

# [ PRESIDENTIAL DECREE NO. 699, May 12, 1975 ]

## **AMENDING PRESIDENTIAL DECREE NUMBER FOUR, ENTITLED "PROCLAIMING THE CREATION OF THE NATIONAL GRAINS INDUSTRY DEVELOPMENT ADMINISTRATION AND PROVIDING FUNDS THEREFOR."**

**WHEREAS**, it is declared policy of the state to promote the integrated growth and development of the grains industry so as to provide adequate and continuous food supply to the nation and contribute to the national economy;

**WHEREAS**, to carry out and implement the foregoing policy, Presidential Decree No. 4 was promulgated creating the National Grains Industry Development Administration, otherwise known as the National Grains Authority, hereafter referred to as the Authority;

**WHEREAS**, despite the various measures adopted to attain self-sufficiency in rice, corn and other grains, it appears that the private sector is somewhat lukewarm or slow to engage in the production of such grains, especially so in the light of the problems and difficulties arising from the large-scale production of such grains and the development of virgin and undeveloped lands;

**WHEREAS**, the government spends a big sum of money every year in the importation of rice and/or corn, which amount could be used to accelerate the integrated growth and development of the grains industry in the country;

**WHEREAS**, it is deemed necessary that the Authority take a more active and dynamic part in the current national effort to attain self-sufficiency in rice, corn and other grains; and

**WHEREAS**, recent developments and continuing scientific and technological studies on grains production, processing and marketing have revealed that the foregoing policy will best be attained by vesting the Authority with supplementary responsibilities and powers;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree that Presidential Decree No. 4 be amended as follows:

**SECTION 1.** Section 5, sub-section (b) paragraph (XI) is hereby amended to read as follows: "XI, Performs such other functions as may be necessary to carry into effect the provision of this Act, *including but not limited to, the development, culture or production of grains, and the establishment, 'acquisition and/or operations of grains processing, handling, storage and transport facilities.*"

**SEC. 2.** Section 6, subsection (a) paragraph III, is hereby amended to read as follows: "III. To own, lease, operate or otherwise hold buildings, equipment and such other immovable properties as may be necessary to carry out its functions."

**SEC. 3.** Section 6, subsection (a) is hereby further amended to incorporate the following new paragraphs:

"(XVIII) Whenever the Authority determines that to accomplish its production, processing, marketing and other incidental functions, it is

necessary to contract indebtedness, it shall by a resolution, stating the purpose for which the indebtedness is to be incurred and citing the project study designed for the purpose, so declare and authorize the Authority's execution or issuance of, and establish the terms and conditions to be contained in such bonds, loan agreements, or other evidences of indebtedness necessary thereof. Such resolution shall become valid and effective upon approval by the President of the Philippines and prior recommendation of the Secretary of Finance.

"With respect to domestic indebtedness to be incurred by the Authority, the bonds or other evidences of indebtedness issued for the purpose shall contain such terms, conditions, privileges, exemptions and guarantees as are specified below.

"(1) Such bonds or other evidences of indebtedness a) shall be registered form and transferable at the Central Bank of the Philippines; b) shall not be sold at less than par; c) shall be payable ten years or more from date of issue, as may be determined by the Secretary of Finance before their issuance, but shall be redeemable, upon the election of the council, after five years from such date of issue; and d) shall bear interest at an annual rate to be determined before their issuance by the Secretary of Finance. The interest may be payable quarterly, semi-annually or annually, as determined by the Secretary of Finance in consultation with the Monetary Board of the Central Bank of the Philippines before date of issuance, and both the principal and interest shall be payable in legal tender of the Philippines.

"(2) The bonds or other evidences of indebtedness shall be exempt from the payment of all taxes by the Republic of the Philippines, or by any authority, branch, division or political sub-division thereof, which fact shall be stated upon their faces; and by virtue of this Decree are hereby made securities in which all public offices, political subdivisions, commercial banks, insurance companies and associations, investment houses, financing companies, savings banks and savings institutions, including savings and loan associations, executors, administrators, guardians, trustees and fiduciaries in the Philippines may properly and legally invest their own funds or the funds within their control, and the same shall be receivable as collateral in any transaction with the government, its agencies and instrumentalities, including government-owned or controlled corporations and government banking and financial institutions in which such collateral is required. Said instruments may be made payable both as to principal and interest in Philippine currency or any readily convertible currency;

"(3) A sinking fund shall be established by the National Grains Authority in such manner that the total annual contribution thereto, accrued at such rate of interest as may be determined by the Secretary of Finance in consultation with the Monetary Board, shall be sufficient to redeem at maturity the bonds issued under this sub-section. The sinking fund shall be under the custody of the Central Bank of the Philippines, which shall invest the same, subject to the approval of the council and the Secretary of Finance in consultation with the Monetary Board: *Provided*, That the proceeds thereof shall accrue to the Authority;