

[EXECUTIVE ORDER NO. 114, December 24, 1986]

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 the Presidential Decree No. 1192, at a liquidation price of P300.00 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 contribute 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: