

DIRECTING THE REDUCTION OF GOVERNMENT EXPENDITURES AND THE ADOPTION OF FISCAL RESTRAINT MEASURES

LETTER OF INSTRUCTIONS NO. 828, March 14, 1979

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TO: All Concerned

WHEREAS, price and cost increases create serious strain on government finances necessitating the elimination of non-essential government expenditures;

WHEREAS, it is necessary that essential government programs and projects be pursued expeditiously and with minimum "red-tape";

WHEREAS, it is imperative that standards of government service performance be observed in personnel and other aspects of government operations;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines Order and Instruct:

- Compulsory Savings. - All government ministries, agencies, offices including state universities and colleges, Shall effect compulsory savings of no less than five per cent of current operating expenditures in addition to reserves earlier imposed.
- Non-essential Expenditures. In reducing expenditures so as to generate this five percent savings, all concerned shall be guided by the following:
 - Attendance in conventions, seminars, workshops and similar activities conducted by private groups shall be minimized;
 - Training programs conducted by agencies shall be limited to the most essential ones;
 - Contributions and other similarly non-essential expenses shall be eliminated;
 - Unnecessary, redundant and duplicative publications shall be eliminated;
 - Meetings in expensive hotels and restaurants shall be avoided;
 - Foreign and domestic travel shall be held to a minimum;
 - Purchases and usage of materials and supplies shall be controlled;
 - Transactions between Regional and Central Offices shall be programmed carefully so as to cut down unnecessary costs due to travel and related expenses.
- Personnel and Staffing
 - The hiring of casuals, temporary and emergency employees, including consultants and contractual personnel shall be allowed in order not to hamper essential projects and services, subject to the findings of the Personnel Effectiveness Audit Committee created by Letter of Instructions No. 806.

- Additional compensation other than meal allowances shall be allowed only in accordance with the provisions of LOI No. 565, including the reporting requirement therein provided.
- Substitutionary appointments for temporary vacancies may be allowed for vacancies of at least three months' duration.
- The use of personnel services savings shall be strictly limited to urgently needed purposes and in any case shall be subject to Sec. 40 of P.D. No. 1177.
- Capital Outlays. Priority shall be given to ongoing and/ or foreign assisted projects. In the case of ongoing projects, releases shall be limited to amounts necessary to render Projects usable. The limitations on the hiring of casual and emergency employees shall not apply to capital outlays.
- Organizational Units. - The implementation of new organizational units shall be authorized subject to the recommendations of Ad Hoc Committee on Organizational Units created under LOI No. 728.
- Accounts Payable. The Commission on Audit shall review accounts payable recorded in agency books and shall revert to the General Fund unsubstantiated items.
- Applicability
 - These instructions shall apply to all Ministries, Bureaus, Offices, and Agencies of National Government, including state universities and colleges and non-profitable government owned or controlled corporations. The governing boards of profitable government corporations shall review their respective budgets and shall adopt measures consistent with these Instructions, to the extent warranted by the corporations' finances.
 - Hospitals and national schools shall be exempt from the additional forced savings called for by these Instructions. They shall, however, also adopt economy measures so as to maximize the effective usage of public funds.
 - These Instructions supersede LOI No. 805 and amend LOI No. 806.
 - Compliance. All agencies covered by these Instructions shall immediately review their financial situation and shall submit to the President, through their respective Ministers and the Minister of the Budget, (a) a list of the measures they have adopted in order to generate the required savings, and (b) the expenditure items that shall be thereby reduced. On the basis of agency suggestions, the Minister of the Budget shall recommend to the President no later than March 31, 1979, source and magnitude of the additional forced savings called for by these Instructions.
 - Effectivity. These Instructions shall apply to Calendar Year 1979.

Done in the City of Manila, this 14th day of March, in the year of Our Lord, nineteen hundred and seventy-nine.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

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