

# [ PRESIDENTIAL DECREE NO. 579, November 12, 1974 ]

## **RATIONALIZING AND STABILIZING THE EXPORT OF SUGAR AND FOR OTHER PURPOSES**

**WHEREAS**, the current worldwide shortage of sugar has brought about an increasingly speculative interest in sugar which has further induced uncertainty in its price especially in the world market;

**WHEREAS**, the uncertain fluctuations in the price of sugar will expose the export of sugar to risky speculation which will depress prices adversely affecting the profitability of the sugar industry and the foreign exchange earnings of the country;

**WHEREAS**, in the interest of the national objective to promote public welfare, the government should take a direct and active role to protect the sugar industry and our national economy from the deleterious effects of speculative ventures with respect to sugar;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree and order:

**SECTION 1.** The Sugar Quota Administration shall from time to time and commencing from the crop year 1973-1974, re-allocate such portion of the total sugar production per crop year for export to the United States and world markets as may be necessary to safeguard the sugar industry and the national economy against contingencies brought about by the speculative interests in sugar. In addition to its powers under existing laws, the Sugar Quota Administration shall have the power to issue authorization for the export of sugar in accordance with the re-allocations provided for in the preceding paragraph.

**SEC. 2.** To carry out the objective of the Decree, the Philippine Exchange Company, Inc. may be authorized by the President of the Philippines to purchase sugar allocated for export to the U.S. and world markets in a quantity and at price to be fixed in accordance with the rules and regulations that shall be established by the Sugar Quota Administration, the Philippine National Bank, and the Department of Trade and approved by the President of the Philippines.

**SEC. 3.** The Philippine National Bank shall finance these purchases of sugar from the following sources of funds:

- a. Foreign borrowings that the Bank is hereby authorized to obtain, for and in behalf of the Philippine Exchange Company, Inc.;
- b. Its available loanable funds that it shall lend to the Philippine Exchange Company, Inc.; or
- c. Proceeds from the rediscounting of loans or notes with the Central Bank of the Philippines.

**SEC. 4.** To effectively implement the provisions of the preceding section, loans or advances by the Philippine National Bank to the Philippine Exchange Company, Inc. for the purpose directed in this Decree shall be exempt from the loan limits imposed in the charter of the said Bank.