

**MALACAÑANG**  
Manila

January 6, 1993

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

I have this day signed into Republic Act No. 7645 the General Appropriations Bill for Fiscal Year 1993 (H.B. No. 3192), entitled "AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, NINETEEN HUNDRED AND NINETY-THREE, AND FOR OTHER PURPOSES."

I acknowledge the tireless efforts that went into the preparation of this Bill and I hereby commend Congress for their dedication beyond the call of duty to ensure its timely passage, which highlighted improved Legislative-Executive cooperation. However, pursuant to the powers vested in me by the Constitution, I have disapproved the following items in the Bill:

**I. VETOED ITEMS**

**A. SPECIAL PROVISIONS**

**VII. DEPARTMENT OF EDUCATION, CULTURE AND SPORTS**

**A. Office of the Secretary**

**Special Provision**

**4. Special Hardship Allowance.** The amount herein appropriated shall be used to pay the allowance of teachers exposed to hardship or extreme difficulty in the place of work as determined by the Secretary of Education, Culture and Sports which shall be equivalent to at least twenty five percent (25%) of the basic pay. (page 94, GAA, FY 1993)

I consider laudable the spirit and legislative intent of this Special Provision. However, I am vetoing the underlined portion of the Special Provision to give the Department of Education, Culture and Sports sufficient flexibility in the determination of the allowable rates that may be granted as Special Hardship Allowance. Furthermore, in consideration of the other employees of the government who are equally exposed to the same conditions of work, the grant of this allowance shall be in lieu of the existing hazard duty pay under Section 39 of the General Provisions of this Act.

### **XIII. DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT**

#### **C. Philippine National Police**

##### **Special Provision**

7. **Use of Savings.** The Director-General, PNP, is authorized, subject to the approval of the Chairman, National Police Commission, to use any savings in the appropriation herein provided for (a) payment of valid prior years obligations; (b) repair of motor vehicles and purchase of spare parts of all types of equipment and materials as may be determined by the Director-General, PNP; (c) acquisition of sites, facilities or equipment under lease or currently used by the PNP, and payment of boundary, relocation and subdivision surveys for titling of PNP real estates; (d) procurement of food stuffs for units actually engaged in the security/counter-intelligence operations in combat areas; (e) funding deficiencies in clothing and quarters allowances of uniformed personnel; and (f) modernization of the PNP headquarters: PROVIDED, That a quarterly report on the use of savings is submitted to the House Committee on Appropriations, the Senate Committee on Finance and the Department of Budget and Management. (page 579, GAA, FY 1993)

I am vetoing this whole special provision for the reason that the prerogative to use savings is vested by the fundamental law of the land to the President of the Philippines. This Constitutional authority cannot be validly altered, transferred or amended by the General Appropriations Act. Consequently, this special authorization of the Director-General of the PNP and the Chairman of the NAPOLCOM is not sanctioned under Section 25 (5) of Article VI of the Constitution which mandates that "the President, the President of the Senate, the Speaker of the House of Representatives,

the Chief Justice of the Supreme Court, and the heads of Constitutional Commissions may, by law, be authorized to augment any item in the general appropriations law for their respective offices from savings in other items of their respective appropriations."

**D. Bureau of Fire Protection**

**Special Provision**

4. **Use of Savings.** The Chief, Bureau of Fire Protection, is authorized, subject to the approval of the Secretary, DILG, to use any savings in the appropriations provided for (a) payment of valid prior years obligations; (b) repair of motor vehicles and purchase of spare parts of all types of equipment and materials as may be determined by the Chief, BFP; and (c) acquisition of facilities or equipment under lease or currently used by the BFP: PROVIDED, That a quarterly report on the use of savings is submitted to the House Committee on Appropriations, the Senate Committee on Finance and the Department of Budget and Management. (page 581, GAA, FY 1993)

**E. Bureau of Jail Management and Penology**

**Special Provision**

5. **Use of Savings.** The Chief, Bureau of Jail Management and Penology, is authorized, subject to the approval of the Secretary, DILG, to use any savings in the appropriations provided for (a) payment of valid prior years obligations; (b) repair of motor vehicles and purchase of spare parts of all types of equipment and materials as may be determined by the Chief, BJMP; and (c) acquisition of facilities or equipment under lease or currently used by the BJMP: PROVIDED, That a quarterly report on the use of savings is submitted to the House Committee on Appropriations, the Senate Committee on Finance and the Department of Budget and Management. (page 582, GAA, FY 1993)

**F. Philippine Public Safety College**

**Special Provision**

2. **Use of Savings.** The President, Philippine Public Safety College, is authorized, subject to the approval of the Secretary, DILG, to use any savings in the appropriations provided for (a) payment of valid prior years obligations; (b) repair of motor vehicles and purchase of spare parts of all types of equipment and materials as may be determined by the President, PPSC; and (c) acquisition of facilities or equipment under lease or currently used by the PPSC: PROVIDED, That a quarterly report on the use of savings is submitted to the House Committee on Appropriations, the Senate Committee on Finance and the Department of Budget and Management. (page 584, GAA, FY 1993)

I am vetoing these special provisions of the Bureau of Fire Protection, the Bureau of Jail Management and Penology and the Philippine Public Safety College for the same reasons that I have vetoed the "use of savings" provision of the Philippine National Police.

**XV. DEPARTMENT OF LABOR AND EMPLOYMENT**

**A. Office of the Secretary**

**Special Provision**

**1. Retention Abroad of a Working Fund from Verification Fees.** Receipts from the collection of verification fees and charges earned in foreign missions shall be duly remitted in order to cover the appropriations for verification of overseas employment documents and welfare services herein authorized, without prejudice to the retention abroad of foreign currency earnings as working fund in such amount as may be needed to reimburse expenses related thereto, subject to rules and regulations approved by the Department of Labor and Employment, the Central Bank of the Philippines and the National Treasury: PROVIDED, That the total amount of income retained as working fund and the subsequent allotments to be released for the DOLE's verification fees fund shall not exceed the appropriations herein authorized for the purpose. (page 622, GAA, FY 1993)

I am vetoing this special provision for the reason that this shall duplicate the existing working fund privilege granted to the Department of Foreign Affairs which is intended to cover all foreign missions, including labor and overseas employment services abroad. Besides, this may open the floodgates for the replication of the working fund concept by all foreign-based offices of the Philippine government contrary to the original concept of a one-stop shop working fund that must be preserved until such time that a comprehensive guideline on this matter shall have been established by the Central Bank of the Philippines and the National Treasury.

## **XVI. DEPARTMENT OF NATIONAL DEFENSE**

### **B.10 AFP Modernization Program**

#### **Special Provision**

2. **Use of the Fund.** Of the amount herein appropriated, priority shall be given for the acquisition of AFP assets necessary for protecting marine, mineral, forest and other resources within Philippine territorial borders and its economic zone, detection, prevention or deterrence of air or surface intrusions and to support diplomatic moves aimed at preserving national dignity, sovereignty and patrimony: PROVIDED, That said modernization fund shall not be used for payment of 6 additional S-211 trainer planes and additional payment for 150 Simba armored personnel carriers. (page 692, GAA, FY 1993)

While I wholeheartedly support the policy thrust enunciated in this Special Provision, I am vetoing said provision for reasons that the prohibition imposed is violative of the Constitutional mandate on the non-impairment of contracts as well as the laws governing obligations as institutionalized under the Civil Code of the Philippines. Besides, the prohibition, if allowed, shall effectively alter the original intent of the fund to cover all military equipment deemed necessary to modernize the Armed Forces of the Philippines.

## **XL. FOREIGN-ASSISTED PROJECTS SUPPORT FUND**

#### **Special Provision**

1. **Use of the Fund.** The appropriations herein authorized shall be used to cover deficiencies in foreign exchange and peso requirements of foreign-assisted projects authorized herein. (page 1159, GAA, FY 1993)

I am vetoing the phrases "deficiencies in" and "authorized herein" for the reason that these would exclude new foreign-assisted projects as well as projects in the pipeline from the coverage of the Fund. Infusion of foreign-assisted projects funds are crucial to the success of the socio-economic program of this Administration. Besides, the phrases, if not vetoed, shall effectively negate the empowerment and contracting prerogative of the President under Section 20 of Article VII of the Constitution.

## B. GENERAL PROVISIONS

**Sec. 67. Appropriation Reserve.** There may be established a reserve in the amount equivalent to five percent (5%) of the non-personal services appropriation of all agencies and offices of the national government including government-owned and/or controlled corporations, and the Congress of the Philippines except those for school and hospital buildings. The concerned agency or corporation may, however, offer personal services items as a source of reserve.

When conditions change during the year justifying the use of the reserve, the amount involved shall be allocated back for the use by, and upon the request of, the department, office or agency on whose appropriation the reserve was originally imposed. (page 1215, GAA, FY 1993)

I am vetoing the whole second paragraph of this Section for reason that if this is allowed, it shall result to the inability of the President even in cases of urgent need and unforeseen contingencies to utilize the reserves for essential and priority public services.

## II. GENERAL OBSERVATIONS

### A. SPECIAL PROVISIONS

I have noted with interest Special Provisions authorizing the use of agency incomes as well as the creation, operation and maintenance of revolving funds.

Pursuant to Section 44, Chapter 5, Book VI of Executive Order No. 292 in relation to Section 29 (1), Article VI and Section 22, Article VII of the Constitution, all income accruing to the departments, offices and agencies shall be deposited in the National Treasury and shall accrue to the General Fund of the government.

Such incomes were considered as integral part of the revenue and financing sources of the national expenditure program which I submitted to Congress. Consequently, the grant of authority to use income and to establish revolving funds over and above the appropriations authorized in this Act effectively reduces the

financing sources of government and at the same time increases the level of expenditures of the agencies concerned.

In order to rationalize the purpose and intention of the aforementioned provisions, their operationalization during budget implementation shall be subject to guidelines that shall be issued pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292 in relation with Sections 65 and 66 of the Government Auditing Code of the Philippines and Sections 2 and 3 of the General Provisions of this Act.

In addition, I have also noted the following special provisions:

**I. CONGRESS OF THE PHILIPPINES**

**SPECIAL PROVISIONS APPLICABLE TO THE CONGRESS OF THE PHILIPPINES**

**2. Organizational Structure of the Senate, 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 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 Members and employees, subject to Section 10, Article VI of the Constitution, 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 in their respective offices: 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 unexpended balance of, or savings in the appropriations of their respective offices. (page 12, GAA, FY 1993)

I have noted that this special provision was included in the GENERAL OBSERVATIONS portion of the Veto Message to Congress in previous years, citing in particular the underlined portion of the provision, stating that its operation shall be circumscribed by the salary rates, allowable level of allowances and other benefits prescribed or authorized by law.

## XXVI. OTHER EXECUTIVE OFFICES

### LL. National Housing Authority

#### Special Provisions

3. **Allocation for the Maharlika Village Project.** An allocation of not less than Five Million Pesos (P5,000,000) shall be set aside for corollary works at the Maharlika Village and used exclusively for the repair, rehabilitation and construction of buildings, roads and pathwalks, drainage, waterworks system, facilities and amenities in the Village: PROVIDED, That any road to be constructed or rehabilitated shall conform with the specifications and standards set by the Department of Public Works and Highways for such kind of road: PROVIDED, FURTHER, That savings that may be available in the future shall be used for road repair, rehabilitation and construction. (page 1069, GAA, FY 1993)

4. **Allocation for the Tenement Housing Project (Taguig).** An allocation of not less than Three Million Pesos (P3,000,000) shall be set aside for corollary works in the Tenement Housing Project (Taguig) and used exclusively for the repair, rehabilitation and construction of buildings, roads and pathwalks, drainage, waterworks system, facilities and amenities in the Village: PROVIDED, That any road to be constructed or rehabilitated shall conform with the specifications and standards set by the Department of Public Works and Highways for such kind of road: PROVIDED, FURTHER, That savings that may be available in the future shall be used for road repair, rehabilitation and construction. (page 1069, GAA, FY 1993)

5. **Allocation for the Bagong Lipunan Condominium Project (Taguig).** An allocation of not less than Two Million Pesos (P2,000,000) shall be set aside for corollary works in the Bagong Lipunan Condominium Project (Taguig) and used exclusively for the repair, rehabilitation and construction of buildings, roads and pathwalks, drainage, waterworks system, facilities and amenities in the Village: PROVIDED, That any road to be constructed or rehabilitated shall conform with the specifications and standards set by the Department of Public Works and Highways for such kind of road: PROVIDED, FURTHER, That savings that may be available in the future shall be used for road repair, rehabilitation and construction. (page 1069, GAA, FY 1993)

6. **Allocation of Funds.** Out of the amount appropriated for subsidy support Five Million Pesos (P5,000,000) shall be allocated to the Dasmariñas Bagong Bayan Resettlement Area in Dasmariñas, Cavite and Twelve Million Pesos (P12,000,000) to the Dasmariñas Relocation Center Area (General Mariano Alvarez) for improvement of the ravaged and highly deteriorated roads and alley in these heavily populated areas. (page 1069, GAA, FY 1993)



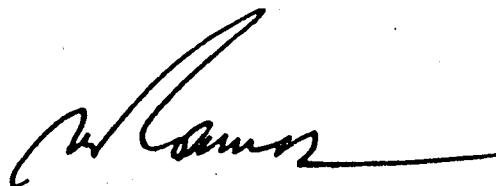
7. **Allocation for Sapang Palay.** An allocation of Eight Million Pesos (P8,000,000) shall be set aside for the asphaltting of 7.0 kilometer main road of Sapang Palay, San Jose del Monte, Bulacan. (page 1069, GAA, FY 1993)

I have noted that similar special provisions earmarking the NHA budget for specific purposes were incorporated under R.A. No. 6831, the CY 1990 GAA, R.A. No. 7078, the CY 1991 GAA, and R.A. No. 7180, the CY 1992 GAA. I have not vetoed the above Special Provisions for reason that it will result in the elimination of the items and the loss of the appropriations specified therein. The appropriations authorized for the NHA under this Act shall, therefore, be released and disbursed in accordance with the housing program of the government, subject to Executive approval.

In closing, I would like to put on record that the enactment of the General Appropriations Bill for Fiscal Year 1993, while thoroughly scrutinized and discussed by all concerned, was characterized every step of the way by the close collaboration of the Executive, the Senate and the House of Representatives.

With best wishes.

Very truly yours,



THE HOUSE OF REPRESENTATIVES  
Congress of the Philippines  
Manila