



Republic of the Philippines  
House of Representatives  
Quezon City, Metro Manila



EIGHTEENTH CONGRESS  
First Regular Session

RESOLUTION OF BOTH HOUSES NO. 3

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Introduced by Representative TEODORICO "NONONG" T. HARESCO, JR.

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**RESOLUTION OF BOTH HOUSES  
PROPOSING AMENDMENTS TO CERTAIN ECONOMIC PROVISIONS  
OF THE 1987 CONSTITUTION OF THE REPUBLIC OF THE PHILIPPINES**

**WHEREAS**, the 1987 Philippine Constitution is the fundamental law of the land which defines, establishes, and confers powers to the State and provides for the correlative obligations of the people to abide;

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

**WHEREAS**, there are some restrictive and anti-competitive economic provisions of the Constitution needing to be amendment or revision to allow for more investments in the country and better efficiency in the economy;

**WHEREAS**, liberalizing the economic provisions in the Constitution will hasten economic development which is expected under the current administration;

**WHEREAS**, according to Article XVII, Section 1 (1) of the Constitution, any amendment to, or revision of, the Constitution may be proposed by Congress, upon a vote of three-fourths of all its Members;

**NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES, AS IT IS HEREBY RESOLVED**, by a vote of three-fourths of all its Members, each chamber voting separately, to propose the following amendments to the Constitution:

1. Article XII, Section 2 of the 1987 Philippine Constitution is hereby proposed to be amended to read as follows:

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

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

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

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

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

2. Article XII, Section 3 of the 1987 Philippine Constitution is hereby proposed to be amended to read as follows:

**"Section 3.** Lands of the public domain are classified into agricultural, forest or timber, mineral lands, and national parks. Agricultural lands of the public domain may be further classified by law according to the uses which they may be devoted. Alienable lands of the public domain shall be limited to agricultural lands. Private corporations or associations may not hold such alienable lands of the public domain except by lease, for a period not exceeding twenty-five years, renewable for not more than twenty-



five years, and not to exceed one thousand hectares in area, UNLESS OTHERWISE SUBSEQUENTLY PROVIDED BY LAW. Citizens of the Philippines may lease not more than five hundred hectares, or acquire not more than twelve hectares thereof by purchase, homestead, or grant, UNLESS OTHERWISE SUBSEQUENTLY PROVIDED BY LAW.

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

3. Article XII, Section 10 of the 1987 Philippine Constitution is hereby proposed to be amended to read as follows:

**"Section 10.** The Congress shall, upon recommendation of the economic and planning agency, when the national interest dictates, reserve to citizens of the Philippines or to corporations or associations at least sixty per centum of whose capital is owned by such citizens, or ~~such higher percentage~~ as Congress may prescribe, certain areas of investments. The Congress shall enact measures that will encourage the formation and operation of enterprises whose capital is wholly owned by Filipinos.

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

The State shall regulate and exercise authority over foreign investments within its national jurisdiction and in accordance with its national goals and priorities."

4. Article XII, Section 11 of the 1987 Philippine Constitution is hereby proposed to be amended to read as follows:

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

5. Article XIV, Section 4 of the 1987 Philippine Constitution is hereby proposed to be amended to read as follows:

**"Section 4.** (1) The State recognizes the complementary roles of public and private institutions in the educational system and shall exercise reasonable supervision and regulation of all educational institutions.

(2) Educational institutions, other than those established by religious 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, UNLESS OTHERWISE SUBSEQUENTLY PROVIDED BY LAW. The Congress may, however, require increased Filipino equity participation in all educational institutions.

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

No educational institution shall be established exclusively for aliens and no group of aliens shall comprise more than one-third of the enrollment in any school. 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.

(3) 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. Upon the dissolution or cessation of the corporate existence of such institutions, their assets shall be disposed of in the manner provided by law.

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.

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

6. Article XVI, Section 11 of the 1987 Philippine Constitution is hereby proposed to be amended to read as follows:

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



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

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

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

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

After approval of the above amendments by the Senate and the House of Representatives in Joint Resolution, the same shall be submitted for ratification by a majority of the votes cast in a plebiscite not earlier than sixty (60) days nor later than ninety (90) days after such approval.

*Adopted,*

  
TEODORICO "NONONG" T. HARESCO, JR.