

PD-AAZ-825

IMPROVING THE ORGANIZATION
OF THE
EXECUTIVE BRANCH
OF THE
GOVERNMENT OF THE PHILIPPINES

LOUIS J. KROEGER AND ASSOCIATES

DECEMBER, 1955

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A Progress Report
by
Louis J. Kroeger and Associates

December, 1955

P A R T I C I P A T I O N

REPUBLIC OF THE PHILIPPINES

GOVERNMENT SURVEY AND REORGANIZATION COMMISSION

Hon. Dominador R. Aytona, Chairman

Sen. Cipriano P. Primicias
Sen. Edmundo B. Cea
Sen. Jose C. Locsin
Sen. Macario Peralta, Jr.
Hon. Francisco Dalupan
Hon. Hermenegildo B. Reyes

Rep. Arturo M. Tolentino
Rep. Apolinario R. Apacible
Rep. Isidro C. Kintanar
Rep. Paulino A. Alonzo
Hon. Andres O. Cruz

Leon M. Lazaga, Executive Officer
Alfonso V. Usero, Secretary

GOVERNMENT SURVEY AND REORGANIZATION ASSISTANCE PROJECT
(NEC-ICA CP-599)

Louis J. Kroeger and Associates, Contractor

Consultants

Louis J. Kroeger, Contractor
Wilson F. Harwood, Chief Adviser
Donald A. Jensen, Deputy Chief Adviser

Ernest J. Barbour	Robert A. Garlock	Fred J. Morey, Jr.
Alan Bruce	Gustav C. Hertz	Glenn D. Morrow
Thomas E. Flowers, Jr.	Herbert F. Lindsay	William C. Pedersen
	William H. Mitchel	

Analysts

Jose V. Abueva	Avelino Q. de Lara	Francisco N. Romero, Jr.
Conchita R. Adamos	Pedro M. Ludovice	Cipriano Primicias, Jr.
Severo P. Asuncion	Placido Manalo, Jr.	Luis San Pascual
Vicenta Bajar	Alfredo M. Martires	Ricardo U. Silang
Jesus C. Berte	Cesar M. Marzon	Arcadio N. Suñga
Jose M. Bustamante	Mauricio Monta	Eulogio Y. Tablante
Independencia Q. Drilon	Angelina R. Muñoz	Avelino P. Tendero
Manuel S. Estrada	Bayani J. Ongchangco	Paterno C. TorresYap
Alfredo Flores	Arnedo I. Pascua	Gabriel B. Tuazon
Rolando G. Geotina	Carmel C. Perfecto	Wilfredo Vega

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REPUBLIC OF THE PHILIPPINES
Office of the President
GOVERNMENT SURVEY AND REORGANIZATION
ASSISTANCE PROJECT, CP-599
747 Padilla, San Miguel, Manila

December 31, 1955

Commissioner Dominador R. Aytona
Budget Commission
M a n i l a

Dear Commissioner Aytona:

It is my honor to submit a report reviewing the progress of the reorganization program through 1955 and outlining plans for 1956.

I appreciate the thoughtful consideration given by the Government Survey and Reorganization Commission and its task forces to the advice provided by the Project staff. Also I wish to acknowledge the valuable help received from the Budget Commission, the United States Operations Mission to the Philippines, United Nations agencies, the League of Governors and City Mayors, the University of the Philippines and the many other public and private groups that have provided information and made suggestions for the improvement of the organization of the Philippine Government.

Sincerely,

LOUIS J. KROEGER

I N T R O D U C T I O N

"The most comprehensive potential development under the present national administration is encompassed in the work of the Government Survey and Reorganization Commission."

Public Administration in the Philippines,
Edward O. Stene and Associates, 1955, p. 402.

Less than six months after President Ramon Magsaysay took office, the first truly thorough review of the organization of the Executive Branch of the Philippine Government was initiated. This vital undertaking began when the Third Congress of the Republic of the Philippines enacted and the President approved the Reorganization Act of 1954.

The objectives of this Act are to promote better execution of the laws, more effective management of the government, more expeditious administration of public business, and greater efficiency combined with economy in government operations.

To carry out these objectives the Act created the Government Survey and Reorganization Commission. Shortly after the appointment of its members the Commission invited its Chairman, the Budget Commissioner, to provide advice and staff assistance by extending and expanding an existing contract with Louis J. Kroeger and Associates, management consultants of San Francisco, California. This was promptly done under a technical assistance project supported by the United States Operations Mission to the Philippines.

By the end of 1954 the Commission was active on all fronts. It had organized its work and divided it among task forces, relations with the entities of government being surveyed had been developed, the technical assistance project was staffed, the Commission's method of operation had been approved and put into operation, and fact gathering was proceeding at a rapid rate.

During 1955 the Commission prepared plans and supporting reports containing findings and recommendations on almost every part of the Executive Branch and in other ways carried out the objectives of the Act. The purpose of this report at the end of 1955 is to take stock of the situation at the midpoint in the course of the Commission's reorganization program and to consider plans for 1956.

CHAPTER I

B A C K G R O U N D

The present administrative structure of the Philippine Government bears impressions of Spanish control and unmistakable marks of American influence.

Spanish domination brought a strong centralized national administration, supplanting a highly localized form of government. The Spanish Governor-General exercised almost regal powers and Spaniards held a monopoly on public offices. So systematic was this colonial control that Filipino political organizations were ignored. Efforts by Filipino nationalists toward activity in government were met with indifference or hostility. Governmental machinery was set up to enable the fullest exploitation possible of the country's entire human and material resources. Public offices were often used for personal gain. Under such circumstances, the development of liberal ideas thrived only in the fertile minds of a handful of enlightened Filipinos.

As promised, the Americans undertook to prepare the Filipinos for self-rule. They reversed the Spanish policy of exclusion and took steady strides toward popular self-government and autonomy. But as the Filipinos assumed more responsibilities in government, they tended toward central control. American teachers warned against perpetuating colonial theories of central direction, while

American administrators often continued many of the same practices.

Some 400 years under foreign rulers account for the wide emphasis on reviews and approvals characteristic of almost every administrative procedure in the Philippines today.

After World War II the normal governmental benefits and services provided the people were increased. Vexing problems of reconstruction and rehabilitation together with totally depleted financial resources added new problems. Reestablishment of administrative machinery was hampered by employment opportunities offered experienced government men by American liberation forces. For a time, trained administrators were lacking in many parts of the Government.

Peace had barely been restored when internal hostilities broke out. Insidious ideological propaganda and loose firearms threatened the country's internal peace. Independence brought its problems, too. The American Army, which employed many civilians, was gone. Old employees sought return to government employment to the discomfort of those who had earlier accepted government jobs. Agrarian disputes added to the threat to peace and order.

In this unstable environment attempts to reorganize the new government were initiated in 1947 and 1950. In both cases the reorganization body was composed solely of Presidential appointees, reliance was placed on local management experience and time allotted for surveys was inadequate. These efforts pointed the way toward a large scale program to improve management and underscored the need

for thorough government reorganization.

Public expectations ran high following the change in administration in 1953. The country's economy clearly could not stand further waste of public funds from unconcomical and inefficient government operation. The Presidential pledge of ACTION led to the pervading sense of urgency in the conduct of public affairs. These were the general conditions preceding the launching of the current reorganization program.

CHAPTER II

C R E A T I O N A N D O R G A N I Z A T I O N
O F T H E S U R V E Y

After the inauguration of the present administration Congress and the President joined hands to improve the management of the Government's business. Joint recognition of limitations of past reorganizations, caused largely by Congressional non-participation, contributed to a healthy atmosphere of cooperation. On June 9, 1954 the Reorganization Act of 1954 (R.A. No. 997) was approved. The objectives of the Act are to:

- . Promote the better execution of the laws, the more effective management of government, and the more expeditious administration of public business.
- .. Promote economy in government operations.
- ... Increase efficiency in government operations.

The Government Survey and Reorganization Commission was created to carry out these objectives. Patterned after the Hoover Commission of the United States, it has mixed executive-legislative membership as follows:

- . Four members appointed by the President.
- .. Four members of the Senate appointed by the President of the Senate.
- ... Four members of the House of Representatives appointed by the Speaker of the House.

The Commission as constituted is composed of competent men who have a wide field of experience both in government and private affairs.

In addition to their Philippine experience, a majority have traveled abroad and have had opportunities to observe the operations of governments in other countries. The legislative members represent both the majority and minority parties.

The Reorganization Commission conducts studies of the organization and methods of operation of all of the Executive Branch of the National Government including government controlled corporations, and determines what changes are necessary. It is authorized to:

- ... Group, coordinate, consolidate, and abolish organizations and functions of government.
- ... Create organizations which may be necessary.
- ... Eliminate overlapping and duplication.
- ... Transfer functions, appropriations, equipment, property, records and personnel from one organization to another.
- ... Create, classify, combine, split or abolish positions.
- ... Standardize salaries, materials and equipment.
- ... Do whatever is necessary and desirable to effect economy and promote efficiency.

The immediate staff of the Commission consists of the Executive Officer, Secretary, technical assistants and clerks. The Executive Officer directs the activities of the staff while the Secretary prepares the meeting agenda, arranges for meetings, and maintains official records.

Realizing the magnitude and complexity of its task, the Commission at the outset asked its Chairman, the Budget Commissioner,

to provide technical assistance, if possible through the extension of an existing contract with the management consulting firm of Louis J. Kroeger and Associates. Under this contract a position classification and compensation plan was being developed. Consequently, the Republic of the Philippines, represented by the Budget Commissioner, entered into a supplementary contract with this firm requiring the latter to furnish technical advice and staff assistance to the Government Survey and Reorganization Commission on matters of organization and management.

Under the agreement a staff consisting of a Chief Adviser and consultants was provided by the contractor. Louis J. Kroeger personally heads the body of consultants, plans and coordinates the work and maintains working relations with the Chairman and other members of the Commission. In Mr. Kroeger's absence the Chief Adviser takes over these responsibilities.

Also as part of the agreement the Government employs Filipino analysts and clerks who work under the technical direction of the consultants and the administrative supervision of the Commission's Executive Officer. The entire group is known as the Government Survey and Reorganization Assistance Project (CP-599). This Project was made possible in part through the financial support of the United States Operations Mission.

In the beginning, to bring about a comprehensive and systematic review of the organization of the Government, the Commission organized itself into 12 panels, each corresponding to an executive department

or major agency. These panels conducted surveys and hearings to determine facts and to identify problem areas to be tackled subsequently by task forces.

After the preliminary survey conducted by the panels, the Commission organized task forces to study major functions of the government. Each task force is composed of three or more members of the Commission as designated by the Chairman.

A total of 28 task forces went to work, making free use of the knowledge and experience of people in the Government actually on the job who are largely responsible in the final analysis for implementing reorganization plans and seeing to it that they are successfully carried out. The composition of task forces at present is as follows:

TASK FORCES

<u>Subject</u>	<u>Membership</u>
1 - Personnel	Edmundo B. Cea, Chairman Arturo M. Tolentino Francisco Dalupan
2 - Administrative Services	Dominador R. Aytona, Chairman Macario Peralta, Jr. Andres O. Cruz
3 - Intelligence and Civil Security	Macario Peralta, Jr., Chairman Apolinario R. Apacible Andres O. Cruz
4 - Economic Planning	Hermenegildo B. Reyes, Chairman Cipriano P. Primicias Arturo M. Tolentino
5 - Transportation	Andres O. Cruz, Chairman Edmundo B. Cea Isidro C. Kintanar

- 6 - Health
Jose C. Locsin, Chairman
Apolinario R. Apacible
Francisco Dalupan
- 7 - Statistics and Allied Research
Apolinario R. Apacible, Chairman
Macario Peralta, Jr.
Hermenegildo B. Reyes
- 8 - Field Operations
Isidro C. Kintanar, Chairman
Jose C. Locsin
Andres O. Cruz
- 9 - Revenue System and Administration
Francisco Dalupan, Chairman
Cipriano P. Primicias
Arturo M. Tolentino
- 10 - Budget, Accounting and Auditing
Dominador R. Aytona, Chairman
Cipriano P. Primicias
Paulino A. Alonzo
- 11 - General Organization
Edmundo B. Cea, Chairman
Dominador R. Aytona
Arturo M. Tolentino
- 12 - Management Practices
Cipriano P. Primicias, Chairman
Dominador R. Aytona
Isidro C. Kintanar
- 13 - Labor
Macario Peralta, Jr., Chairman
Arturo M. Tolentino
Francisco Dalupan
- 14 - Public Works and Communications
Cipriano P. Primicias, Chairman
Apolinario R. Apacible
Hermenegildo B. Reyes
- 15 - National Defense
Apolinario R. Apacible, Chairman
Edmundo B. Cea
Andres O. Cruz
- 16 - Welfare, Pensions, Gratuities,
and Employee Insurance
Jose C. Locsin, Chairman
Edmundo B. Cea
Paulino A. Alonzo
- 17 - Regulation of Professions
Francisco Dalupan, Chairman
Paulino A. Alonzo
Hermenegildo B. Reyes

- | | |
|---|---|
| 18 - Commerce and Industry | Edmundo B. Cea, Chairman
Isidro C. Kintanar
Andres O. Cruz |
| 19 - Foreign Affairs | Andres O. Cruz, Chairman
Macario Peralta, Jr.
Apolinario R. Apacible |
| * 20
21 - Administration of Justice | Arturo M. Tolentino, Chairman
Edmundo B. Cea
Macario Peralta, Jr.
Francisco Dalupan
Hermenegildo B. Reyes |
| * 22
23 - Agriculture and
Natural Resources | Isidro C. Kintanar, Chairman
Jose C. Locsin
Paulino A. Alonzo |
| 24 - Education and Culture | Hermenegildo B. Reyes, Chairman
Cipriano P. Primicias
Paulino A. Alonzo |
| 25 - Banking and Credit | Paulino A. Alonzo, Chairman
Macario Peralta, Jr.
Francisco Dalupan |
| 26 - Manufacturing Proprietary
Activities | Cipriano P. Primicias, Chairman
Paulino A. Alonzo
Andres O. Cruz |
| 27 - Non-Manufacturing Proprietary
Activities | Paulino A. Alonzo, Chairman
Jose C. Locsin
Hermenegildo B. Reyes |
| 28 - Presidency | Dominador R. Aytona, Chairman
Edmundo B. Cea
Isidro C. Kintanar |

To help the task forces conduct their work, seven Project teams were organized. Each team consists of a consultant provided by the contractor and an average of three Filipino analysts. In addition, the contractor personally performs the staff work on the Presidency

* Combined after being separated initially.

and, with a consultant from the Wage and Position Classification Office, on Personnel. The Project Administrative Assistant works part time as a consultant and is currently assigned to Agriculture and Natural Resources. Team assignments and membership as of December, 1955 follows:

PROJECT TEAMS

<u>Membership</u>	<u>Task Force</u>
Louis J. Kroeger, Contractor	Presidency
Wilson F. Harwood, Chief Adviser	
Robert A. Garlock, Administrative Assistant	
Ernest J. Barbour, WAPCO Consultant	Personnel
<u>Team I</u>	
Glenn D. Morrow, Consultant	Economic Planning
Alfredo Flores, Analyst	Statistics and Allied Research
Mauricio Monta, Analyst	Banking and Credit
Arcadio N. Suñiga, Analyst	
<u>Team II</u>	
Donald A. Jensen, Deputy Chief Adviser	Health
Jose M. Bustamante, Analyst	Labor
Carmel C. Perfecto, Analyst	National Defense
	Welfare, Pensions, Gratuities, and Employee Insurance
<u>Team III</u>	
* Alan Bruce, Consultant	Intelligence and Civil
Avelino P. Tondero, Analyst	Security
Independencia Q. Drilon, Analyst	Foreign Affairs
Angelina R. Muñoz, Analyst	Education and Culture
Luis San Pascual, Analyst	Administration of Justice

* Formerly Herbert F. Lindsay

Team IV

★ William C. Pedersen, Consultant
Placido Manalo, Jr., Analyst
Pedro M. Ludovice, Analyst
Jesus C. Berte, Analyst

Administrative Services
Budget, Accounting and
Auditing
Management Practices
Revenue System and
Administration

Team V

Thomas E. Flowers, Jr., Consultant
Severo Asuncion, Analyst
Bayani J. Ongchangco, Analyst
Ricardo U. Silang

Transportation
Public Works and Communica-
tions
Non-Manufacturing Proprietary
Activities

Team VI

William H. Mitchel, Consultant
Robert A. Garlock, Consultant
Arnedo I. Pascua, Analyst
Vicenta Bajar, Analyst

Field Operations
Agriculture and Natural
Resources

Team VII

Gustav C. Hertz, Consultant
Paterno C. TorresYap, Analyst
Francisco H. Romero, Jr., Analyst
Conchita R. Adamos, Analyst

Regulation of Professions
Commerce and Industry
Manufacturing Proprietary
Activities
General Organization

In addition to other sources of information and points of contact available to the Commission to carry out the program of reorganization, the President designated the undersecretaries of departments as special technical consultants to the Commission. This liaison arrangement helps significantly to develop harmony and close cooperation between the Commission and the departments.

★ Formerly Fred J. Morey, Jr.

No review of the organization of the Government Survey and Reorganization Commission is complete without special reference to relations with the Budget Commission and associated groups. As stated earlier, the Budget Commissioner is also Chairman of the Reorganization Commission. This fortunate arrangement leads to excellent cooperation between the two organizations and provides a direct channel of communications to the President and the Cabinet. The Budget Commissioner also administers the Government Survey and Reorganization Assistance Project.

The Wage and Position Classification Office (WAPCO) is likewise under the Budget Commissioner. WAPCO is particularly important because of the Reorganization Commission's authority to classify positions and standardize salaries and because personnel problems are among the most critical faced by the Government. WAPCO completed classification and pay plans by December 31, 1954 and these are now incorporated in the reorganization plans of the Commission. Louis J. Kroeger and Associates provides technical assistance for WAPCO.

The Budget Commissioner has obtained outside assistance through a contract with the management consulting firm of Booz, Allen and Hamilton on the modernization of the budget, accounting, auditing and treasury practices of the Government. Plans and reports of the Reorganization Commission covering these subjects are prepared with the advice of this firm. Under another contract, Booz, Allen and

Hamilton is providing technical assistance on the modernization of the Bureau of Lands. Their advice on the reorganization of the Bureau has been fully utilized.

As a special duty, the Budget Commissioner was appointed Chairman of the President's Committee on Civil Service. The Committee submitted a report on January 6, 1955 which proposed improvements in organization, practices and the civil service law. In the main, the Reorganization Commission concurs with these recommendations and with few exceptions has incorporated them in its report on Personnel.

In addition to the departments and other entities of the Government, including particularly the Budget Commission, the Reorganization Commission works in close coordination and complete collaboration with a number of resource groups which supply valuable information, facts, figures, viewpoints and ideas. The more important groups are as follows:

- ... United States Operations Mission.
- ... United Nations agencies and advisers.
- ... University of the Philippines; particularly its
Institute of Public Administration, and
Statistical Training Center.
- ... League of Governors and City Mayors.

The United States Operations Mission (formerly the Foreign Operations Administration and now the International Cooperation Administration) makes available its staff for consultation on all aspects of the Commission's activities. Drafts of Commission papers are forwarded to the Mission for information and comment. Mission staff members keep Commission consultants aware of their viewpoints on the many issues that arise. The Project's Deputy Chief Advisor serves as the liaison officer to all parts of the Mission. The Mission works with the Project through the Chief of its Public Administration Division, and the Mission Director contacts the Chairman of the Commission directly.

United Nations agencies and advisers contribute many valuable suggestions to reorganization. This has been particularly true in the areas of community development, economic planning and statistics.

The Institute of Public Administration of the University of the Philippines is a continuing source of help for the Commission. It prepared organization charts of the Philippine Government especially for the Commission. The Commission made liberal use of material the Institute prepared in a report on records management. Other specific contributions of the Institute were on increased autonomy for local government and government corporations.

The Statistical Training Center is another valuable resource group in the University of the Philippines. The Commission's plans and reports concerned with the statistical activities of the

Government were prepared after consultation with the Center.

The League of Governors and City Mayors serves as a body of advisers to the Commission. Its members have attended Commission meetings. Its contributions have been mainly on relations between the National Government and local governments and the organization of National Government field operations. The League asked two of its members to serve as consultants to the Commission.

The Philippine Statistical Association and the Philippine Rural Rehabilitation Movement are among the many other organizations, for the most part professional and civic, that continue to assist by providing valuable suggestions which in many cases are incorporated into Commission plans and reports.

An organization chart showing in graphic form the major relationships described above is provided on the following page.

ORGANIZATION CHART

RESOURCE GROUPS

BUDGET COMMISSION

U.S. OPERATIONS MISSION

UN AGENCIES

UNIVERSITY OF THE PHILIPPINES

LEAGUE OF GOVERNORS AND CITY MAYORS

OTHER ORGANIZATIONS

GOVERNMENT SURVEY & REORGANIZATION COMMISSION		
SEN. CIPRIANO P. PRIMICIAS	HON. DOMINADOR R. AYTONA <i>Chairman</i>	REP. ARTURO M. TOLENTINO
SEN. EDMUNDO B. CEA	HON. FRANCISCO DALUPAN	REP. APOLINARIO R. APACIBLE
SEN. JOSE C. LOCSIN	HON. HERMENEGILDO B. REYES	REP. ISIDRO C. KINTANAR
SEN. MACARIO P. PERALTA, JR.	HON. ANDRES O. CRUZ	REP. PAULINO A. ALONZO

COORDINATING GROUPS	
COMMISSION CHAIRMAN	EXECUTIVE OFFICER SECRETARY STAFF
PROJECT CONTRACTOR	CHIEF ADVISER DEPUTY CHIEF ADVISER STAFF

TECHNICAL CONSULTANTS

DEPARTMENT UNDER-SECRETARIES

TASK FORCE COMMISSIONERS
PROJECT TEAM
CONSULTANTS
ANALYSTS

TASK FORCES AND SUPPORTING TEAMS

TASK FORCE COMMISSIONERS
PROJECT TEAM
CONSULTANTS
ANALYSTS

CHAPTER III

G U I D I N G P R I N C I P L E S

To supplement the purposes set forth in the Reorganization Act and to furnish guidance to its membership and staff, the Commission in the early stages of its existence, adopted specific guiding principles. These principles, listed below, are being carefully followed.

1. The primary objective is to establish a form of organization which improves the capacity of the Executive Department to execute the laws and administer the affairs of the Republic, while at the same time clarifying and strengthening the legislative responsibilities of the Congress.
2. The current stage of development of the government still requires a strong central government; yet it is now time to create the means by which local autonomy and local programs can be developed as quickly as possible.
3. The current state of development of the national economy still requires that the government continue its support while withdrawing gradually from the active operation of proprietary functions.
4. Whatever form of organization is developed, it must be supported by revenue which are easily and fully collectible, and which encourage rather than hamper the economy.
5. A clear distinction must be made between responsibility for planning, coordination and direction on the one hand, and administrative detail on the other.
6. The Commission should avoid being drawn into departmental operating policy disputes, some of which will inevitably be brought to its attention.
7. Likewise, the Commission should not attempt to investigate anomalies, administrative charges and other matters closely related to organization and process, but not a part of it.

8. The Commission should not be concerned with the competence of individual employees except to the extent that it has a direct bearing on organization and method.

9. The work of the Commission and staff should be concentrated on analysis of current facts and the preparation of workable recommendation for improvement.

10. The Commission should direct its effort to the more efficient and economical administration of programs approved by the President and the Congress, and should examine the progress themselves with respect to the organization and methods needed to carry them out.

11. The bureaus, offices, agencies and other organization units should, as far as feasible, be distributed among and grouped under the different Executive Departments, on the basis of major function, in order to minimize conflicts, overlapping and duplication of activities.

12. The Commission should coordinate and integrate the work being carried out under other management improvement projects.

13. To insure the most effective use of common administrative services, the agencies rendering these common services should be grouped together in a single department.

14. In matters affecting the national economy, the government should

- a) provide the legal and psychological atmosphere for encouraging rather than hindering free enterprise;
- b) support and encourage necessary enterprises; and
- c) substitute governmental for private operation only when absolutely necessary and only for as long as absolutely necessary.

15. The general plan of organization to be observed should be

- a) departments to administer government functions;
- b) corporations to administer proprietary functions for which the government is temporarily providing support; and
- c) authorities to administer proprietary functions which are to remain a government monopoly indefinitely.

CHAPTER IV

M E T H O D O F A T T A C K

The Reorganization Act of 1954 establishes the general method to be followed by the Commission. Whenever the Commission, after study and investigation, finds that a change is necessary to carry out the objectives of the Act, it prepares and submits to the President one or more "reorganization plans." Plans approved by the President are submitted to the Congress. A plan is deemed approved by Congress after a period of time from the date of submission (now 70 days), unless disapproved by either House or approved sooner by both Houses. Approved plans have the full force and effect of law. The Commission prepares the necessary implementing details for Congressionally approved plans and submits them to the President. If he approves, they are promulgated in an executive order.

To carry out the work effectively and smoothly the steps listed below are generally followed for each field of study:

1. Commission and Project staff members study available related documents including data from organization being surveyed.
2. The Project staff develops a working hypothesis in the form of an outline, possibly with alternative proposals on major points.
3. The hypothesis is considered by the task force; general agreement is reached on major issues.
4. The Project staff in collaboration with the task force conducts a complete study and investigation, and thereafter prepares draft reorganization plans and a supporting report incorporating salient facts, findings, recommendations and drafts of proposed legislation.

5. The task force considers the Project staff recommendations; it schedules additional staff work and hearings as deemed necessary.
6. The task force reviews and takes action on reorganization plans, supporting report and proposed legislation. Approved plans, report and legislation are submitted to the Commission.
7. The Commission takes action after due deliberation. Approved plans, supporting reports and proposed legislation are transmitted to the President.
8. The President considers the reorganization plans and related material. If he approves, plans, reports and proposed legislation are submitted to the Congress.
9. Both Houses of Congress and their committees consider the reorganization plans. Those to be submitted to the Third Session will be deemed approved after the expiration of 70 session days, unless disapproved by simple resolution of either House or approved sooner by concurrent resolution.
10. The Project staff gathers the facts and conducts the analysis necessary for the preparation of an implementation report for each reorganization plan approved by Congress and submits a draft report to the task force.
11. The task force reviews and takes action on the implementation report and submits approved reports to the Commission.
12. The Commission considers and takes action on the implementation report. The Commission submits the implementation report to the President.
13. The President considers the implementation report on the reorganization plan; if he approves he issues an executive order.
14. The Commission, the task force and the Project staff work with organizations affected on the implementation and installation of the reorganization plan.

The Commission's procedure is set forth graphically in the flow chart on the next page. It should be recognized, however, that the steps previously listed and on the chart are not always followed in sequence. All through the process the departments and other governmental entities provide the Commission members and staff with information and suggestions. As the work of the task force and its supporting Project team progresses, successive drafts of reports and plans are circulated for criticism by those familiar with the problem or affected by the proposals. Hearings are frequently held to air conflicting views.

As a better view of the procedure used by the Commission may be had by reviewing an actual case, a step by step history of reorganization plans on economic planning has been included in Chapter VII - Reference Material, at the end of this report.

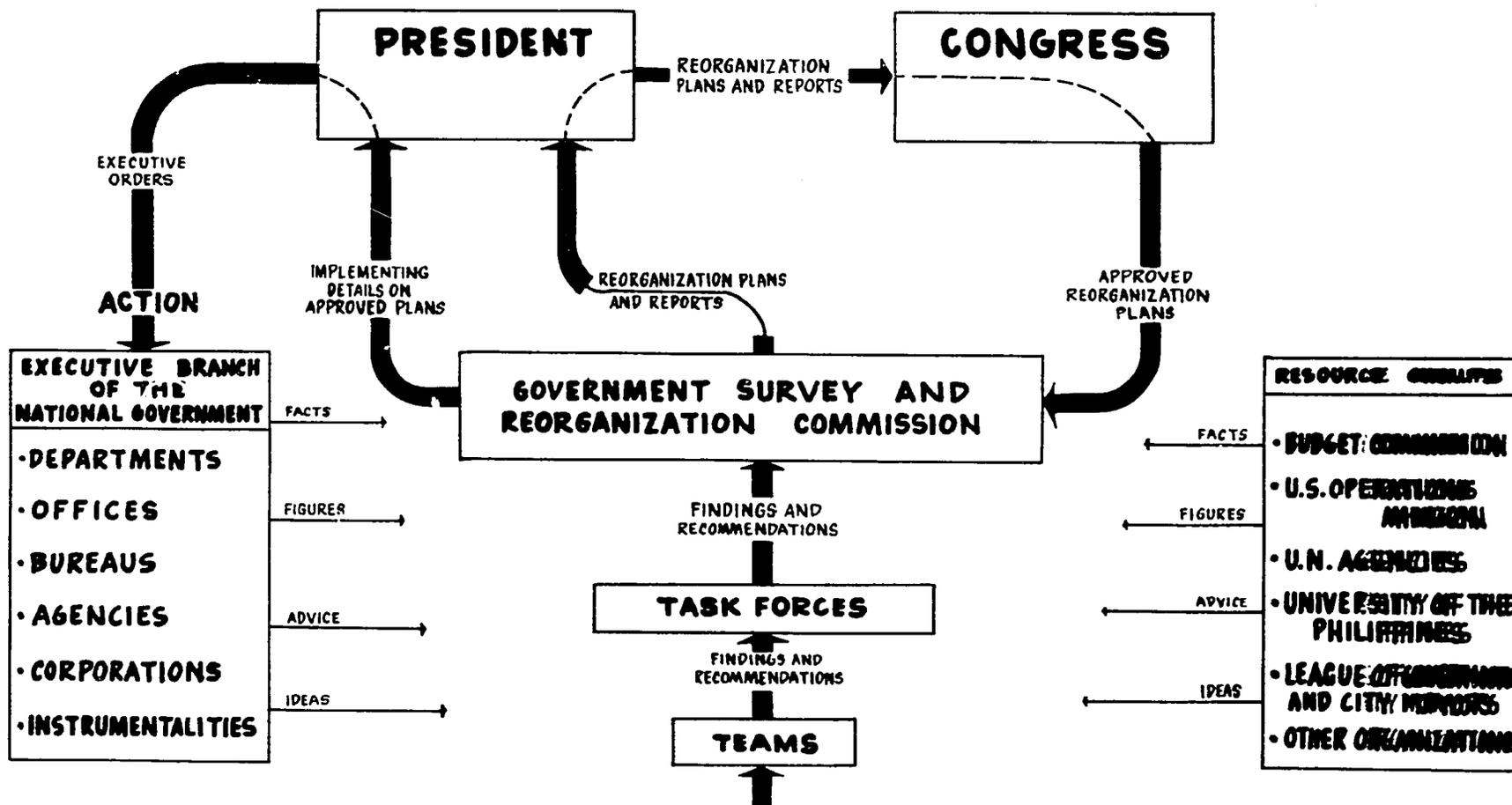
In 1954 from August 20 to the end of the year the Commission held 14 meetings. During 1955 meetings followed the pattern set forth below.

NUMBER OF COMMISSION MEETINGS PER MONTH IN 1955

January	2	July	2
February	8	August	-
March	6	September	-
April	1	October	-
May	1	November	2
June	4	December	6

Total - 32

FLOW CHART



The peak of activity in February and March was necessary to meet the March 15 legal deadline for submission of plans by the President to the Congress. At the June and July meetings some plans were approved and sent to the President with the recommendation that they be submitted to the special session of Congress. During the period prior to the November elections the Commission did not meet, but task forces and Project teams prepared reports and plans for future consideration. In the latter part of November and in December the Commission reviewed and approved plans for the 1956 regular session of Congress.

CHAPTER V

A C C O M P L I S H M E N T S F O R 1 9 5 5

Reorganization requires a thorough, impartial, expert analysis of what is wrong and how it can be made right. Thus, the first job was to determine the major defects in the administrative machinery of the Philippine Government - defects which are found in one degree or another in the government of any nation in the world. The initial accomplishment of the Commission was this determination set forth in its March, 1955 report on General Organization as listed below.

SUMMARY OF FINDINGS

1. There are too many separate entities of government.
2. The numerous entities duplicate and overlap.
3. This creates major problems of coordination and direction of the functions being performed.
4. It also results in some desirable functions not being performed at all.
5. The Office of the President is particularly overburdened with miscellaneous routine duties.
6. The Office of the President has many functions that should be assigned to the line departments.
7. The general services on which all departments depend, such as supply, space, transportation and printing, are scattered and are not provided promptly and efficiently.
8. Virtually all entities have administrative and custodial staffs out of proportion to the technical and operational staffs that are needed for service to the people.

9. Personnel is concentrated in Manila, and too many actions must come to Manila for approval.
10. Each entity seeks to be a complete government rather than depending on cooperation and coordination with other.
11. Organization structure within many departments is not consistent with major functions or purposes.
12. Department secretaries and other agency heads do not have sufficient authority to correct existing deficiencies in their agencies.

The Commission immediately took substantial steps to remedy these defects. Fifty-five reorganization plans in 30 reports were reviewed by the Commission, 51 reorganization plans in 25 reports were transmitted by the Commission to the President for his consideration, and 48 plans in 22 reports were approved by the President and sent to Congress prior to the March 15, 1955 deadline. In addition, the Commission issued a report on General Organization containing work objectives and proposal highlights, and a General Summary of Reorganization Plans which provides an index to the contents of plans. There follows a list of titles of Commission reports published in February and March of 1955.

COMMISSION REPORTS

Administration of Justice
Administrative Services
Agrarian Relations
Agriculture and Natural Resources
Banking and Credit
Budgeting and Accounting
Commerce and Industry
Economic Planning
Field Operations
General Organization
General Summary of Reorganization Plans
Health
Intelligence and Civil Security
Labor
Management Practices
National Defense
Non-Manufacturing Proprietary Activities
Personnel
Philippine Tourist Industry
Presidency
Public Works, Transportation, Communications and Public
Service Regulation
Regulation of Professions
Revenue System and Administration
Statistics and Allied Research

The President, by many words and deeds, has shown great interest in the effective revamping of the Government. He endorsed practically all of the Commission's reorganization plans, but only after a careful independent evaluation of each plan, during which he showed a complete understanding of the need for reorganization and of the character of the plans submitted.

There were over 420 specific recommendations for the improvement of the organization and management of the Government in the 48 plans. These recommendations are summarized below.

SUMMARY OF RECOMMENDATIONS

1. Remove from the Presidency numerous routine duties in order that the Office might concentrate its attention on executive policies and over-all management functions.
2. Improve economic planning and development by providing for a new planning body, by clarifying the roles of the Congress and the President, and by separating planning from the implementation of plans.
3. Strengthen department heads by giving them increased control over bureaus and by providing them with effective managerial tools, including centralized staff and internal service units.
4. Promote decentralization of operations and personnel and the strengthening of field offices in a coordinated and coherent pattern.
5. Locate related activities close together, both physically and organizationally, in order to reduce duplication and to promote coordination of efforts.
6. Clarify lines of authority and responsibility.

The Reorganization Act of 1954 as originally enacted allowed Congress but a scant 30 days to consider these sweeping changes in the entire structure of the Government. No one can criticize Congress for having amended the law so that this great burden could be shifted to a future session, to permit mature consideration.

The legislative history of this shift is of some interest. The 30 days passed and no action was taken. An amendment to the original Act extended the life of the Commission to December 31, 1956 and extended the right of either House to reject plans to the end of the session (R. A. No. 1241). On the last day of the session, by House Resolution No. 40, all plans but one were disapproved. This was due to a widely held view in Congress that more time should be given to the consideration of the many and sweeping changes in the organization of the Government.

The Commission's single most important plan was approved by the Congress; namely, Reorganization Plan No. 10 -- creating a new and revitalized National Economic Council.

The approval and implementation of this one plan were extremely important acts in the economic development of the nation. During June, details for its implementation were developed by the Project staff, approved by the Task Force on Economic Planning and by the Commission, and transmitted to the President for his consideration. The highlight in the work of the Commission for the year was the

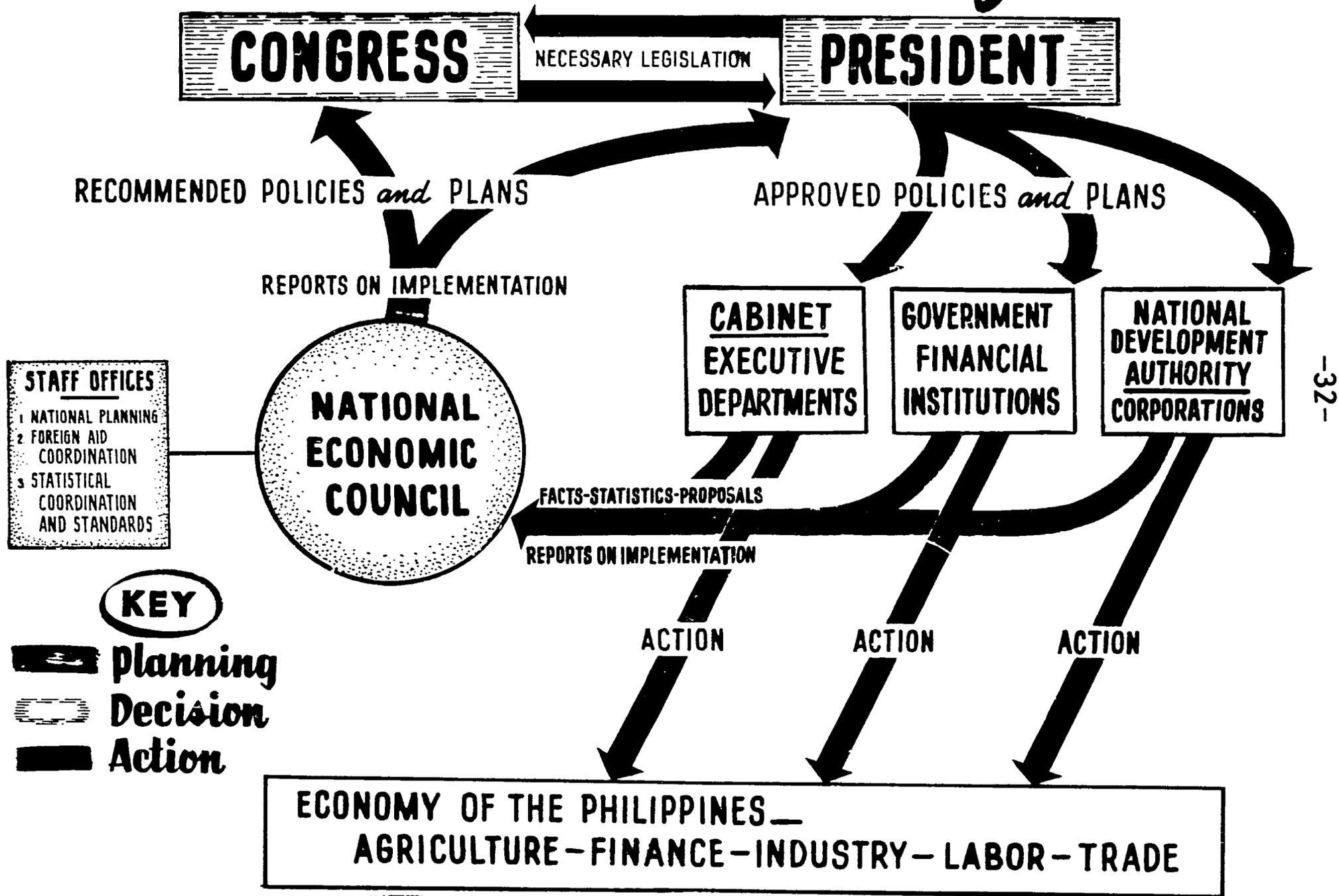
signing of Executive Order No. 119 on July 1, 1955 creating the new Council and providing for the implementation of Plan 10. A chart showing the relations of the Congress, the President, and the departments and other institutions in the Executive Branch to the new National Economic Council is provided on the following page.

Emphasis by the Commission and the Project staff on effective management of the Government's business and on efficiency and economy in operations has caused officials at all levels to work toward management improvement. There has been a significant movement to evaluate and appraise organization and management by all concerned. The most encouraging signs are actions taken to implement some of the ideas of the Reorganization Commission without awaiting formal action on reorganization plans.

For example, one of the most critical requirements pinpointed by the Commission is the need to decentralize service out of Manila so that the great majority of the people, who live elsewhere, can be better served. An excellent illustration of this is public health. At one time, most of the staff of the Department of Health was in Manila, concentrating on administrative matters. Now, inspired in part at least by the Reorganization Commission's endorsement of decentralization, the emphasis has been shifted to provide more health services in the provinces and municipalities throughout the country.

To demonstrate the importance of the reorganization and decentralization of the Department of Health, graphic illustrations

Economic Planning



of the scope and extent of health services provided to each province were drafted under the direction of the Project staff. The summary charts show some 1,000 Manila employees moving to the field to increase the services to the people. One chart is reproduced on the following page.

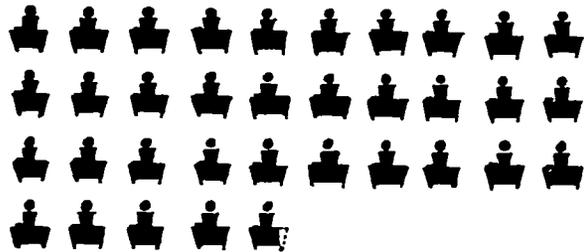
Also in accordance with Commission proposals, the Department of Labor, the Social Welfare Administration and the Bureau of Internal Revenue have created regional offices to expedite work.

Many other examples may be mentioned. The Philippine Constabulary has been separated from the Army and has received independent status. The Bureau of Customs and the Bureau of Quarantine are using their launches in a coordinated manner. The Department of Foreign Affairs has expanded the policy-consideration role of its Board of Foreign Service and has simplified passport issuance procedures. The Land Registration Commission in cooperation with the Bureau of Lands is eliminating unnecessary and wasteful steps in its operations. The Mariveles Hospital under the Department of Health is being well utilized for the first time since it was constructed.

In other cases, Congress has followed suggestions originally proposed in reorganization plans. The most notable example was the abolition of the Price Stabilization Corporation, which has been replaced by the National Marketing Corporation. This action is particularly significant because it marked a conscious change from

REORGANIZATION WILL GET
Health Services
 TO THE PEOPLE

HEADQUARTERS BEFORE *and* AFTER



NOW

1741

625

to REMAIN



to the FIELD



1000

DATA :
 ONE FIGURE = FIFTY INDIVIDUALS

the sale of goods through government distribution, to release of these goods through privately-owned Filipino distributors. Likewise, Congress has established a Court of Agrarian Relations which has characteristics of a plan first proposed by the Reorganization Commission.

Project teams not only serve as staff to the Commission but also as advisers to heads of agencies interested in following the Commission's proposals. As a direct result of this activity the Office of the Secretary of the Department of Agriculture and Natural Resources, the National Resettlement and Rehabilitation Administration, the Agricultural Tenancy Commission and the Social Welfare Administration have made improvements in their management. Advice provided to the newly created Land Tenure Administration helped that organization get off to a good start.

An important phase of the operation of the Project is the training of the Filipino analysts. In addition to the benefits derived from the work experience, a regular training program was initiated in May, 1955. Instruction is given in organization and methods analysis techniques. Analysts are provided information which is needed for their professional work now and which will serve them constructively long after this particular reorganization program is completed.

Of the 48 plans submitted to Congress last session and, in effect, laid over by Congress for consideration at its next session, about

half are now ready for return to the President with very minor revisions. The other half of the original plans are undergoing varying degrees of amendment and will soon again be sent to the President. Added to all these, there are another 20 new plans which are pending Commission approval, thus completing the coverage of every important department and function.

In this latter group are plans related to the government corporations. The Commission has focused its attention on the 23 government owned or controlled corporations because of their relationship both to the services of the government and to the business community. The Commission has identified problem areas in government corporations ranging from their over-all relationship to the government structure and the private business area to the uniform application of government auditing practices. A general policy statement developed by the Commission is guiding task forces in their individual analysis of each of the corporations.

As matters stand at the end of 1955 the President may expect to receive plans on the subjects listed on the following pages. The plans which have already been officially approved by the Commission are marked (A).

SCHEDULED COMMISSION REPORTS AND PLANS FOR 1956

Administration of Justice:

Reorganizing the Department of Justice. (A)

Reorganizing the Bureau of Immigration.

Reorganizing penal administration.

Administrative Services:

Creating a Department of General Services. (A)

Creating a Bureau of Supply Coordination. (A)

Transferring inspection functions to the Bureau of Supply Coordination. (A)

Creating a Bureau of Building and Real Property Management. (A)

Creating a Bureau of Records Management. (A)

Transferring the Bureau of Printing and the National Media Production Center to the Department of General Services. (A)

Agriculture and Natural Resources:

Reorganizing the Department of Agriculture and Natural Resources and its bureaus.

Creating a Forest Products Research Institute.

Reorganizing the land settlement, tenancy and tenure functions.

Reorganizing activities concerned with fibers.

Reorganizing activities concerned with sugar.

Reorganizing activities concerned with coconuts.

Reorganizing activities concerned with tobacco.

Banking and Credit:

Reorganizing import-export functions.

Reorganizing the banking and credit institutions.

Budget and Accounting:

Reorganizing the Budget Commission. (A)

Streamlining the accounting system. (A)

Commerce and Industry:

Reorganizing the Department of Commerce and Industry. (A)

Economic Planning:

Creating a National Development Authority.

Education and Culture:

Reorganizing the Department of Education and transferring cultural activities to the Department.

Field Operations:

Establishing boundaries and headquarters for regions. (A)

Foreign Affairs:

Reorganizing the Department of Foreign Affairs. (A)

Health:

Reorganizing the Department of Health. (A)

Reorganizing the Bureau of Quarantine. (A)

Reorganizing the Institute of Nutrition. (A)

Intelligence and Civil Security:

Reorganizing the National Security Council. (A)

Reorganizing the National Intelligence Coordinating Agency. (A)

Labor:

Reorganizing the Department of Labor.

Management Practices:

Creating a Council of Administrative Management. (A)

Manufacturing Proprietary Activities:

Reorganizing the Cebu Portland Cement Company.

Reorganizing the National Power Corporation.

Reorganizing the National Shipyards and Steel Corporation.

Reorganizing the Manila Gas Corporation.

Reorganizing the manufacturing activities of the National Development Company.

National Defense:

Reorganizing the Department of National Defense. (A)

Creating a Bureau of Veterans Affairs.

Clarifying civilian control over the military. (A)

Non-Manufacturing Proprietary Activities:

Reorganizing the Institute of Science and Technology.

Reorganizing the People's Homesite and Housing Corporation and the Home Financing Commission.

Reorganizing the Manila Hotel Company.

Reorganizing the Manila Railroad Company.

Reorganizing the National Waterworks and Sewerage Authority operations.

Reorganizing the Philippine Air Lines, Inc.

Personnel:

Establishing a position classification plan. (A)

Establishing a standardized pay plan. (A)

Creating a Wage and Position Classification Office. (A)

Regulating compensation administration and fringe benefits.

Philippine Tourist Industry:

Promoting Tourism. (A)

Presidency:

Reconstituting functions appropriate to the Executive Office.

Creating a Central Information Office.

Transferring and abolishing activities extraneous to the Office of the President.

Public Works, Transportation, Communications and Public Utility Regulation:

Creating a Department of Public Works, Transportation and Communications and reorganizing entities in or transferred to the Department. (A)

Regulation of Professions:

Creating a Commission on Professional and Vocational Regulation. (A)

Revenue System and Administration:

Reorganizing the Department of Finance.

Statistics and Allied Research:

Reorganizing the Bureau of the Census and Statistics. (A)

Creating a Statistical Advisory Board. (A)

Welfare, Pensions, Gratuities, and Employee Insurance:

Reorganizing community development and welfare entities and functions.

CHAPTER VI

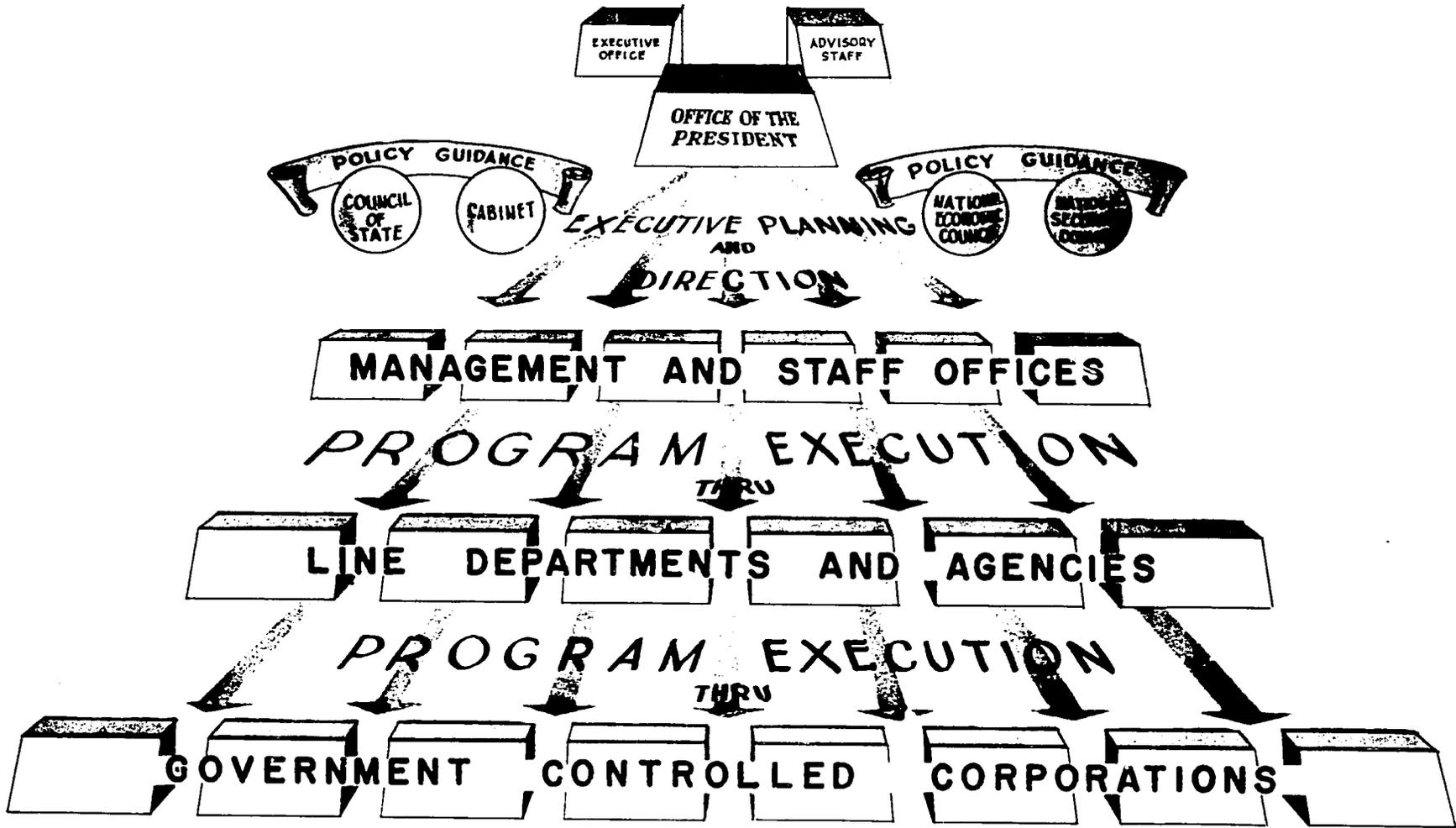
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By the end of January 1956 Commission reports and plans are scheduled for submission to the President for his consideration. Based on the support received from the President to date it is expected that practically all of the reorganization plans will be approved and forwarded to the Congress prior to the February 15 deadline established by law. With the background of care which has gone into their preparation, and with the support for reorganization which has been evidenced in so many ways, the great majority of these plans should become effective by the time Congress adjourns next May.

Then will follow a period of implementation for which plans are already in preparation. The Project staff will prepare implementation reports for each and every plan. These reports will be considered in turn by the task forces, the Commission and the President. Thereafter, executive orders will be issued and then the Project staff and Commission will assist in the implementation of the plans.

By the end of 1956, the substantial benefits of a reorganized and revitalized government should begin to make a profound impression on the economy and social development of this nation. The people will begin to be better off because they will have better service in the many functions for which they depend upon government -- and this service will be at less cost. All this will be true because the Government by then will be better organized, will have better operating methods, and will be staffed by civil servants adequately organized, properly supervised and rededicated to a career of unselfish public service.

CONCEPT OF THE ORGANIZATION FOR THE EXECUTIVE BRANCH



CHAPTER VII

R E F E R E N C E M A T E R I A L

Third Congress of the Republic)	
of the Philippines)	S. No. 117
First Session)	H. No. 1806

[Republic Act No. 992]

AN ACT CREATING THE GOVERNMENT SURVEY AND REORGANIZATION COMMISSION
AND APPROPRIATING FUNDS THEREFOR.

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

SECTION 1. This Act shall be known as the "Reorganization Act
of Nineteen hundred and fifty-four".

SEC. 2. (a) The reorganization to be carried out under this Act
shall have the following objectives:

- (1) To promote the better execution of the laws, and the more
effective management of the government and expeditious
administration of public business;
- (2) To promote economy to the fullest extent consistent with
the efficient operations of the government; and
- (3) To increase the efficiency of the operations of the govern-
ment to the fullest extent possible.

(b) The Congress declares that the public interest demands the
carrying out of the objectives specified in subsection (a) of this
section and that such objectives may be accomplished in great measure
and more speedily by proceeding under the provisions of this Act,
than by the enactment of specific legislation.

SEC. 3. To carry out the purposes of this Act, there is hereby
created the Government Survey and Reorganization Commission, herein-
after known as the "Commission", which shall conduct a study and
investigation of the present organization and methods of operation
of all departments, offices, bureaus, agencies, and instrumentalities
of the Executive Branch of the Government, and determine what change

or changes are necessary to accomplish the objectives set forth in subsection (a) section two of this Act.

The Commission shall be composed of twelve members as follows:

- (1) Four appointed by the President of the Philippines who may or may not be officials of the government;
- (2) Four members of the Senate appointed by the President thereof, one of whom shall not be of the majority party;
- (3) Four members of the House of Representatives appointed by the Speaker thereof, one of whom shall not be of the majority party.

The Commission shall elect a chairman and a vice-chairman from among its members. It shall have the power to appoint and fix compensations of such personnel as it deems advisable in accordance with the provisions of the Civil Service laws.

Seven members of the Commission shall constitute a quorum.

Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

Members of the Commission who are officials in the government shall receive no additional compensation for their services as members of the Commission. Members of the Commission who are not officials in the government shall receive a per diem of twenty-five pesos when engaged in the performance of duties vested in the Commission. Travelling and other necessary expenses shall, however, be allowed.

SEC. 4. To accomplish the objectives set forth in subsection (a), section two of this Act, the Commission is authorized:

- (1) to group, coordinate or consolidate departments, bureaus, offices, agencies, instrumentalities and functions of government;
- (2) to abolish departments, offices, agencies or functions which may not be necessary for the efficient conduct of the government service, activities and functions;
- (3) to eliminate overlapping and duplication of services, activities and functions of the government;
- (4) to transfer functions, appropriations, equipment, property, records, and personnel, from one department, bureau, office, agency, or instrumentality to another;

(5) to create, classify, combine, split or abolish positions;

(6) to standardize salaries, materials and equipment; and

(7) to do whatever is necessary and desirable to effect economy and promote efficiency in the government: Provided, however, That in the reorganization to be effected by this Act, no office or agency or function of the government shall be made to continue beyond the period authorized by law or beyond the time when it would have terminated if the reorganization had not been made.

SEC. 5. (a) Whenever the Commission, after study and investigation finds that there is a necessity to accomplish one or more of the purposes of subsection 2(a), it shall prepare and submit to the President of the Philippines who may submit the same to the Congress, an organization plan or plans (bearing an identifying number) together with a declaration that, with respect to each reorganization included in the plan or plans, it has found that such reorganization is necessary to accomplish one or more of the purposes of subsection 2(a): Provided, That such reorganization shall be within the limits of current appropriations.

(b) No provision contained in the reorganization plan shall take effect unless the plan is transmitted to Congress on or before March fifteen, nineteen hundred and fifty-five.

SEC. 6. (a) The provisions of the reorganization plan or plans shall take effect after the expiration of the thirty calendar days of session of the Congress following the date on which the plan is transmitted to it, unless between the date of transmittal and the expiration of such thirty-day period, either House by simple resolution disapproves the reorganization plan. The said plan of reorganization shall likewise, be in full force and effect, if Congress approves it in a Concurrent Resolution within such period of thirty days.

(b) For the purposes of subsection (a) hereof, adjournment of the Congress shall suspend the running of the thirty day period, and the same shall commence to run again on the day the Congress next meets either in regular or in special session, when specifically authorized in case of a special session to act on said plan or plans of reorganization.

SEC. 7. For the purpose of carrying out the provisions of this Act, the Commission, or any member thereof, or division thereof, may hold such hearings and sit and act at such times and places, and take such testimony, as the Commission may, by internal rule, provide.

Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member, or division.

The Commission is authorized to secure directly from any executive department, bureau, office, agency or instrumentality, suggestions, estimates and statistics for the purposes of this Act; and each such department, bureau, office, agency or instrumentality is authorized and directed to furnish such information, suggestions, estimates and statistics directly to the Commission, upon request made by the chairman or vice-chairman of said Commission or of any division thereof.

SEC. 8. One year after the approval of this Act the Commission shall cease to exist.

SEC. 9. The term "government", "agency", "instrumentality", or "office", used in this Act means the executive department, bureau, commission, council, board, office, division, service, administration, government owned or controlled corporation, authority, or any establishment of the government.

SEC. 10. (a) (1) Any statute enacted, or any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by the reorganization under the provisions of this Act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested a certain function in an agency from which such function is already removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan.

(2) As used in paragraph (1) of this subsection the term "regulation or other action" means any regulation, rule, order, policy, determination, directive, authorization, permit, privileges, requirement, designation or other action.

SEC. 11. (a) Officers and employees whose positions are abolished or who may be separated or removed from the service as a consequence of the reorganization provided in this Act shall not lose their civil service eligibility for a period of ten years from the date of their separation or removal from the service, nor their right to any existing gratuity or to any gratuity that the Congress may provide. In the event that any government office needs the services

of additional personnel, preference in the appointment shall be given to the officers or employees who may be separated or removed from the service as a result of this reorganization and in accordance with the recommendation of the Commission on Civil Service.

(b) Whenever the Commission, after study and investigation finds that it is necessary to reduce personnel, it shall, in laying off employees, observe the following:

(1) Assign the duties performed by any employee laid off to any other employee or employees in the office involved holding positions in appropriate classes;

(2) Consider the relative seniority of the employees in the designated organization and occupational units where a reduction of personnel is to be made. Except as otherwise provided in this Act, in determining seniority, one point shall be allowed for each complete month of full time service with the government. The Commission shall provide by rule: (a) the extent to which seniority credits may be granted for less than full time service; (b) the basis for determining the sequence of layoff whenever the class and subdivision of layoff includes employees whose service is less than full time; (c) the basis on which seniority credit may be combined for employees who have served in the National Government, the government corporations, the provincial governments, municipalities, and cities; (d) the method by which ties in seniority credit shall be broken; and (e) such other matters as are necessary or advisable for the operation of the provisions of this Act.

(3) Whenever some positions and/or offices of a group of similar positions and/or offices, are to be abolished those occupied by non-civil service eligibles shall be first abolished. Where an office or position now occupied by a civil service eligible is abolished or consolidated with another office or position, the occupant thereof shall be given preference in the appointment to any new office or position created under the reorganization plan contemplated in this Act. This must be adhered to whenever the eligibility and previous training of said occupant qualifies him for appointment to the new position or office created.

(4) An employee compensated on a monthly basis shall be notified that he is to be laid off thirty days prior to the effective date of the layoff. An employee compensated on a per diem basis shall be notified that he is to be laid off fifteen days prior to the effective date of the layoff.

(5) When notices of layoff have been issued, the Commission shall immediately render to the Bureau of Civil Service a report containing the names and seniority credits of all employees in the unit affected by the layoff, with a designation of the names of those laid off. The names of employees laid off shall be placed upon a reemployment list for the appropriate occupational and organization unit in which such layoff occurred. The list shall be arranged in the order of the employees' seniority. All employees who were holding permanent positions at the time they were laid off shall be ranked ahead of employees whose status was temporary.

(6) An employee whose name appears on the reemployment list shall have a prior right to appointment to any vacancy which occurs and for which he may be justified in the organizational unit in which he was employed at the time the layoff occurred. Appointments shall be made from the reemployment list in the order in which names appear on the list. When in the judgment of the Commission, or the Commissioner of Civil Service when the Commission had completed its work and is therefore no longer existing, no person on the reemployment list possesses the necessary training, experience, or professional qualifications for the vacancy to be filled, an exception may be made and an appointment made from among persons who are not on the reemployment list.

(7) The salary of a person reappointed from the reemployment list shall be the same as that he was paid prior to his layoff: Provided, That if there has been a general adjustment of salaries of government employees during the period of his layoff, he may receive a salary corresponding to what he would have received had he not been laid off: And provided further, That if he accepts a kind of position other than that from which he was laid off, he shall receive the salary appropriate for entrance to the new position.

SEC. 12. To carry out the provisions of this Act, the sum of two hundred thousand pesos or so much thereof as may be necessary is hereby appropriated out of any funds in the National Treasury not otherwise appropriated.

SEC. 13. This Act shall take effect upon its approval.

Approved, June 9, 1954.

Third Congress of the Republic)
of the Philippines)
Second Session)

H. No. 4327
S. No. 357

Republic Act No. 1241

AN ACT TO AMEND CERTAIN PROVISIONS OF REPUBLIC ACT NUMBERED NINE HUNDRED AND NINETY-SEVEN, OTHERWISE KNOWN AS THE "REORGANIZATION ACT OF 1954," APPROVED JUNE NINE, NINETEEN HUNDRED AND FIFTY-FOUR, AND FOR OTHER PURPOSES.

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

SECTION 1. Paragraph one of section three of Republic Act Numbered nine hundred and ninety-seven, otherwise known as the "Reorganization Act of 1954", is amended to read as follows:

"SEC. 3. To carry out the purposes of this Act, there is hereby created the Government Survey and Reorganization Commission, **hereinafter** known as the "Commission", which shall conduct a study of the present organization and methods of operation of all departments, offices, bureaus, agencies, and instrumentalities of the Executive Branch of the National Government, and determine what change or changes are necessary to accomplish the objectives set forth in subsection (a), section two of this Act."

SEC. 2. Section four of the same Act is amended to read as follows:

"SEC. 4. To accomplish the objectives set forth in subsection (a), section two of this Act, the Commission is authorized:

(1) to group, coordinate or consolidate departments, bureaus, offices, agencies, instrumentalities and functions of government;

(2) to abolish departments, offices, agencies or functions which may not be necessary or create those which may be necessary or create those which may be necessary for the efficient conduct of the government service, activities and functions;

(3) to eliminate overlapping and duplication of services, activities and functions of the government;

(4) to transfer functions, appropriations, equipment, property, records, and personnel, from one department, bureau office, agency, or instrumentality to another;

- (5) to create, classify, combine, split or abolish positions;
- (6) to standardize salaries, materials and equipment; and
- (7) to do whatever is necessary and desirable to effect economy and promote efficiency in the government."

SEC. 3. Section five of the same Act is amended to read as follows:

"SEC. 5. (a) Whenever the Commission, after study and investigation finds that there is a necessity to accomplish one or more of the purposes of subsection 2(a), it shall prepare and submit to the President of the Philippines who may submit the same to the Congress, an organization plan or plans or modifications thereof (bearing an identifying number) together with a declaration that, with respect to each reorganization included in the plan or plans or modifications thereof, it has found that such reorganization is necessary to accomplish one or more of the purposes of subsection 2(a): Provided, That such reorganization shall be within the limits of current appropriations.

(b) No provision contained in the reorganization plan shall take effect unless the plan is transmitted to Congress on or before the twentieth session day of the Third Regular Session of the Third Congress."

SEC. 4. Section six of the same Act is amended to read as follows:

"SEC. 6. (a) The provisions of the reorganization plan or plans submitted by the President during the Second Session of the Third Congress shall be deemed approved after the adjournment of the said session, and those of the plan or plans or modifications of any plan or plans to be submitted after the adjournment of the Second Session, shall be deemed approved after the expiration of the seventy session days of the Congress following the date on which the plan is transmitted to it, unless between the date of transmittal and the expiration of such period, either House by simple resolution disapproves the reorganization plan or any modification thereof. The said plan of reorganization or any modification thereof may, likewise, be approved by Congress in a concurrent Resolution within such period.

"(b) For the purposes of subsection (a) hereof the running of the seventy-day period shall be suspended during the adjournment of Congress, and the same shall commence to run again on the day the Congress next meets either in regular or in special session, when specifically authorized in case of a special session to act on said plan or plans of reorganization.

"(c) After any reorganization plan or plans or modifications thereof shall have been approved as provided under subsection (a) hereof, the Commission shall prepare the implementing details thereof, should such details be necessary and the same shall be submitted to the President, who, if he approves them, shall promulgate an executive order or orders for their immediate execution: Provided, however, That if any such reorganization plan or plans or modifications thereof is not implemented as above provided, the particular department, office, bureau, agency, or instrumentality of the Executive Branch of the National Government affected shall continue to exist and function."

SEC. 5. Section seven of the same Act is amended to read as follows:

"SEC. 7. For the purpose of carrying out the provisions of this Act, the Commission, or any member thereof, or division thereof, may hold such hearings and sit and act at such times and places, and take such testimony, as the Commission may, by internal rule, provide.

"The Commission is authorized to secure directly from any executive department, bureau, office, agency or instrumentality, suggestions, estimates and statistics for the purposes of this Act; and each such department, bureau, office, agency or instrumentality is authorized and directed to furnish such information, suggestions, and estimates directly to the Commission, upon request by the chairman or vice-chairman of said Commission or of any division or member thereof.

"The Commission or any division or member thereof shall have the power to administer oaths or affirmations to witnesses appearing before the Commission or before such division or member thereof, summon witnesses by subpoena, and by subpoena duces tecum require the production of books, papers, records or documents which may be needed as evidence of any matter under inquiry. Any person, properly served, who refuses or neglects to appear before the Commission, shall be liable to punishment by the Supreme Court or the court of first instance, as the case may be, in the same manner and to the same extent as if he had disobeyed a subpoena issued out of the Supreme Court or the court of first instance in a matter pending before either of said courts."

SEC. 6. Section eight of the same Act is amended to read as follows:

"SEC. 8. On December thirty-one, nineteen hundred and fifty-six the Commission shall cease to exist."

SEC. 7. Section nine of the same Act is amended to read as follows:

"SEC. 9. The term 'government', 'agency', 'instrumentality', or 'office', used in this Act means the executive department, bureau, commission, council, board, office, division, service, administration, government owned or controlled corporation, authority, or any establishment of the National Government."

SEC. 8. Notwithstanding the expiration of the thirty-day period originally provided in section six of Republic Act Numbered nine hundred ninety-seven, the plans submitted to the Congress by the President on or prior to March fifteen, nineteen hundred and fifty-five shall be considered as still subject to the action of the Congress under the terms of said section six as amended by this Act.

SEC. 9. To carry out the provisions of this Act, the sum of three hundred thousand pesos and any unexpended balance of the amount appropriated in section twelve of Republic Act Numbered Nine hundred ninety-seven, or so much thereof as may be necessary to cover the expenses of the Commission from the tenth day of June, nineteen hundred and fifty-five to the thirty-first day of December, nineteen hundred and fifty-six, is appropriated out of any funds in the National Treasury not otherwise appropriated.

SEC. 10. This Act shall take effect upon its approval.

Approved, June 9, 1955.

HISTORY OF REORGANIZATION PLANS

on

ECONOMIC PLANNING

<u>Date</u>	<u>Action</u>
10-30-54 - 11- 5-54	<u>Study by Project staff of:</u> <ul style="list-style-type: none">a. Proposals by Philippine Government organizations.b. U.S. Economic Survey Mission's Report (Bell Report - 1950).c. Five-Year Economic Development Program for the Philippines (1955-1959).d. Planning organizations in other countries.e. Newspaper clippings for the past 2 years on economic planning.f. Report of the Committee on Reorganization of Government Owned or Controlled Corporations (1950).g. Applicable laws and executive orders.
11- 5-54 - 11-18-54	<u>Reports</u> prepared by Project staff on economic planning data studied.
11-12-54, 11-14-54, and 11-15-54	<u>Information exchanged</u> between Project staff and members of the United States Operations Mission (FOA) staff.
11-17-54	<u>Conference</u> between Project Contractor and Chairman of the then existing National Economic Council.
11-24-54	<u>Hypothesis on Economic Planning</u> (1st) drafted by Project staff.
11-28-54	<u>Hypothesis</u> (2nd) revised by Project staff.
12- 3-54	<u>Hypotheses</u> (3rd, 4th, 5th) prepared as alternatives by Project staff.
12- 6-54	<u>Information exchanged</u> between Project and FOA staffs.
12- 8-54	<u>Hypotheses</u> (6th, 7th, 8th) prepared by Project staff as alternatives as a result of the previous conference.
12- 9-54	<u>Information exchanged</u> between Project staff and United Nations Advisor to the Statistical Training Center, University of the Philippines.

- 12-12-54 and 12-19-54 Conferences between Project staff and Economic Planning Task Force Chairman. Membership in proposed new NEC changed by Chairman.
- 12-27-54 Hypothesis (9th) drafted by Project staff to incorporate changes by the Task Force Chairman.
- 1- 3-55 Conference between Project staff and Task Force Chairman. Membership in proposed NEC revised again. Planning and implementing processes clearly separated.
- 1- 4-55 Hypothesis (10th and final) as approved by the Task Force Chairman submitted to other Task Force members.
- 1- 7-55 Hypothesis approved in principle by the Task Force.
- 1- 8-55 Report on Economic Planning (1st) drafted by Project staff.
- 1-10-55 Report (2nd) revised by Project staff.
- 1-17-55 Information exchanged between Project and FOA staffs.
- 1-24-55 Report (3rd) prepared by the Project staff to incorporate changes by the Task Force Chairman.
- 1-25-55 Meeting of Task Force. Report discussed in detail and approved in principle.
- 1-28-55 Report (4th) prepared by Project staff which included reorganization plans.
- 2- 2-55 Plans and Report (5th) prepared by Project staff in a recently approved format and submitted to the Task Force Chairman.
- 2- 5-55 Plans and Report (6th) revised by Project staff to incorporate changes by Task Force Chairman.
- 2- 6-55 Chart produced by Project staff to show graphically the organization and procedure for economic planning.
- 2- 7-55 President created Economic Planning Board. Speaker of the House demanded a new arrangement for economic planning. Task Force Chairman named Board member.
- 2

- 2- 9-55 Conference between the President and the Task Force Chairman. The President suggested that the proposed Commission reorganization plans on economic planning be given to the new Board.
- 2-10-55 Plans and Report given to the new Board.
- 2-14-55 Conference between the President and Congressional members of the Task Force. President indicated he would support Commission's position.
- 2-15-55 Meeting of Economic Planning Board. Chairman of Board wished to submit his own plan to the President.
- 2-15-55 Bill introduced in Congress by minority party Congressman incorporating the Commission's proposals on economic planning.
- 2-16-55 Conference between the President and Task Force Chairman who was asked to resolve differences between Commission and Board proposals.
- 2-17-55 Plans and Report (7th) redrafted by Task Force Chairman and Project staff to incorporate some of the Board Chairman's proposals.
- 2-21-55 Meeting of the Commission. Chart, plans and report revised to emphasize the role of Congress in economic planning.
- 2-23-55 Plans and Report (8th) revised by Project staff to incorporate changes by the Commission.
- 2-24-55 Meeting of the Commission. Composition of National Economic Council changed to include members of Congress. Chart, plans and report approved.
- 2-28-55 Plans and Report (9th) revised by Project staff to incorporate changes by the Commission.
- 3- 4-55 Plans and Report submitted to the President by Commission members. The President asked for a joint Commission-Economic Planning Board meeting to reconcile differences.

- 3- 7-55 Conference between the President and Congressional members of the Task Force. President decided to support the Commission's plans.
- 3- 9-55 Plans and Report approved by the President and forwarded to Congress.
- 3-21-55 - Preliminary study by Project staff on implementation
4- 6-55 of reorganization plans.
- 4-11-55 Conference between Project staff and Tariff Commission on application of plans to the Commission.
- 4-14-55 Information exchanged between Project and FOA staffs on foreign aid functions transferred to the new NEC.
- 4-15-55 Details of organization of new NEC drafted by NEC and submitted to Project staff for consideration.
- 4-18-55 Details of organization (1st) of new NEC developed by Project staff after review of the NEC submission.
- 4-19-55 - Joint work between Project and NEC staffs on functional
4-27-55 statements for units of new NEC.
- 4-28-55 Details of organization (2nd) of new NEC revised by Project staff.
- 4-29-55 Functional statements (1st) developed by Project staff for units of new NEC.
Alternative functional statements developed by NEC for units of new NEC.
- 5- 3-55 Conference between Project and NEC staffs to attempt reconciliation of differences.
- 5- 6-55 and Information exchanged between Project and FOA staffs.
5-10-55
- 5-13-55 Details of organization (3rd) and functional statements (2nd) revised by Project staff.
- 5-16-55 Conference between Project staff and Task Force Chairman.
- 5-17-55 Charts for proposed organization of new NEC drawn up.

- 5-18-55 Conference between Project staff and NEC Executive Director; copies of material provided him for study and comment.
- House Resolution No. 40 disapproved all plans except Reorganization Plan No. 10 creating the new NEC.
- 5-19-55 Information exchanged between Project and FOA staffs.
- 5-20-55 Proposed Executive Order implementing Plan 10 drafted by Project staff.
- 5-23-55 - Joint work between Project and NEC staffs on the
5-27-55 staffing pattern for the Office of National Planning of new NEC.
- 5-28-55 Conference between Project staff and NEC Chairman on chart and functional statements for new NEC.
- 5-31-55 Conference between Project and NEC foreign aid staffs; chart and functional statements provided for study and comment.
- 6- 2-55 Conference by Project staff with officials of NEC and FOA on the details of organization and functions for new NEC.
- Conference between Project staff and NEC Executive Director.
- 6- 3-55 Details of organization (4th) and functional statements (3rd) for new NEC revised by Project staff.
- 6- 6-55 Conference between Project staff and Budget Commissioner over disposition of budgeting, accounting, and procurement activities in new NEC.
- 6- 7-55 Details of organization (5th) and functional statements (4th) for new NEC revised by Project staff to incorporate suggestions of Budget Commissioner.
- 6- 7-55 - Staffing pattern drafted by Project staff for the new
6-10-55 NEC foreign aid functions.
- 6-13-55 Information exchanged between Project staff and UN Advisor to the Statistical Training Center, University of the Philippines, on the organization of the Office of Statistical Coordination and Standards of new NEC.

- 6-14-55 Details of organization (6th) and functional statements (5th) revised by Project staff.
- 6-15-55 Implementation Report on Plan 10 (1st) drafted by Project staff incorporating details of organization and functional statements of new NEC.
- 6-18-55 Meeting of Task Force. Report discussed in detail.
- 6-20-55 Implementation Report (2nd) prepared by Project staff to incorporate changes desired by Task Force and to conform with new format.
- 6-23-55 Meeting of Commission. Report considered.
- 6-24-55 Implementation Report (2nd) revised by Project staff in minor respects as a result of Commission meeting.
- 6-25-55 Conference between Project staff and the Budget Commissioner over budgeting and accounting activities.
- 6-25-55 Meeting of Task Force. Revised report reviewed in detail.
- 6-27-55 Implementation Report (3rd) prepared by Project staff incorporating changes desired by Task Force and Budget Commissioner.
- 6-28-55 Meeting of Commission. Report discussed in detail; Commission decided to study procurement function further and to have NEC Chairman appear at next meeting.
- 6-29-55 Study by Project staff of procurement function.
Meeting of Commission. Report approved after views of NEC Chairman heard.
- 6-30-55 Implementation Report (4th) prepared by Project staff to incorporate changes in last two meetings of Commission.
Proposed Executive Order drafted by Project staff.
Report and proposed Executive Order submitted to the President by the Commission.
- 7- 1-55 Executive Order No. 119 issued by the President implementing Plan 10.

- 7-11-55 and 7-16-55 Conferences between Project staff and NEC Chairman on installation of implementing details.
- 7-18-55 - 7-23-55 Joint work by Project, ICA (formerly FOA) and NEC staffs on ICA-NEC procedures.
- 8- 2-55 - 8- 6-55 Conference between Project and NEC staffs on staffing pattern for NEC.
- 8-15-55 - 8-20-55 Appointment of NEC Chairman not confirmed by Commission on Appointments. Replaced by new Chairman.
- 8-27-55 C onference between Project staff and new NEC Chairman. Project staff requested to give recommendations on functions, organization, work program and staffing of NEC.
- 8-29-55 - 9-15-55 Recommendations prepared by Project staff, and reviewed by Task Force Chairman and ICA staff including Mission Director.
- 9-16-55 Recommendations submitted by Project staff to NEC Chairman.
- 9-24-55 Executive Order No. 134 amending Executive Order No. 119 issued, extending time for the abolishment of Tariff Commission up to June 30, 1956.
- 10-17-55 - 10-22-55 Comment prepared by Project staff on proposed executive order drafted by NEC extending time for taking administrative actions required by Executive Order No. 119.
- 10-25-55 Executive Order No. 139 further amending Executive Order No. 119, issued extending time for taking required administrative actions for NEC up to December 31, 1955.
- 11-17-55 Conference among Project staff, Budget Commissioner and NEC staff on NEC staffing proposals.
- 11-18-55 - 11-20-55 Assistance by Project staff to NEC staff on revised staffing pattern for NEC.
- 11-25-55 Memorandum submitted by Project staff to Budget Commissioner on proposed staffing of NEC.

- 11-29-55 Memorandum submitted by Project staff to Budget Commissioner on proposed counterpart project staffing of NEC.
- 12- 7-55 Conference between Project staff and Budget Commissioner preparatory to his meeting with NEC officials.
- Conference between Budget Commissioner and NEC officials. Substantial agreement reached on final developments for NEC.