

FDC calls on PDU30 to prioritize debt audit, repeal of 40 year-old auto-debt payments

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MANILA, Philippines – Doves seemed to flock in Malacañang today as members of activist group Freedom from Debt Coalition (FDC) carried their demands for debt audit and repeal of automatic debt servicing imprinted on images of the bird symbolizing peace and freedom.

“Freedom from illegitimate debts! We march today to bring our petition to President Duterte. We call on him to include in his priority legislative agenda the repeal of the automatic appropriations law embodied in Presidential Decree 1177 and the immediate comprehensive audit of all public debts,” said FDC Secretary-General Sammy Gamboa.

Presidential Decree 1177, commonly called the Automatic Appropriations Law (AAL), was a legacy of the late dictator Ferdinand Marcos. It mandated the automatic appropriations of funds for interest and principal payments of the debts of the national government.

By virtue of AAL, debt payments do not need approval from the Congress and are thus, not scrutinized during budget deliberations.

“For 40 years, we have suffered the impact of this oppressive law. Debt payments are prioritized and are given the first cut of the national budget before appropriations are made for social and economic services. Generations have been denied of their right to live a life of dignity and generations more will endure the same fate if we don’t get rid of this law now,” Gamboa said.

“And we don’t even know what it is that public funds are being used to pay for. How did we end up with these huge debts? How were these loans utilized? Did we even benefit from them or did they just fatten the crooks in government and their private contractors?” Gamboa added.

Recently, FDC revealed in a news release that P6.13 billion of the government’s foreign debt service for 2017 will go to 13 fraudulent, wasteful or useless loans for construction of farm-to-market roads, flood control, irrigation, power sector reforms, and elementary education, among others. Many of the loans came from the Asian Development Bank, Japan International Cooperation Agency and the World Bank.

The group wants President Duterte to immediately convene a technical working group (TWG) for the repeal of AAL and for the official debt audit. The TWG will be composed of representatives from the government and the civil society.

“Our proposal to convene a TWG has been identified during the Social Development Initiatives Summit organized by the Duterte administration in Davao. It is one of the strategies toward achieving progress and development. We are pushing for immediate action on this,” said Gamboa.

For FDC, there will be no real change without freeing the people from the slavery of paying for illegitimate debts and without scrapping or overhauling the policies and institutions that facilitate the imposition of this burden on the public, especially the Filipino taxpayers.###

<http://fdc.ph/press-statements/debt-public-finance/708-fdc-calls-on-pdu30-to-prioritize-debt-audit-repeal-of-40-year-old-auto-debt-payments>