

**MALACAÑANG  
MANILA**

January 15, 1992

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

I have this day signed the General Appropriations Bill for Fiscal Year 1992 (H.B. NO. 34925), 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 NINETY-TWO, 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:

**A. SPECIAL PROVISIONS**

**XVI. DEPARTMENT OF NATIONAL DEFENSE**

**B. Armed Forces of the Philippines**

**SPECIAL PROVISIONS APPLICABLE TO THE MAJOR SERVICES OF  
THE ARMED FORCES OF THE PHILIPPINES**

**II. Allowances.** The Chief of Staff, AFP, is authorized, subject to the approval of the Secretary of National Defense, to adjust the clothing allowance and quarters allowance of AFP military personnel to equalize with the approved rates for the uniformed members of the Philippine National Police under NAPOLCOM Memorandum Circular Number 89-001 dated January 5, 1989 as authorized in Section 6, Republic Act Number 6648 and to use savings in AFP appropriations for the purpose: PROVIDED, That if no savings are available, or savings are not adequate, for full adjustment in the current year, the annual implementation cost for adjustment to fully equalize with the prevailing rates under said NAPOLCOM Memorandum

Circular shall be included in the subsequent annual AFP appropriations: PROVIDED, FURTHER, That the Chief of Staff, AFP, shall, subject to the approval of the Secretary of National Defense and the President, determine and recommend reasonable allowances, such as but not limited to, flying pay, sea duty pay, hardship allowance, clothing allowance, hazardous duty pay, combat pay, instructor's duty pay, hospital subsistence allowance and subsistence allowance of AFP military personnel undergoing training in local training institutions, in order to improve the morale and effectiveness of a well-disciplined military organization. (page 691, General Appropriations Act, FY 1992)

I am vetoing the underlined "proviso" for reason that the grant of the authority cited therein may not be consistent with the legislative intent to equalize the pay of the military with the existing rates for uniformed members of the national police. In addition, as a matter of policy, adjustments in compensation of specific classes of positions must be provided under a specific law, not the General Appropriations Act.

## XXVIII. THE JUDICIARY

### A. Supreme Court of the Philippines and the Lower Courts

#### SPECIAL PROVISION

1. **Augmentation of any Item in the Court's Appropriations.** Any savings in the appropriations for the Supreme Court and the Lower Courts may be utilized by the Chief Justice of the Supreme Court to augment any item of the Court's appropriations for: (a) printing of decisions and publication of "Philippine Reports"; (b) commutable terminal leaves of Justices and other personnel of the Supreme Court and payment of adjusted pension rates to retired Justices entitled thereto pursuant to Administrative Matter No. 91-8-225-C.A; (c) repair, maintenance, improvement, and other operating expenses of the courts' libraries, including purchase of books and periodicals; (d) purchase, maintenance and improvement of printing equipment; (e) necessary expenses for the employment of temporary employees, contractual and casual employees, for

judicial administration; (f) maintenance and improvement of the Court's Electronic Data Processing System; (g) extraordinary expenses of the Chief Justice, attendance in international conferences and conduct of training programs; (h) commutable transportation and representation allowances and fringe benefits for Justices, Clerks of Court, Court Administrator, Chiefs of Offices and other Court personnel in accordance with the rates prescribed by law; and (i) compensation of attorneys-de-officio: PROVIDED, That as mandated by LOI No. 489 any increases in salary and allowances shall be subject to the usual procedures and policies as provided for under P.D. No. 985 and other pertinent laws." (page 1079, General Appropriations Act, FY 1992)

**4. Payment of Adjusted Pension Rates to Retired Justices.**  
The amount herein appropriated for payment of pensions to retired judges and justices shall include the payment of pensions at the adjusted rates to retired justices of the Supreme Court entitled thereto pursuant to the ruling of the court in Administrative Matter No. 91-8-225-C.A. (page 1079, General Appropriations Act, FY 1992)

I am vetoing the underlined portion of item (b) of Special Provision No. 1 and the whole Special Provision No. 4 for reason that Administrative Matter No. 91-8-225-C.A. declaring, among others, that P.D. No. 644 never became a law because it was not validly published, effectively nullify the "veto" of the President on House Bill No. 16297 entitled "AN ACT PROVIDING FOR THE AUTOMATIC INCREASE IN RETIREMENT BENEFITS OF RETIRED JUSTICES OF THE SUPREME COURT, COURT OF APPEALS AND CHAIRMEN AND MEMBERS OF THE CONSTITUTIONAL COMMISSIONS, AND FOR OTHER PURPOSES."

I am not insensitive to the plight of our retired civil servants. I fully understand their needs at the twilight of their years, and I cannot, but appreciate the services they so kindly devoted to our country. However, we cannot in conscience grant distinct privileges for a select group of officials

who already enjoy preferential treatment under existing retirement laws. In this connection, may I reiterate and quote partly hereunder my July 11, 1990 Veto Message to Congress on the said Bill:

"I am against enacting this bill into law at this time. For in my view to do so would erode the very foundation of our collective effort to adhere faithfully to and enforce strictly the policy on standardization of compensation.

Congress has articulated this policy in Republic Act No. 6758, otherwise known as Compensation and Position Classification Act of 1989. And we must therefore stand four-square with that law, and the policy that it seeks to implement. At this time when we are in the process of implementing the said law, we cannot grant distinct privileges for a select group of officials whose retirement benefits under existing laws already enjoy preferential treatment over those of the vast majority of our civil servants, i.e., computation of their benefits on the basis of the highest monthly salary plus the highest monthly aggregate of representation and transportation allowances (RATA) and cost of living allowances (COLA) (Presidential Decree No. 1438 amending Republic Act No. 910 and Administrative Order No. 444, s. 1979).

### C. Court of Appeals

#### SPECIAL PROVISION

1. **Authority to Use Savings.** Subject to the approval of the Chief Justice of the Supreme Court in accordance with Section 25(5), Article VI of the Constitution of the Republic of the Philippines, the Presiding Justice may be authorized to use any savings in any item of the appropriation for the Court of Appeals for purposes of: (1) improving its compound and facilities; and (2) for augmenting any deficiency in any item of its appropriation including its extraordinary expenses and payment of adjusted pension rates to retired justices entitled thereto pursuant to Administrative Matter No. 91-8-225-C.A. (page 1087, General Appropriations Act, FY 1992)

2. **Payment of Adjusted Pension Rates to Retired Justices.** The amount herein appropriated for payment of pensions to retired judges and justices shall include the payment of pensions

at the adjusted rates to retired justices of the Court of Appeals entitled thereto pursuant to the Ruling of the Supreme Court in Administrative Matter No. 91-8-225-C.A. (page 1087, General Appropriations Act, FY 1992).

I am vetoing the underlined portion of Special Provision No. 1 and the whole Special Provision No. 2 for the same reasons that I vetoed the underlined portion of item (b) of Special Provision No. 1 and the whole Special Provision No. 4 of the Supreme Court of the Philippines and the Lower Courts.

#### **XLV. GENERAL FUND ADJUSTMENTS**

##### **SPECIAL PROVISION**

1. Use of the Fund. This fund shall be used for:

xxx

xxx

1.3 Authorized overdrafts and/or valid unbooked obligations, including the payment of back salaries and related personnel benefits arising from decision of competent authority, including the Supreme Court decision in Administrative Matter No. 91-8-225-C.A. and COA Decision No. 1704;  
(page 1166, General Appropriations Act, FY 1992)

I am vetoing the underlined portion of item 1.3 of this special provision of the General Fund Adjustments and all other provisions in this Act implementing said Administrative Matter and COA decision for the same reasons that I vetoed the underlined portion of Item (b) of Special Provision No. 1 and the whole Special Provision No. 4 of the Supreme Court of the Philippines as well as the last phrase of Special Provision No. 1 and the whole Special Provision No. 2 of the Court of Appeals.

**B. GENERAL PROVISIONS**

"Sec. 50. Entitlement to Personnel Economic Relief Allowance (PERA). The Personnel Economic Relief Allowance (PERA) in the amount of Five Hundred Pesos (P500.00) per month shall be granted effective January 1, 1992 to all appointive national and local government employees occupying itemized plantilla positions with Salary Grade 23 or below, to casual and contractual employees of equivalent grade who have rendered at least twelve (12) months continuous or uninterrupted service as of January 1, 1992 or thereafter and to company grade officers and non-commissioned and enlisted personnel of the Philippine National Police and of the Armed Forces of the Philippines who are receiving regular pay: PROVIDED, That employees of government-owned and/or controlled corporations shall be paid from their respective corporate fund: PROVIDED, FURTHER, That appointive local government employees, except members of local legislative bodies, shall be paid from their respective internal revenue allotment and local funds in accordance with the following schedule:

	<u>For Provinces/ Cities</u>	<u>For Muni- cipalities</u>
Special Cities and 1st Class	100%	90%
2nd Class and 3rd Class	90%	80%
4th Class, 5th Class and 6th Class	80%	70%

PROVIDED, FURTHERMORE, That no employee whether national, local or corporate, receiving commutable representation and/or transportation allowance or equivalent fringe benefits or allowances under existing corporate policy or practice shall be granted the Personnel Economic Relief Allowance (PERA) herein authorized: PROVIDED, FINALLY, That at any time during the year, payment may be made in the form of one sack of rice plus P100 a month upon prior written consent by the recipient. (page 1197, General Appropriations Act, FY 1992)

I am vetoing the underlined portion of the final proviso to make more effective the legislative intent of the Special Provision which was conceptualized by the framers of the law to address the concerns of the farmers nationwide. The final proviso is intended as a temporary measure to alleviate the present plight of farmers. It was instituted as a standby statutory authority which the government can use when conditions so warrant.

**"Sec. 69. Limit on Debt Service.** The amount for the payment of foreign debt, both as to principal and interest, by the national government shall not exceed ten percent (10%) of the merchandise export receipts for the year 1990: PROVIDED, That bilateral and multilateral debt service payments shall be given priority: PROVIDED, FURTHER, That principal and interest payments of behest and/or fraudulent loans shall be suspended, subject to adjudication in the proper courts. (page 1200, General Appropriations Act, FY 1992)

I am vetoing the whole Section for the reason that the provision is a "rider" as contemplated under Section 25(2) of Article VI of the Constitution and does not apply to any item of appropriation in this Act. Besides, this may jeopardize our efforts to obtain new credits from financial institutions and secure debt relief from our creditors. Further, it may trigger "cross default" by the national government.

In addition, this is an "inappropriate provision" in a General Appropriations Act since this is the proper subject of a separate legislation.

**Sec. 71. Suspension of Payment of the Philippine Nuclear Power Plant Loan.** Pending the outcome of any suit by the Philippine Government in connection with the Philippine Nuclear Power Plant, payments for the balance of the loan that

may still be due or sought to be collected, both as to principal and interest, are hereby disauthorized and suspended, all laws and issuances to the contrary notwithstanding, and the amounts earmarked for such payments in 1992 shall be utilized instead to augment appropriations for (1) the relief, relocation and resettlement of victims of the Mt. Pinatubo eruptions and the rehabilitation and reconstruction of the affected areas, (2) additional provision for relief, rehabilitation, reconstruction and other work and services in connection with typhoons Trining, Uring, Warling and other natural calamities and/or (3) the Personnel Economic Relief Allowance (PERA). (page 1200, General Appropriations Act, FY 1992)

I am vetoing this Section for the same reasons that I vetoed Section 69 of the General Provisions. Besides, it may be viewed as a manifestation of bad faith on the part of the Philippine Government and adversely affect our pending case on the Philippine Nuclear Power Plant.

## II. GENERAL OBSERVATIONS

### A. SPECIAL PROVISIONS

I have noted with interest the following provision/s:

#### 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 Representative 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 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, General Appropriations Act, FY 1992)

It may be recalled that I have included this Special Provision in the GENERAL OBSERVATIONS portion of the CY 1991 Veto Message to Congress, 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 laws enacted pursuant to the compensation standardization clause of the Constitution.

I reiterate the same observations for the implementation of this Special Provision. As I have previously stated, I have complete trust in the wisdom of the institution tasked with this provision. I am therefore confident that the power vested in the aforementioned officials of the Congress of the Philippines to fix and determine the salaries, allowances and other benefits of their respective employees shall be in accordance with R.A. No. 6686 and R.A. No. 6758, the Compensation and Position Classification Act of 1989 which Congress itself approved on August 21, 1989.

#### STATE UNIVERSITIES AND COLLEGES

##### A.7 University of the Philippines System

3. **Release of Fund for the Asian Center Scholarship Project.** The scholarship fund shall be released to the Asian Center: PROVIDED, That twenty (20) scholarship slots shall be given to M.A. students in Asian Studies and ten (10) to M.A. students in Philippine Studies at P15,000 annual stipend for each slot, exclusive of free tuition and other fees; another thirty (30) Ph.D. Philippine Studies scholarship slots at P15,000 annual stipend for each slot exclusive of free tuition and other fees to be distributed equally among three colleges with graduate program in Philippine Studies, namely: Asian Center, College of Social Sciences and Philosophy and College of Arts and Letters. (page 240, General Appropriations Act, FY 1992)

I consider laudable the spirit and legislative intent of this provision. The implementing details shall, therefore, be subject to the pertinent provisions of R.A. No. 6758 and the Administrative Code of 1987.

### XXXVIII. PALARONG PAMBANSA FUND

#### SPECIAL PROVISION

1. **Use of the Fund.** The amount herein appropriated for Current Operating Expenses shall be used for the conduct of Palarong Pambansa activities and shall be released to the Department of Education, Culture and Sports, subject to the submission of a special budget for the purpose. The amount herein appropriated for Capital Outlays shall be made available for the construction, repair and/or development of sites and facilities and the purchase of sports equipment necessary for the conduct of the 1992 Palarong Pambansa, to be released to the local government unit concerned. The design of the sports facilities shall be approved jointly by the Chairman of the Philippine Sports Commission, the Secretary of Education, Culture and Sports and the Governor of the host Province. (page 1152, General Appropriations Act, FY 1992)

The Capital Outlays requirement of the 1992 Palarong Pambansa was released in advance by the National Government in CY 1991 so as to enable

and ensure the construction and completion of the requisite sports facilities in time for the athletic competitions in the First Quarter of 1992. Accordingly, the capital outlays component of the CY 1992 Palarong Pambansa Fund authorized in this Act shall be used to support the CY 1993 Palarong Pambansa.

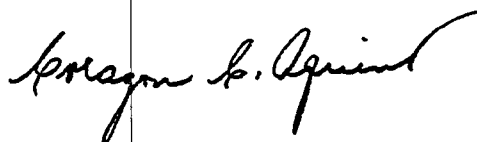
### III. CHANGES/INCREASES IN CERTAIN ITEMS

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 and in the National Expenditure Program.

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 and the corresponding amounts are not enumerated herein. However, the expenditure of said items shall be subject to Executive approval.

The Bill has become Republic Act No. 7180.

Respectfully,



THE HOUSE OF REPRESENTATIVES  
Congress of the Philippines  
Manila