

Presidential Veto on Philippine Debt-Service Provisions Assailed - MabuhayRadio

Written by Senator Pimentel's Press Office

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Senate Minority Leader Aquilino “Nene” Q. Pimentel, Jr. (PDP-Laban) today accused President Gloria Macapagal-Arroyo of breaking anew the constitutional principle of transparency by blocking the mandatory public disclosure of repayments for government debts.

Senator Pimentel assailed the President’s veto of a provision in the 2008 national budget that would require the (Central Bank) Bangko Sentral ng Pilipinas (BSP) and the Department of Finance (DoF) to submit quarterly reports of actual and foreign and domestic debt-service payments to the committee on appropriations of the House of Representatives and the committee on finance of the Senate.

“Why would Malacañang hide these transactions from the public when the Constitution says that the government must exercise transparency in its actions?” Mr. Pimentel asked?

He also criticized the Chief Executive for vetoing a special provision in the new budget law that seeks to prohibit the use of debt-servicing funds for loans that are considered “fraudulent, wasteful or useless.”

Mr. Pimentel said there is no rhyme or reason behind the President’s veto of the budget provision on the mandatory reporting of debt service disbursements to Congress.

“Why would Malacañang hide these transactions from the public when the Constitution says that the government must exercise transparency in its actions?” he said.

The minority leader said the need for a full public disclosure of the government loan transactions becomes more necessary in the wake of anomalies that have been uncovered in the \$329 million national broadband project which was funded by a loan from China’s Export-Import Bank.

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Congress inserted the budget provision on mandatory reporting loan payments to enable it to monitor them because actual disbursements for debt service oftentimes exceed funds specifically earmarked for them.

“The more they keep these transactions a secret, the more the people are tempted to think that some hanky panky is going on,” he said.

Senator Pimentel also explained that the budget provision on mandatory reporting loan payments was inserted by Congress to enable it to monitor them in the light of observations that actual disbursements for debt service oftentimes exceed funds specifically earmarked for them.

He charged that the President has gone overboard in using her veto power by shooting down the special budget provision banning the use of debt-service funds for loans challenged by civil society groups as wasteful and useless.

Mr. Pimentel said this means that the government will continue to pay loans for projects which have turned sour and did not benefit the country at all. He said lawmakers wanted these projects investigated due to allegations of anomalies.

“The veto of this special provision overturns the desire of Congress to provide or augment funds for essential and productive projects out of savings from the debt service payments that are disallowed,” he said.

Had the President not vetoed this provision, this would have prevented the government from servicing loans for defective projects such as the procurement of medical incinerators which failed to meet the standards of the Clean Air Act and Telepono sa Barangay, now a white elephant. # # #

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