

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



THIRTEENTH CONGRESS
First Regular Session

HB NO. **1426**

Introduced by **Rep. Roseller L. Barinaga**

EXPLANATORY NOTE

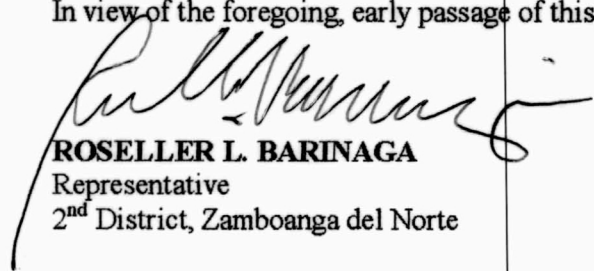
For the past several years, the national government provides automatic appropriation of expenditures in the national budget for payment of principal and interests on public debts and guarantee of obligation mandated under Section 31 of Presidential Decree No. 1177.

This mechanism of automatic appropriation of debt and debt guarantee items on the national budget is one of the conditions by our foreign creditors. Through this arrangement, they are in effect taking collateral on their loan exposures on the national budget.

Further, providing automatic appropriation for debt and debt guarantee items in the budget would mean less available resources for basic social services as well as funding for other priority programs of the national government.

And lastly, the government is deprived of the opportunity to review and assess debt items which may have been incurred against the interest of the people.

In view of the foregoing, early passage of this bill is earnestly requested.



ROSELLER L. BARINAGA

Representative

2nd District, Zamboanga del Norte

Congress of the Philippines)
Thirteenth Congress)
First Regular Session)

HOUSE OF REPRESENTATIVES

HB NO. **1426**

Introduced by **Rep. Roseller L. Barinaga**

AN ACT
REQUIRING THAT ALL EXPENDITURES FOR THE PAYMENT OF FOREIGN
DEBTS BE INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT

Be it enacted by the Senate and House of the Representatives of the Philippines in Congress assembled :

SECTION. 1. Automatic Appropriations. - All expenditures for (a) personnel retirement premiums, government service insurance, and other similar fixed expenditures; (b) principal and interest on domestic public debt, (c) national government guarantees of domestic obligations that are drawn upon are hereby automatically appropriated: *Provided*, That the President, shall include in the proposed General Appropriations Act submitted to Congress for approval the amount of appropriations recommended to service all foreign loans: *Provided, further*, That no obligation shall be incurred and payment made from funds thus automatically appropriated except as issued in the form of regular budgetary allotments.

SEC. 2. All acts, laws, executive orders, presidential decrees, including Section 31 of Presidential Decree No. 1177, rules and regulations contrary to or in violation of this Act are hereby repealed.

SEC. 3. This Act shall take effect upon its publication in at least two (2) newspapers of general circulation.

Approved.