

AN ACT TO DEVELOP THE METALS INDUSTRY OF THE PHILIPPINES BY ESTABLISHING THE METALS INDUSTRY DEVELOPMENT CENTER, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES.

REPUBLIC ACT NO. 4724, June 18, 1966

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Declaration of Policy.—It is hereby declared a national policy to develop and expand the metals industry of the country by maintaining close coordination with the private sector in putting up a non-profit research organization to provide both the government and the private sector with professional management and technical expertise on such vital activities for the development of the industry as training of engineers and technicians, information exchange, trade accreditation service, quality control and testing of metal products, research and business economics advisory services.

SEC. 2. Definition of Terms.—As used in this Act, the following shall be understood to mean: (a) The term "metals industry" shall refer to the manufacture from ore materials of products of all precious, base and rare metals and their alloys, including all processes from smelting in direct or indirect reduction furnaces to the final finished product state, either separately or part of an integrated process namely: the production of bullion, pig ingots, billits, pellets, blooms, skelps, slabs or bars, and rolling and/or processing into basic forms such as sheets, plates, stripes, tubes, conduits, pipes, rails, rods, tinplates and the like, and the rough castings, forgings, and extrusions, and the final processing processing, manufacture, fabrication, and/or assembly into finished metal products such as power generating machinery, agricultural machinery and implements, office machinery, metal working machinery, mining, construction, and all other industrial machinery, and machine parts and accessories; electric machinery, apparatus and appliances such as generators, transformer, motors and the like, and their metal parts and accessories; transport equipment such as railway locomotives and cars, passenger road motor vehicles, motorcycles, trucks, lorries, bicycles and other cycles, aircraft, ships and boats and their metal parts and accessories; and various metal manufactures such as railway construction accessories, wires, tubes and fittings, firearms, wire netting and the like, nails, bolts, and similar articles, needles and pins, safes, hand tools and implements, tools, dies and molds, household utensils, forks and spoons and cutlery, hardwares and metals, metal containers for transport and storage, and other miscellaneous manufactured articles of base, precious and rare metals and their alloys.

(b) "Allied industries" shall refer to such industries as the coal and coke and the refractory industries, the principal manufactured products of which are consumed by the metals industries in the processing of metallic raw materials into finished or semi-finished products.

SEC. 3. Fund to carry out provisions of this Act.—Pursuant to the national policy enunciated in Section one of this Act, there is hereby established a special fund, to be known as the Metals Industry Development Fund, consisting, of government contribution in the amount of seven million five hundred thousand pesos, the private sector contribution as provided in section 7 hereof, and the reasonable fees and charges that may be collected for services rendered by the Metals Industry Development Center. For this purpose, the sum of one million five

hundred thousand pesos is hereby authorized to be appropriated upon the approval of this Act out of the funds of the national treasury not otherwise appropriated and one million pesos annually thereafter for a period of six years as the government contribution to the said fund: Provided, That any unexpended balance thereof shall not revert to the general fund.

SEC. 4. Establishment of Metals Industry Development Center.—There is hereby established a Metals Industry Development Center, organized jointly by and with the support of the government and private sectors as a nonprofit institution, to undertake the following activities:

- Business economics advisory services:
- To provide management services to industrial firms to help increase their operational and financial efficiency;
- To render consultation services in the preparation of feasibility studies for new projects for the metals and allied industry;
- To provide a periodic analysis of the economic status of the industry and its component sectors as a guide for policy determination by the government and as an individual framework for financial institutions;
- To serve as liaison between the private sector and the government agencies implementing industrial policies to provide close rapport required for a successful development for the metal and allied industries; and
- To provide computer services, including the preparation of computer programs for operations research type of applications to the metals industry.
- Training, information exchange, and accreditation service:
- To operate an information exchange center to gather and disseminate information on recent economic and technological developments, both local and foreign, that are of interest to the industry;
- To assemble and maintain an up-to-date library on metals economics and technology;
- To collect information and statistics for preparation of comprehensive and up-to-date industry studies;
- To maintain, an effective training; program for engineers, technicians and craftsmen to cope with the immediate manpower requirements of metal plant and metal fabrication industries;
- To correlate all studies made on the various sectors of the metals and allied industries as a basis for constructing; a development program and a framework for investment to induce to rapid and systematic growth of the industry;
- To design, develop, and implement a system of accreditation for skilled laborers, technicians and engineers who have attained a degree of experience or proficiency in the various fields of specialization in the metals industry;
- Control and testing of metal products:
- To institute appropriate standards for the metals industry as a protection for the consumer and to enable local producers to attain quality that will equal if not surpass international standards;
- To study, recommend and provide upon request suitable production methods that private industry may adopt to improve quality and to standardize products to comply with the close tolerance requirements of mass production and modern engineering products
- To provide umpire services in arbitration cases between suppliers and customers dealing with metal or intermediate and finished products of the metal industry;

- Metals research and development:

- To establish a metals research and development laboratory to provide ready answers to common problems encountered by the metals industry;
- To provide valuable working experience and opportunities for professional development to creative Filipino engineers at both the professional and student levels in the fields of metal technology;
- To develop and introduce methods and processes based on the maximum utilization of indigenous raw materials to lower cost of manufacturing common type of metal products;
- To encourage the development of the tributary industries with emphasis on those which may use locally available materials, such as coal chemicals and refractories;
- To undertake fully or lend support to other engineering firms which lack the physical facilities for performing developmental or evaluation tests to improve existing plant methods or to introduce new ones;

SEC. 5. Board of Trustees.—The metals industry development center shall, during the first seven years from the approval of this Act, be administered by a board of trustees composed of the chairman of the National Science Development Board, a representative of the National Economic Council, the Director of Mines, the general manager of the National Shipyards and Steel Corporation and three representatives from the private sector representing the metals industry, who shall be appointed by the President of the Philippines, upon recommendation of the particular sector of the industry which they represent, for a term of seven years with the consent of the Commission on Appointments.

During the first four years of its organization, the chairman of the National Science Development Board shall be the chairman of the board. The Vice-Chairman shall be a representative of the private sector who shall be chosen by them among themselves: Provided, That during the fifth to the seventh year, the chairmanship shall come from the private sector chosen in the manner provided above and the vice-chairman shall be the chairman of National Science Development Board: Provided, further, That after the seven years the board shall be automatically dissolved and the private sector shall have the discretion to reorganize a new board with the chairman of the National Science Development Board being retained as an ex-officio member and: Provided finally, That the members of the board shall not receive any compensation except a per diem of fifty pesos for every session of the board which they attended but not to exceed two hundred pesos each month.

SEC. 6. Powers and Duties of the Board.—The board of trustees shall exercise the following powers and duties;

- To formulate plans and programs and promulgate such policies, procedures, rules and regulations as may be necessary for the effective operation of the metals industry development center;
- To receive, administer, dispose of and disburse the funds of the center;
- To receive in trust legacies, gifts and donations of whatever kind given to the center;
- To appoint the technical and administrative personnel of the center and fix their compensation, terms of office, and other conditions of employment;
- To create donor positions which shall accommodate exceptionally qualified research engineers or scientists in metallurgy from both government and private sector and visiting research scientists;
- To enter into contracts for and in behalf of the center; and
- to exercise such other powers and functions as may be necessary to carry out the provisions of this Act.

SEC. 7. Responsibilities of the private sector.—To be entitled to the benefits provided for under Section three of this Act, the private sector shall have the following responsibilities:

- To provide an initial contribution in the amount of one hundred thousand pesos upon the approval of this Act and, annually thereafter for a period of six years, the amount of one hundred fifty thousand pesos for the capital and operational requirements of the research institution contemplated under this Act; and
- To assume full responsibility of carrying on the operation of the research institution after the government assistance shall have phased out.

SEC. 8. Ownership of property.—All properties, equipment and facilities acquired through the Metals Industry Development Fund shall be owned by the research institution be established under this Act: Provided, however, That if the said institution is dissolved within seven years from the approval of this Act, the ownership of all such properties, equipment and facilities shall revert to the National Science Development Board.

SEC. 9. Repealing clause.—All laws, executive orders, rules and regulations, or parts thereof, inconsistent with this Act are hereby repealed or modified in conformity herewith.

SEC. 10. Separability clause.—The provisions of this Act are separable and in the event that any one or more of such provisions are declared unconstitutional the validity of the other provisions shall not be impaired.

SEC. 11. Effectivity.—This Act shall take effect upon its approval.

Approved, June 18, 1966.

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