session is adjourned until tomorrow at nine-thirty in the morning.

It was 6:21 p.m.

[*] Appeared after the roll call.

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