

# [ PRESIDENTIAL DECREE NO. 262, August 02, 1973 ]

## **AUTHORIZING THE USE OF VIRGIN PUBLIC LANDS FOR RICE AND OTHER CROPS AND PROVIDING FUNDS THEREFOR.**

**WHEREAS**, self-sufficiency in rice and other agricultural food commodities is a primary concern of the State;

**WHEREAS**, there is urgent need to supplement current programs in order to insure the achievement of food sufficiency;

**WHEREAS**, to this end, the Palayan ng Bayan has been proposed as a project of the Office of the President and the provincial governors, initially involving the development and use of some 150,000 hectares of virgin public land primarily for rice and secondarily for corn and other selected food crops; and

**WHEREAS**, this project is expected to contribute considerably to increase rice production; supplement the production of other food crops; inject substantial revenues into provincial economies; provide additional employment opportunities; and help develop the agricultural management capabilities of provincial governments;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, do hereby decree as part of the law of the land the following:

The Palayan ng Bayan Project is hereby authorized and shall be aggressively pursued and implemented, effective immediately.

In order to fund this Project, the National Government, through the Secretary of Finance, shall issue Cereal Bonds of up to P200 million for purchase by government and other financing institutions. The proceeds from the sale of the bonds shall be deposited with the Philippine National Bank for the account of the Office of the President and shall be used -

- a) to fund the development and operation of virgin public lands approved for use under the Palayan ng Bayan Project by a National Advisory Council, to be created under an appropriate Letter of Instruction;
- b) to fund awards for Palayan ng Bayan provincial projects, in order to provide incentives for outstanding performance in such projects, *provided* such awards shall not exceed Two hundred fifty thousand pesos for each crop season; and
- c) to support the staff that will help manage the Palayan ng Bayan Project.

The funding will be in the form of interest-free loans to the provincial government, with the personal guarantee of the Provincial Governor at rates of P1,000 per hectare for land development and use, payable within a period of two years.

Loans for related expenditures may also be extended as may be authorized by the National Advisory Council by resolution, with the approval of the Secretary of