

## EXECUTIVE ORDER NO. 114

AUTHORIZING THE RELEASE OF P487 MILLION TO THE SUGAR REGULATORY ADMINISTRATION TO LIQUIDATE UNPAID NATIONAL SUGAR TRADING CORPORATION OBLIGATIONS TO SUGAR PRODUCERS FOR THE CROP YEAR 1984-1985 AND FOR OTHER PURPOSES.

WHEREAS, it is the policy of the State to rationalize the sugar industry and protect its growth and development which is a major component of the socio-economic and political structure of the country;

WHEREAS, under Executive Order No. 18, the Sugar Regulatory Administration was created to carry out such policy of the State, and absorb the functions and jurisdiction of the Philippine Sugar Commission which has been abolished;

WHEREAS, the then Philippine Sugar Commission issued Circular Letter No. EC-4-85 classifying all sugar produced from March 4, 1985 to the end of the 1984-1985 crop milling season as domestic sugar, and requiring that all such produced sugar turned over to the National Sugar Trading Corporation, a wholly-owned subsidiary of the Philippine Sugar Commission under Presidential Decree No. 1192, at a liquidation price of P300.00 per picul;

WHEREAS, upon assumption of the Sugar Regulatory Administration of its mandated functions and after the sale of sugar stocks found in the National Sugar Trading Corporation warehouses, the proceeds of which were paid pro-rata to producers-claimants, there remained an unpaid principal obligation of approximately P487 million, due to these producers-claimants;

WHEREAS, because of the non-payment of these unliquidated obligations, the accounts of the producers-claimants with financing banks in connection with the 1984-1985 crop loans are now in arrears, in view of which they cannot obtain additional loans to enable them to continue producing sugar this year and in the future;

WHEREAS, it is in the national interest that the 1984-1985 crop and operational loan accounts be settled to maintain the viability of participating credit institutions, restore the credit standing of the affected sugar producers and, in line with the government's drive to alleviate the living conditions of large but poorer segments of our people in the sugar-producing regions who are dependent on the sugar industry for their daily existence.

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. The Commission on Audit shall conduct a detailed audit of the National Sugar Trading Corporation accounts and upon completion shall issue a certificate on the net unpaid principal obligations of the National Sugar Trading Corporation to sugar producers pertaining to crop year 1984-1985.

SECTION 2. The Ministry of Budget and Management shall, upon receipt of the Commission on Audit certification, immediately cause the release of the amount of ₱487 million as subsidy to the Sugar Regulatory Administration, chargeable against any funds in the National Treasury not otherwise appropriated, for the purpose of liquidating the unpaid obligations of the National Sugar Trading Corporation to the sugar producers and for them to settle their accounts with financing institutions.

SECTION 3. The Sugar Regulatory Administration, in coordination with the Commission on Audit, shall issue rules and regulations to implement this Executive Order. Such rules and regulations shall include provisions which will insure that payments made by the Sugar Regulatory Administration to producers-claimants are, in turn, remitted to creditor banks/financial institutions to liquidate their obligations, if they have any.

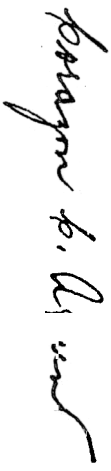
SECTION 4. The Sugar Regulatory Administration shall submit an accounting of the disbursements from the released amount of ₱487 million to the Office of the President, through the Ministry of Finance, as certified by the Commission on Audit. Any excess amount after all liabilities of the National Sugar Trading Corporation have been fully settled shall be turned over to the Bureau of the Treasury for credit to the general fund.

SECTION 5. This Executive Order is designed to have a social impact. In line, therefore, with the Social Amelioration program of the government, the releases to the sugar producers-claimants of the amount of ₱487 million is conditioned upon the implementation of the recommendations of, and embodied in, the "Task Force to Study the 60-30-10 Plan involving sugarlands in Negros Occidental," that was created by Memorandum Order No. 56 dated December 11, 1986.


SECTION 6. All laws, orders, issuances, rules and regulations or parts thereof inconsistent with this Executive Order are hereby repealed or modified accordingly.

SECTION 7. This Executive Order shall take effect immediately.

Done in the City of Manila, this 24th day of December in the year of our Lord, nineteen hundred and eighty-six.



By the President:



ESTEBAN B. ARROYO  
Executive Secretary