

December 29, 1988

THE HONORABLE SPEAKER,
LADIES AND GENTLEMEN OF
THE HOUSE OF REPRESENTATIVES:

I have this day signed the General Appropriations Bill for Fiscal Year 1989 (H.B. No. 19186), entitled "AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, NINETEEN HUNDRED AND EIGHTY-NINE, AND FOR OTHER PURPOSES".

I. VETOED ITEMS

Pursuant to the powers vested in me by the Constitution, however, I have disapproved the following items in the Bill:

III. DEPARTMENT OF AGRICULTURE

A. Office of the Secretary

Special Provision

2. Delivery of On-Site Farm Research and Technology Transfer. The Department of Agriculture shall, upon the recommendation of the Representative of each Congressional District, choose farmer cooperators and/or cooperatives which shall receive support for on-site farm research and technology transfer. (page 106)

I find this provision violative of section 25(2) of Article VI of the Constitution. Also, budget execution is purely an executive prerogative.

IX. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

A. Office of the Secretary

Special Provision

2. Authority to Hire Contractual Lawyers at 150% of Equivalent Salary Scale. The Secretary of Environment and Natural Resources is hereby authorized to hire contractual lawyers chargeable against any savings from personal services and/or other savings at rates not exceeding 150% of the equivalent salary scale in the national pay plan. (page 452-453)

This provision is inconsistent with the policy announced under Section 36 of this Act which seeks to implement the compensation standardization clause of the Constitution insofar as contractual employees are concerned. I am, therefore, vetoing this whole provision.

X. DEPARTMENT OF FINANCE

G. Economic Intelligence and Investigation Bureau

Special Provision

1. Restriction on the Use of Funds. The appropriation of the Economic Intelligence and Investigation Bureau as authorized herein shall not be augmented from savings of any other agency and/or increased from any appropriations. (pages 499-500)

I am vetoing this provision for the reason that it violates Section 25(5) of Article VI of the Constitution in relation to Sections 44 and 55 of P.D. No. 1177 as amended by R.A. No. 6670 which authorizes the President to use savings to augment any item of appropriation in the Executive Branch of the Government.

Special Provision

2. Restriction on Transfer and Detail of Personnel. No personnel from any other unit of the Department of Finance or any other department/office shall be transferred, assigned or detailed to the Economic Intelligence and Investigation Bureau. (page 500)

Besides being an undue interference and encroachment into the Executive Branch of Government, this provision violates Section 25(2) of Article VI of the Constitution; hence, I am vetoing this provision.

XII. DEPARTMENT OF HEALTH

A. Office of the Secretary

Special Provision

1. Release of Funds for Puericulture Centers. The appropriations herein provided for puericulture centers shall be released giving priority to depressed areas only in amounts equivalent to funds raised by the respective local governments for said purpose, as certified by the treasurer concerned. (page 535)

This provision could be misconstrued as discriminatory against poor local government units that have limited tax base and administrative capability to raise local counterpart funds and runs counter to the policy of providing basic medical care on the basis of individual needs rather than the wealth of the community. I am, therefore, vetoing this whole provision.

XXVIII. OFFICE OF THE SPECIAL PROSECUTOR

Special Provision

1. Use of Savings. Savings in the appropriations for the Office of the Special Prosecutor may be utilized, subject to the provisions of P.D. No. 1177 and to other pertinent laws, to augment any other item in its appropriations. (page 1150)

I find this provision violative of Section 25 (5) of Article VI of the Constitution; hence, I am vetoing this whole provision. However, the President will approve requests for use of savings.

XXXII. NATIONAL ASSISTANCE TO LOCAL GOVERNMENT UNITS

E. Budgetary Aid to Local Government Units

2. Approval of Projects. The projects to be funded out of this program shall be approved by the President of the Philippines upon recommendation of the Department of Local Government. (page 1185)

There is already an Inter-Agency Committee created under LOI No. 636, chaired by the Secretary of Local Government, that recommends to the President the annual integrated program for National Assistance to Local Government Units; hence, I am vetoing the foregoing provision.

H. Barangay Administration Fund

Special Provision

1. Administration and Use of the Fund. The amount herein appropriated shall be released to and administered by the Department of Local Government and shall be used for the payment of honoraria of barangay officials (or Punong Barangays and members of the Sangguniang Barangays). (page 1188)

While I consider laudable the grant of remuneration to barangay officials in recognition of their invaluable services to the community, I feel that the amount of Two Hundred Sixty Million Pesos (P260,000,000) originally intended to support various important barangay activities would be inadequate if portions thereof shall be used to defray honoraria of barangay officials; hence, I am vetoing this whole provision. Nonetheless, aware of the salutary purposes of the Barangay Administration Fund, I shall prescribe the rules for its use pursuant to existing laws.

GENERAL PROVISION

Sec. 55. Prohibition Against the Restoration or Increase of Recommended Appropriations Disapproved and/or Reduced by Congress. No item of appropriation recommended by the President in the Budget submitted to Congress pursuant to Article VI, Section 22 of the Constitution which has been disapproved or reduced in this Act shall be restored or increased by the use of appropriations authorized for other purposes in this Act by augmentation. An item of appropriation for any purpose recommended by the President in the Budget shall be deemed to have been disapproved by Congress if no corresponding appropriations for the specific purpose is provided in this Act.
(page 1236)

The provision violates Section 25 (5) of Article VI of the Constitution. If allowed, this Section would nullify not only the constitutional and statutory authority of the President, but also that of the President of the Senate, the Speaker of the House of Representatives, the Chief Justice of the Supreme Court, and heads of Constitutional Commissions, to augment any item in the general appropriations law for their respective offices from savings in other items of their respective appropriations. A careful review of the legislative action on the budget as submitted shows that in almost all cases, the budgets of agencies as recommended by the President, as well as those of the Senate, the House of Representatives, and the Constitutional Commissions, have been reduced. An unwanted consequence of this provision is the inability of the President, the President of the Senate, Speaker of the House of Representatives, the Chief Justice of the Supreme Court, and the heads of Constitutional Commissions to augment any item of appropriation of their respective offices from savings in other items of their respective appropriations even in cases of calamity or in the event of urgent need to accelerate the implementation of essential public services and infrastructure projects.

Furthermore, this provision is inconsistent with Section 12 and other similar provisions of this General Appropriations Act.

II. GENERAL OBSERVATIONS

I have noted with interest the following provisions:

A. Special Provisions of the Congress of the Philippines and the Office of the President

I. CONGRESS OF THE PHILIPPINES

Special Provisions Applicable to the Congress of the Philippines

2. *Organizational Structure of the Senate, the House of Representatives, the Senate and House of Representatives Electoral Tribunals and the Commission on Appointments. Any provision of law to the contrary notwithstanding and within the limits of the appropriation authorized in this*

Act, the President of the Senate with respect to the Senate and the Commission on Appointments, the Speaker, with respect to the House of Representatives, and the Chairmen of the Senate and the House of Representatives Electoral Tribunals are authorized to formulate and implement the organizational structures of their respective offices, to fix and determine the salaries, allowances and other benefits of their respective employees, and whenever public interest so requires, make adjustments and reorganization of positions in the regular personnel with the corresponding transfer of items of appropriations or create new ones: PROVIDED, That officers and employees whose positions are affected by such adjustments or reorganization shall be granted retirement gratuities and separation pay in accordance with existing laws, which shall be payable from any unexpected balance of, or savings in the appropriations of their respective offices. (page 13)

The grant to the officials aforementioned of the authority shall be limited to their appropriations authorized in this Act and to the appropriate salary rates, allowable levels of allowances and other benefits prescribed or authorized by laws enacted pursuant to the compensation standardization clause of the Constitution.

4. Realignment of Allocations for Operational Expenses. A member of Congress may realign his allocations for operational expenses provided it does not exceed the total of said allocations. (page 13)

This provision is internal to the Congress of the Philippines and limited to the extent of the appropriations specifically authorized for the purposes.

II. OFFICE OF THE PRESIDENT

B. National Security Council

Special Provision

2. Use of Fund. No amount herein appropriated shall be used for digging in search of gold at Fort Santiago. (page 21)

There is no item of appropriation of the National Security Council intended for digging in search of gold at Fort Santiago or elsewhere for that matter to warrant the need for this prohibition.

B. Fund for the Palarong Pambansa

I have likewise noted the creation of the Palarong Pambansa fund.

XXXII. NATIONAL ASSISTANCE TO LOCAL GOVERNMENT UNITS

L. Palarong Pambansa Fund

For the conduct of Palarong Pambansa as indicated hereunder.....P25,000,000.

New Appropriations, by PurposeCurrent Operating Expenditures

A. Purposes	Personal Services	Maintenance and other Operating Expenses	Capital Outlays	Total
1. For the Conduct of Palarong Pambansa		P25,000,000		P25,000,000
Total New Appropriations, Palarong Pambansa Fund (pages 1196-1197)		<u>P25,000,000</u>		<u>P25,000,000</u>

There is no Palarong Pambansa scheduled in CY 1989.

C. Changes/Increases in Certain Items

I have also noted that Congress has increased various items of appropriations, created and changed the number of positions of some offices and agencies including the amounts corresponding to said positions as indicated in the Budget of Expenditures and Sources of Financing.

I have not vetoed the aforementioned items for the reason that the veto would result in the elimination of the items and the loss of the whole appropriations to the prejudice of the public service; hence, said changes in the number of positions and the corresponding amounts are not enumerated herein.

The Bill has become Republic Act No. 6688.

Respectfully,

Prayer B. Aquino

THE HOUSE OF REPRESENTATIVES
Congress of the Philippines
Manila