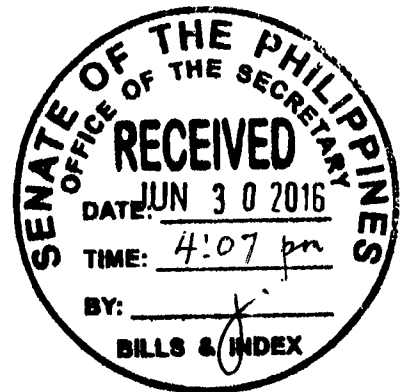


SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



SENATE  
JOINT RESOLUTION NO. 1

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Introduced by **Senator Richard "Dick" J. Gordon**

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1           **JOINT RESOLUTION TO PROPOSE AMENDMENTS TO OR REVISIONS OF THE**  
2                                   **ECONOMIC PROVISIONS OF THE CONSTITUTION**  
3

4           WHEREAS, the economic provisions of the Constitution need to have the flexibility to  
5 allow the Philippines to properly adapt to the changing global economy through appropriate  
6 economic laws and policies enacted by Congress;  
7

8           WHEREAS, there are some restrictive and anti-competitive economic provisions of  
9 the Constitution that need to be amended or revised to allow more investments in the  
10 country and better efficiency in the economy; and  
11

12           WHEREAS, according to Article XVII, Section 1 (1) of the Constitution, any  
13 amendment to, or revision of, the Constitution may be proposed by Congress, upon a vote  
14 of three-fourths of all its Members: Now, therefore, be it  
15

16           *Resolved by the Senate and the House of Representatives, as it is hereby resolved,*  
17 *by a vote of three-fourths of all its Members, each chamber voting separately, to propose*  
18 *the following amendments to the Constitution:*  
19

20           1. Article XII, Section 2 is hereby proposed to be amended to read as follows:  
21

22           "SECTION 2. All lands of the public domain, waters, minerals, coal,  
23 petroleum, and other mineral oils, all forces of potential energy, fisheries,  
24 forests or timber, wildlife, flora and fauna, and other natural resources are  
25 owned by the State. With the exception of agricultural lands, all other natural  
26 resources shall not be alienated. The exploration, development, and utilization  
27 of natural resources shall be under the full control and supervision of the  
28 State. The State may directly undertake such activities, or it may enter into  
29 co-production, joint venture, or production-sharing agreements with Filipino  
30 citizens, or corporations or associations at least sixty per centum of whose  
31 capital is owned by such citizens, UNLESS OTHERWISE SUBSEQUENTLY  
32 PROVIDED BY LAW. Such agreements may be for a period not exceeding  
33 twenty-five years, renewable for not more than twenty-five years, and under  
34 such terms and conditions as may be provided by law. In cases of water  
35 rights for irrigation, water supply, fisheries, or industrial uses other than the  
36 development of water power, beneficial use may be the measure and limit of  
37 the grant.

1  
2 The State shall protect the nation's marine wealth in its archipelagic  
3 waters, territorial sea, and exclusive economic zone, and reserve its use and  
4 enjoyment exclusively to Filipino citizens, UNLESS OTHERWISE  
5 SUBSEQUENTLY PROVIDED BY LAW.  
6

7 The Congress may, by law, allow small-scale utilization of natural  
8 resources by Filipino citizens, as well as cooperative fish farming, with priority  
9 to subsistence fishermen and fishworkers in rivers, lakes, bays, and lagoons.  
10

11 The President may enter into agreements with foreign-owned  
12 corporations involving either technical or financial assistance for large-scale  
13 exploration, development, and utilization of minerals, petroleum, and other  
14 mineral oils according to the general terms and conditions provided by law,  
15 based on real contributions to the economic growth and general welfare of the  
16 country. In such agreements, the State shall promote the development and  
17 use of local scientific and technical resources.  
18

19 The President shall notify the Congress of every contract entered into  
20 in accordance with this provision, within thirty days from its execution."  
21

22 2. Article XII, Section 3 is hereby proposed to be amended to read as follows:  
23

24 "SECTION 3. Lands of the public domain are classified into  
25 agricultural, forest or timber, mineral lands, and national parks. Agricultural  
26 lands of the public domain may be further classified by law according to the  
27 uses which they may be devoted. Alienable lands of the public domain shall  
28 be limited to agricultural lands. Private corporations or associations may not  
29 hold such alienable lands of the public domain except by lease, for a period  
30 not exceeding twenty-five years, renewable for not more than twenty-five  
31 years, and not to exceed one thousand hectares in area, UNLESS  
32 OTHERWISE SUBSEQUENTLY PROVIDED BY LAW. Citizens of the  
33 Philippines may lease not more than five hundred hectares, or acquire not  
34 more than twelve hectares thereof by purchase, homestead, or grant,  
35 UNLESS OTHERWISE SUBSEQUENTLY PROVIDED BY LAW.  
36

37 Taking into account the requirements of conservation, ecology, and  
38 development, and subject to the requirements of agrarian reform, the  
39 Congress shall determine, by law, the size of lands of the public domain  
40 which may be acquired, developed, held, or leased and the conditions  
41 therefor."  
42

43 3. Article XII, Section 10 is hereby proposed to be amended to read as follows:  
44

45 "SECTION 10. The Congress shall, upon recommendation of the  
46 economic and planning agency, when the national interest dictates, reserve to  
47 citizens of the Philippines or to corporations or associations at least sixty per  
48 centum of whose capital is owned by such citizens, or such higher percentage  
49 as Congress may prescribe, certain areas of investments. The Congress shall

1 enact measures that will encourage the formation and operation of  
2 enterprises whose capital is wholly owned by Filipinos.

3  
4 In the grant of rights, privileges, and concessions covering the national  
5 economy and patrimony, the State shall give preference to qualified Filipinos.

6  
7 The State shall regulate and exercise authority over foreign  
8 investments within its national jurisdiction and in accordance with its national  
9 goals and priorities.”

10  
11 4. Article XII, Section 11 is hereby proposed to be amended to read as follows:

12  
13 “SECTION 11. No franchise, certificate, or any other form of  
14 authorization for the operation of a public utility shall be granted except to  
15 citizens of the Philippines or to corporations or associations organized under  
16 the laws of the Philippines at least sixty per centum of whose capital is owned  
17 by such citizens, nor shall such franchise, certificate, or authorization be  
18 exclusive in character or for a longer period than fifty years. Neither shall any  
19 such franchise or right be granted except under the condition that it shall be  
20 subject to amendment, alteration, or repeal by the Congress when the  
21 common good so requires. The State shall encourage equity participation in  
22 public utilities by the general public. ~~The participation of foreign investors in  
23 the governing body of any public utility enterprise shall be limited to their  
24 proportionate share in its capital, and all the executive and managing officers  
25 of such corporation or association must be citizens of the Philippines.”~~

26  
27 5. Article XIV, Section 4 is hereby proposed to be amended to read as follows:

28  
29 “SECTION 4. (1) The State recognizes the complementary roles of  
30 public and private institutions in the educational system and shall exercise  
31 reasonable supervision and regulation of all educational institutions.

32  
33 (2) Educational institutions, other than those established by religious  
34 groups and mission boards, shall be owned solely by citizens of the  
35 Philippines or corporations or associations at least sixty per centum of the  
36 capital of which is owned by such citizens, UNLESS OTHERWISE  
37 SUBSEQUENTLY PROVIDED BY LAW. The Congress may, however,  
38 require increased Filipino equity participation in all educational institutions.

39  
40 The control and administration of educational institutions shall be  
41 vested in citizens of the Philippines, UNLESS OTHERWISE  
42 SUBSEQUENTLY PROVIDED BY LAW.

43  
44 No educational institution shall be established exclusively for aliens  
45 and no group of aliens shall comprise more than one-third of the enrollment in  
46 any school. The provisions of this subsection shall not apply to schools  
47 established for foreign diplomatic personnel and their dependents and, unless  
48 otherwise provided by law, for other foreign temporary residents.

1 (3) All revenues and assets of non-stock, non-profit educational  
2 institutions used actually, directly, and exclusively for educational purposes  
3 shall be exempt from taxes and duties. Upon the dissolution or cessation of  
4 the corporate existence of such institutions, their assets shall be disposed of  
5 in the manner provided by law.  
6

7 Proprietary educational institutions, including those cooperatively  
8 owned, may likewise be entitled to such exemptions subject to the limitations  
9 provided by law including restrictions on dividends and provisions for  
10 reinvestment.  
11

12 (4) Subject to conditions prescribed by law, all grants, endowments,  
13 donations, or contributions used actually, directly, and exclusively for  
14 educational purposes shall be exempt from tax."  
15

16 6. Article XVI, Section 11 is hereby proposed to be amended to read as follows:  
17

18 ~~"SECTION 11. (1) The ownership and management of mass media~~  
19 ~~shall be limited to citizens of the Philippines, or to corporations, cooperatives~~  
20 ~~or associations, wholly owned and managed by such citizens.~~  
21

22 The Congress shall regulate or prohibit monopolies in commercial  
23 mass media when the public interest so requires. No combinations in restraint  
24 of trade or unfair competition therein shall be allowed.  
25

26 (2) The advertising industry is impressed with public interest, and shall  
27 be regulated by law for the protection of consumers and the promotion of the  
28 general welfare.  
29

30 ~~Only Filipino citizens or corporations or associations at least seventy~~  
31 ~~per centum of the capital of which is owned by such citizens shall be allowed~~  
32 ~~to engage in the advertising industry.~~  
33

34 ~~The participation of foreign investors in the governing body of entities~~  
35 ~~in such industry shall be limited to their proportionate share in the capital~~  
36 ~~thereof, and all the executive and managing officers of such entities must be~~  
37 ~~citizens of the Philippines."~~  
38

39 After approval of the above amendments by the Senate and the House of  
40 Representatives in Joint Resolution, the same shall be submitted for ratification by a  
41 majority of the votes cast in a plebiscite not earlier than sixty days nor later than ninety days  
42 after such approval.  
43

44 *Adopted,*  
45

46  
47   
48 **RICHARD "DICK" J. GORDON**  
*Senator*