

AN ACT APPROPRIATING THE SUM OF THIRTY MILLION PESOS, OUT OF THE PROCEEDS OF THE SALE OF BONDS TO BE ISSUED UNDER REPUBLIC ACT NUMBERED ONE THOUSAND OR FROM ANY LOAN, FOR THE PU...

REPUBLIC ACT NO. 1369, June 18, 1955

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

SECTION 1. There is hereby appropriated, out of the proceeds of the sale of bonds to be issued under Republic Act Numbered One thousand or from any loan, the sum of thirty million pesos which shall be invested: (a) in the construction, establishment and operation of necessary centrals or mills for the manufacture, on commercial scale, or industrialization of coconut products and by-products and the component parts of coconut trees, hereinafter called coconut centrals; or (b) in loans to persons who are citizens of the Philippines or to associations or corporations organized under the laws of the Philippines, the capital of which is owned by the citizens of the Philippines, for the purpose of financing the establishment of such centrals or mills; or (c) in shares, hereafter called contributions, or in subscriptions by the Government to the of such associations or corporations engaged or . lca- will engage in such enterprise or coconut Industrialization.

SEC. 2. The administration and investment of the sum appropriated under section one shall be vested in the Philippine Coconut Administration. In pursuance hereof, the Philippine Coconut Administration is authorized and empowered:

- (a) To construct, establish and operate coconut centrals and to purchase the necessary machineries and equipment for such centrals;
- (b) To make loans not exceeding the amount of fifty thousand pesos to any Filipino citizen or corporation the majority of whose stock is owned by Filipinos, properly secured in accordance with existing banking laws; in the event that the loan exceeds fifty thousand pesos, the approval of the Economic Coordinator or his successor shall be required.
- (c) To enter into partnership with Filipino producers and/or Filipino citizens engaged in the industry, or associations the majority of whose stock is owned by Filipinos, or subscribe to the capital stock of a corporation the majority of whose stock is owned by Filipinos for the purpose of financing the manufacture, on commercial scale, of coconut products and by-products and the component parts of coconut trees, including the construction, establishment and operation of the necessary coconut centrals or mills in connection therewith: Provided, however, That if the contribution shall exceed fifty thousand pesos, the approval of the Economic Coordinator or his successor shall be required;
- (d) To make the necessary disbursement from the sum appropriated in section one on account of the loans, contributions, subscriptions and/or investments pursuant to subsections (a), (6), and (c), of this section;
- (e) To make contracts and otherwise to execute such acts and exercise such powers as may be necessary to carry

out the purposes of this Act.

The Philippine Coconut Administration shall make studies and investigations of the enterprises or projects for which the loans, contributions and subscriptions to the capital of the enterprise/or investments mentioned in the preceding paragraphs are needed, and to determine the advisability of financing such enterprises or projects as provided in this Act.

SEC. 3. Such shares contributed by the Philippine Coconut Administration to the capital of a partnership hares of stock of a corporation subscribed by it shall be d at any time at its actual market value or at least its are value to private individuals who are citizens of the Philippines who may desire to buy such shares: Provided, That in the sale of the said shares contributed by the Philippine Coconut Administration to the capital of a partnership or of the said shares of stock subscribed by it, the members of the partnership or the stockholders of the corporation, as the case may be, shall be given at least six months' option within which to purchase the said shares in proportion to their respective holdings, but in the absence of such buyers, preference shall be given to residents of the locality or province where the partnership or corporation is located, as the case may be.

SEC. 4. All loans authorized under this Act shall be made upon the security of a mortgage of, or deed of trust on, the assets of the enterprise to be established and operated with the proceeds of such loans: Provided, That the amount of each loan shall not exceed seventy per cent of the appraised value of real assets given as security: Provided, further, That the appraised value of said real assets shall be determined by the PHILCOA. All said loans shall be self-liquidating within a period of not to exceed ten years, and shall bear interest at the rate of six per centum per annum: Provided, however, That all such loans shall be on such terms and conditions relating to the expenditure of the moneys loaned as the Philippine Coconut Administration shall determine and may be made payable in whole or in part out of the income of the enterprise for the establishment and operation of which the loans were made: Provided, further, That said loans shall not be made or approved unless the Philippine Coconut Administration finds and certifies that in its judgment the security therefor is reasonably adequate and such loans will be repaid within the time agreed.

SEC. 5. The Philippine Coconut Administration is au-thorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire the enterprise, including all its property, pledged or mortgaged secure any loan made pursuant to this Act; to pay purchase price and any costs and expenses incurred in connection therewith from the sum appropriated in section one of this Act; to accept title to any enterprise, including all its property, so purchased or acquired in the name of the Government of the Philippines; to operate or lease such enterprise for such period as may be deemed necessary or advisable to protect the investment therein, but not to exceed five years after the acquisition thereof; and to sell such enterprise and all its property, so acquired, upon such terms and for such consideration as the Philippine Coconut Administration shall determine to be reasonable.

No borrower of funds under this Act shall, without the approval of the Philippine Coconut Administration, sell or dispose of its enterprise, property, or rights, acquired under the provisions of this Act, until any loan obtained from the said Philippine Coconut Administration, including all interest and charges, shall have been repaid.

SEC. 6. For the purpose of making the studies and investigations herein provided for, the Philippine Coconut Administration may request and utilize, with the approval the proper Heads of Departments, free of charge, such services of national officers and employees and of officers and employees of any Government-owned or controlled corporation as are available, and such services so utilized shall be considered to have been rendered to the departments, bureaus or offices in which they are employed.

SEC. 7. The Philippine Coconut Administration powered to issue the necessary rules and regulations to carry out

the provisions of this Act. It shall present to the Congress at the close of each fiscal year a full report its activities under this Act.

SEC. 8. The penalty of imprisonment for one year 2 years shall be imposed upon any person or persons found guilty of violating the provisions of this Act.

SEC. 9. This Act shall take effect upon its approval.

Approved, June 18, 1955.

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