

[PRESIDENTIAL DECREE NO. 865, December 29, 1975]

AMENDING SECTION 32 OF PRESIDENTIAL DECREE NO. 705 TO ALLOW TEMPORARILY LIMITED AND SELECTIVE EXPORTATION OF LOGS.

WHEREAS, the Government has adopted the policy of requiring the entire production of logs by all timber licensees to be processed locally beginning January 1, 1976, to maximize the potentials of our timber resources;

WHEREAS, the full implementation of the aforesaid policy may adversely affect the country's balance of payments, employment and the stability of the industry; and

WHEREAS, there is a need to reconcile this policy with the realities of conditions presently obtaining in our wood industry;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby amended Section 32 of Presidential Decree No. 705, as follows:

"SEC. 32. *Log Production and Processing.*—Unless otherwise decreed by the President, upon recommendation of the National Economic and Development Authority, the entire production of logs by all timber licensees shall, beginning January 1, 1976, be processed locally: *Provided*, That the following may be allowed to export a portion of their log production to be determined by the Secretary of Natural Resources such that the aggregate log export shall not exceed 25% of the total allowable cut:

"1. Timber licensees with viable processing plants;

"2. Timber licensees with processing projects duly approved by the Secretary of Natural Resources;

"3. Timber licensees who have acquired processing machinery and equipment, provided that these will be in operation within two (2) years from the date of the effectivity of this Decree; and

"4. Timber licensees whose log exports support, or are in line with, government-approved trade agreements

Provided, further, That the above licensees are operating or will operate within log-excess and log-balanced areas: *Provided, finally*, That the President of the Philippines may, upon recommendation of the Secretary of Natural Resources whenever the export price of logs fall to unreasonably low level or whenever public interest so requires, cancel log exportation, or reduce the maximum allowable proportion for log exports."

"All timber licensees who have no processing plant must, subject to the approval of the Bureau of Forest Development, enter into a contract with a local wood processor for the processing of his logs. Wood processors