

[REPUBLIC ACT NO. 5435, September 09, 1968]

AN ACT AUTHORIZING THE PRESIDENT OF THE PHILIPPINES, WITH THE HELP OF A COMMISSION ON REORGANIZATION, TO REORGANIZE THE DIFFERENT EXECUTIVE DEPARTMENTS, BUREAUS, OFFICES, AGENCIES AND INSTRUMENTALITIES OF THE GOVERNMENT. INCLUDING BANKING OR FINANCIAL INSTITUTIONS AND CORPORATIONS OWNED OR CONTROLLED BY IT, SUBJECT TO CERTAIN CONDITIONS AND LIMITATIONS.

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

SECTION 1. *Declaration of policy.*—It is hereby declared to be the policy of Congress to promote simplicity, economy and efficiency in the government to enable it to pursue programs consistent with national goals for accelerated social and economic development and to improve the service in the transaction of the public business in the executive departments, bureaus, offices, commissions, boards, agencies and instrumentalities of the government, including banking or financial institutions and corporations owned controlled by the government within the limits of their respective charters, except the Legislative and Judicial departments, the General Auditing Office, the Commission on Elections and local governments, by:

- (a). Limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities and functions;
- (b). Eliminating duplication and overlapping of services activities and functions;
- (c). Consolidating and integrating services, activities and functions of a similar nature;
- (d). Abolishing services, activities and functions necessary to the efficient conduct of government; and
- (e). Defining and limiting executive functions, service and activities.

SEC. 2. For the purpose of carrying out the policy set forth in Section One of this Act, there is hereby created a Commission on Reorganization to be constituted within ten days after the approval of this Act.

a. The Commission shall be composed of nine members as follows:

- (1) Three members of the Senate to be appointed by the President of the Senate, one of whom shall come from the party having the second largest number of votes in the last general elections;

(2) Three members of the House of Representatives to be appointed by the Speaker of the House of Representatives, one of whom shall come from the party having the second largest number of votes in the last general elections;

(3) Three members to be appointed by the President of the Philippines, who may come from within or without the government service. The President shall designate from among the members the chairman of the Commission.

b. The Chairman, with the approval of the Commission, shall have the power to appoint in accordance with the provisions of the Civil Service Law, and fix the compensation of, such personnel as it may deem necessary for the proper performance of its duties.

c. The Commission shall formulate policy guidelines not inconsistent with law, to be followed in effecting provisions of this Act and in conducting public hearings for the purpose of reconciling conflicting interests which may arise as a result of this reorganization.

d. The Commission shall consult with and make use such studies and recommendations as may be presented by the Management Service of the Budget Commission, the Council of Administrative Management, the U.P. Graduate School of Public Administration, the Joint Technical Staff on the Administrative Code Revision Project, and such other governmental units or agencies as it may designate or set up, or such, reputable private consultant management firms or entities, as it may deem necessary.

SEC. 3. To accomplish the objectives set forth in Section One of this Act, the Commission is further authorized:

a. To group, coordinate, consolidate or integrate departments, bureaus, offices, agencies, instrumentalities and functions of the government;

b. To abolish departments, offices, agencies or functions which may not be necessary, or create those which are necessary, for the efficient conduct of government functions, services and activities;

c. To eliminate overlapping and duplication of services, functions and activities of the government;

d. To transfer functions, appropriations, equipments, properties, records and personnel from one department, bureau, office, agency or instrumentality to another;

e. To create, classify, combine, split and abolish positions ;

f. To standardize salaries, materials and equipments;

g. To do whatever is necessary and desirable to effect economy and promote efficiency in the government service. The Commission shall