

PRESIDENT'S VETO MESSAGE



**MALACAÑAN PALACE
MANILA**

December 30, 1998

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

I have this day signed into law Republic Act No. 8745, the General Appropriations Bill for Fiscal Year 1999 (House Bill No. 4240), 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-NINE, AND FOR OTHER PURPOSES."

I acknowledge the expeditious approval of the first Budget submitted by the Estrada Administration to Congress.

I. GENERAL COMMENTS

I am pleased by the zeal and enthusiasm displayed by Congress which led to the speedy passage of this Budget. It is the manifestation and evidence of the unity of mind between the Executive and the Legislature of the basic wisdom of a pro-poor yet market-friendly budget to steer the country out of the current global economic crisis ahead of other Asian nations.

II. DIRECT VETO

It may please you to note that I hereby exercise my veto power against only one appropriation item which I consider inconsistent with existing laws, and the Constitution.

LI. DEBT SERVICE – INTEREST PAYMENT

For payment of interest of foreign and domestic indebtedness as indicated hereunder P115,719,000,000

New Appropriations, by Purpose

Current Operating Expenditures

	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>
A. PURPOSE				
For the Payment of Interest of Foreign and Domestic Indebtedness		<u>P115,719,000,000</u>		<u>P115,719,000,000</u>
TOTAL NEW APPROPRIATIONS		<u>P115,719,000,000</u> =====		<u>P115,719,000,000</u> =====

Special Provisions

1. Use of the Fund. The appropriations authorized herein shall be used for payment of interest of foreign and domestic indebtedness.

2. Reporting Requirement. The Bangko Sentral ng Pilipinas and the Department of Finance shall submit a quarterly report of actual foreign and domestic debt service payments to the House Committee on Appropriations and Senate Finance Committee within one (1) month after each quarter.

New Appropriations by Object of Expenditures
(In Thousand Pesos)

A. PURPOSE

Current Operating Expenses

Maintenance and Other Operating Expenses	115,719,000
09 Interests	115,719,000
Total Maintenance and Other Operating Expenses	115,719,000
Total Current Operating Expenses	115,719,000
TOTAL NEW APPROPRIATIONS	115,719,000

(Page 1189,GAA, FY 1999)

III. CONDITIONAL IMPLEMENTATION

XLVIII. ORGANIZATIONAL ADJUSTMENT FUND

I cannot appreciate the rationale of the allocation by agency of the appropriations authorized under the Organizational Adjustment Fund (OAF). The fund distribution for the programs/projects/activities under the OAF shall be subject to the exercise of Presidential prerogative pursuant to Section 25 (5) of Article VI and Sections 1 and 17 of Article VII of the Constitution, hence, I hereby declare the conditional implementation of Special Provision No. 1 of the OAF entitled "Use and Release of the Fund." Page 1194, GAA, FY 1999.

IV. GENERAL OBSERVATIONS ON THE NEED FOR IMPLEMENTING GUIDELINES FOR CERTAIN ITEMS

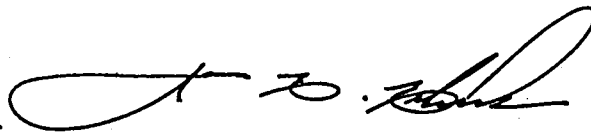
In addition to the above, I have noted certain changes in budgetary items, which will require the issuance of implementing guidelines, pursuant to Sections 1 and 17 Article VII of the Constitution, Section 35, Chapter 5, Book VI, of Executive Order No. 292, and the Government Auditing Code of the Philippines.

V. CLOSING STATEMENT

In closing, I would like to put on record my deep gratitude to the leadership of Congress, most especially to the House Committee on Appropriations and the Senate Committee on Finance for the early enactment of the General Appropriations Bill for FY 1999.

As I said in my State of the Nation Address, "My solutions are obvious, my proposals may be common place, but they were never adopted before. In sum, they are to spend wisely and less. And, by austerity and hard work, generate the means to cover the shortfalls of the past, so we can have a smooth runway for a final take-off."

Very truly yours,



THE HOUSE OF REPRESENTATIVES
Congress of the Philippines
Manila

Copy Furnished:

The Hon. Senate President
Senate of the Philippines
Manila