

EXECUTIVE ORDER NO. 51

Implementing Cost Containment Measures by Instituting Restrictions on Government Expenditures.

WHEREAS, the Republic of Palau has been burdened with a gradually increasing deficit which amounted to approximately 5 million dollars when this Administration took office in the beginning of FY' 86; and

WHEREAS, the United States Congress has appropriated funds for the Republic of Palau for FY' 87 in an amount significantly less than is needed for operations expenses in FY '87; and

WHEREAS, the failure of the Compact of Free Association places the Republic of Palau in the position of being dependent upon regular annual appropriations from the United States for funds for the operation of the government; and

WHEREAS, inflation has increased the costs to the government of providing the same services to the people of the Republic of Palau; and

WHEREAS, the Republic of Palau will not have sufficient funds available to meet its financial obligations in FY '87; and

WHEREAS, unless stringent restrictions are now imposed on government spending, all employees of the government will be faced with payless paydays before the end of the fiscal year;

THEREFORE, by virtue of the authority vested in me as President, it is hereby declared, proclaimed, and ordered as follows:

1. Employees shall be asked to participate in cost reduction plan, commencing on pay period beginning January 18, 1987, whereby an amount equivalent to twenty per cent of bi-weekly pay for each employee of the Executive Branch shall be withheld for purposes of temporarily reducing over all government expenditures. The amount so withheld shall be paid to the respective employees at a future date when funds are available. It shall be the responsibility of each Minister in the Executive Branch of the government to insure that vital government functions continue uninterrupted.
2. Effective immediately, all government vacancies within the Executive Branch, all forms of promotions, all annual within grade increases, and all new hiring shall be suspended forthwith, excepting those positions which the President determines to be essential in nature.
3. Effective immediately, no government travel shall be allowed outside of the Republic of Palau unless otherwise deemed absolutely necessary and specifically approved by the President.

4. Effective immediately, all categories of government expenditures, except expenditures relating to essential functions of the government, are to be reduced by not less than twenty percent of FY-1986 expenditure level.

This Order shall take effect upon its issuance, unless revoked, rescinded or otherwise rendered ineffective.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 12th day of January, 1987, in the state of Koror, Republic of Palau.

Lazarus E. Salii
President
Republic of Palau