

MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 321
PRESCRIBING MEASURES FOR THE REDUCTION OF THE EXPENDITURES OF THE
NATIONAL GOVERNMENT TO MEET EXPECTED REDUCTIONS IN REVENUES.

Whereas the estimated ordinary income of the National Government for the current fiscal year, which was placed at ₱91,178,150 in 1941 Budget and later raised to ₱96,834,750 upon the enactment of Commonwealth Act No. 586, has been reduced to only ₱88,533,000 due to the persistent downward trend of the revenue collections;

Whereas, on the other hand, the total authorized appropriations for the ordinary expenditures of the National Government for the current fiscal year amount to ₱99,390,171, or an excess of ₱10,857,171 of the said authorized appropriations over the reduced estimated ordinary income;

Whereas the estimated ordinary income for the fiscal year 1942 is further reduced and amounts to only ₱82,310,000, which is ₱6,223,000 less than that for the current fiscal year and ₱17,080,171 below the total authorized expenditures for this fiscal year;

Whereas it is necessary for the Government to take precautionary measures to avert the impending deficits in order to keep the budget in balance and maintain the stability of its finances;

Now, therefore, I, Manuel L. Quezon, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, hereby order that the following economy measures be observed in the expenditure of the authorized appropriations:

1. Suspend authorizing salary increases, except when necessary to give incumbents the minimum rates of the grades to which their respective positions have been allocated under the Salary Law. Employees who are transferred from one position to another involving marked increase in duties and responsibilities or in cost of living; those occupying positions allocated to Grades 10 and 9 (₱30 to ₱55 per month) who, in spite of efficient service, have not been promoted during the last five years; or those receiving less than ₱200 per month who are entitled to promotions under the existing rules and whose proposed promotional appointments were received in the Bureau of Civil Service on or before October 23, 1940, may, upon the recommendation of the Cabinet, be allowed one-rate salary increases provided the appropriations authorized for their respective positions still have margins for such increases.
2. Suspend the filling of vacancies, except where absolutely necessary for continuing an indispensable public service but such filling should previously be authorized by the President.
3. Terminate the services of all temporary and emergency personnel, except those whose services the corresponding Secretary of Department may consider absolutely necessary.
4. Twenty-five per cent of the unexpended and unobligated balances of the authorized net appropriations for sundry expenses for the different departments on January 15, 1941, shall not be spent without the previous authority of the President.
5. Stop the purchase of furniture and equipment, except what may be needed for replacement of unserviceable and unrepairable furniture and equipment used in indispensable

public services. All the unexpended balances of the authorized net appropriations for purchase of furniture and equipment shall be considered saved except such portions thereof as may be authorized by the President.

6. No new activities shall be undertaken without the previous authority of the President, and those that have been started should be suspended, except when they are urgent in the opinion of the respective Head of Department.

All orders, rules, and regulations which are inconsistent therewith are hereby revoked.

Done at the City of Manila, this twenty-seventh day of January, in the year of Our Lord, nineteen hundred and forty-one, and of the Commonwealth of the Philippines, the sixth.

MANUEL L. QUEZON
President of the Philippines

By the President:

JORGE B. VARGAS

Secretary to the President

Source: Presidential Museum and Library

Office of the President of the Philippines. (1941). [*Executive Order Nos.: 248 - 399*]. Manila: Presidential Museum and Library.