

## **EXPANDING THE GUARANTEE COVERAGE OF THE AGRICULTURAL GUARANTEE FUND CREATED UNDER REPUBLIC ACT NO. 6390, AS AMENDED, AND APPROPRIATING ADDITIONAL FUNDS THEREFOR**

*PRESIDENTIAL DECREE NO. 435, April 08, 1974*

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WHEREAS, it is the concern of the Government to emancipate the tillers of the soil from their bondage of tenancy and to encourage them to raise their level of production and to attain self-sufficiency immediately;

WHEREAS, self-sufficiency requires the employment of modern farm implements and facilities as well as the promotion of essential agricultural and cottage agro-industrial projects such as fishing, poultry, livestock, woodcraft, etc.; and

WHEREAS, the guarantee prescribed by the Agricultural Guarantee Fund created under Republic Act No. 6390, covers only losses from production loans granted to farmer-tillers;

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

SECTION 1. The guarantee coverage of the Agricultural Guarantee Fund may, subject to the rules and regulations which may be promulgated by the Agricultural Guarantee Fund Board created under R.A. No. 6390, include the guarantee on medium- or long-term loans granted to farmer-tillers to finance the following:

- Purchase of farm machineries and equipment;
- Establishment of farm support facilities;
- Fisheries development;
- Small-scale livestock farm development;
- Cottage agro-industries; and
- Other agricultural projects closely related to agrarian reform.

SEC. 2. The sum of forty million pesos (P40,000,000) is hereby appropriated to the Agricultural Guarantee Fund out of which ten million pesos (P10,000,000) shall be programmed for Fiscal Year 1974-75 and the balance shall be programmed in like amounts annually thereafter for three (3) years. The amount herein appropriated together with its earnings shall be used solely to absorb guaranteed losses: Provided, however, That amounts not immediately needed for the payment of guaranteed losses shall be invested in high grade securities, preferably government or government-guaranteed securities.

SEC. 3. The Agricultural Guarantee Fund Board shall promulgate the rules and regulations necessary for the implementation of this Decree.

SEC. 4. All laws, decrees, rules and regulations which are inconsistent herewith are hereby amended and modified accordingly.

SEC. 5. This Decree shall take effect immediately.

Done in the City of Manila, this 8th day of April, in the year of Our Lord, nineteen hundred and seventy-four.

(Sgd.) FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.) ALEJANDRO MELCHOR

Executive Secretary

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