

**[ EXECUTIVE ORDER NO. 321, January 27, 1941 ]**

**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 P91,178,150 in 1941 Budget and later raised to P96,834,750 upon the enactment of Commonwealth Act No. 586, has been reduced to only P88,533,000 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 P99,390,171, or an excess of P10,857,171 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 P82,310,000, which is P6,223,000 less than that for the current fiscal year and P17,080,171 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 (P30 to P55 per month) who, in spite of efficient service, have not been promoted during the last five years; or those receiving less than P200 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