

# [ LETTER OF INSTRUCTIONS NO. 779, December 06, 1978 ]

## ALLOWANCES AND PAYMENTS MADE TO NATIONAL OFFICIALS BY LOCAL GOVERNMENT UNITS

TO: All Heads of Ministries, Bureaus, Agencies,  
and Offices of the National Government

All Provincial Governors, City and Municipal  
Mayors

The Acting Chairman, Commission on Audit

WHEREAS, certain officials and employees of the national government have been receiving additional compensation, including commutable and reimbursable allowances, from local government units;

WHEREAS, the national government has adopted a scale of compensation that is the maximum that can be supported by public funds;

WHEREAS, local government finances are such that they should place primary emphasis on projects of local priority and on upgrading the compensation of their own officials;

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

1. No official or employee of the national government, including contractual and casual personnel, may receive additional compensation, including commutable or reimbursable allowances, from any province, city municipality or barangay, Neither may any local government unit authorize the payment of additional compensation and allowances to officials and employees in the Legislative, Executive or Judicial Branches of the Government.
2. Any existing authorizations shall terminate as of December 31, 1978.
3. The Acting Chairman, Commission on Audit shall issue such rules and regulations as will ensure compliance.
4. Savings generated as a result of these Instructions shall be used by local government units for the implementation of priority local projects, as may be approved under existing local government finance law.

Done this 6th day of December, in the year of Our Lord, nineteen hundred and seventy-eight.

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

