



31 SEP 22 PII: 11

MINISTRY MEMORANDUM CIRCULAR NO. 12-81
Series of 1981

TO: Regional Directors, District Officers
Team Leaders, Bill Collectors and
all other fieldmen

This has reference to the 5,000 units of Kubota power tillers in which our Office was authorized under Presidential Decree No. 287 dated September 6, 1973, to purchase for distribution and resale to farmer-beneficiaries of the government's agrarian reform program to increase food production and farm income. By way of assisting farmer-beneficiaries, resale of the said power tillers was made under installment basis for a period of seven (7) years commencing in 1974 and that each sale is covered by a contract entitled Sale with Reservation of Title containing, among others, a provision (Paragraph 1) on the manner in which the purchase price has to be paid by the farmer-purchaser. Under paragraph 5 of the same contract, the farmer-purchaser is obligated to pay an additional amount of P1,126.30 per unit because of the Escalation Clause of the contract caused by the fact that the Kubota power tillers have been imported from Japan payable by installment for a period of seven (7) years from 1974 where there has been an increase in the rate of exchange between our peso and the U.S. dollar during the said period. Because of this increase in exchange rate which has already been paid by this Ministry in 1978, 1979 and 1981 to the supplier of the said power tillers, it becomes necessary to enforce the provisions of the said Escalation Clause upon the farmer-purchaser. Hence, you are hereby enjoined to collect the additional amount above-mentioned from each purchaser.

A review of our records shows that collection from the purchasers is far from satisfactory. There is a need for you to reexamine your collection strategies and exert all efforts in effecting collection. Moreover, let it be emphasized that it is a part of the training program for farmers that they should learn to assume responsibility and be self-reliant.

It is urged that monthly reports on the matter be submitted.

Sept. 23, 1981.

CONRADO F. ESTRELLA
Minister