

AN ACT CREATING THE PHILIPPINE COCONUT ADMINISTRATION, PRESCRIBING ITS POWERS, FUNCTIONS AND DUTIES, AND PROVIDING FOR THE RAISING OF THE NECESSARY FUNDS FOR ITS OPERATION.

REPUBLIC ACT NO. 1145, June 17, 1954

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

CHAPTER I.—Establishment and Objectives

SECTION 1. Name, duration and domicile.—A corporation is hereby created which shall be known as the Philippine Coconut Administration, hereafter called the PHILCOA, which shall be organized within sixty days after the approval of this Act and shall be under the direct supervision of the Office of Economic Coordination. It shall have its main office in the City of Manila, and such branches and agencies within or outside the Philippines, as may be necessary for the proper conduct of its business.

SEC. 2. Purposes and objectives.—The PHILCOA shall have the following purposes and objectives:

- To ensure the steady and orderly development of the coconut industry, and to stabilize and strengthen its position in the world markets;
- To promote the effective merchandising of copra, coconut oil, coconut products and by-products in the domestic and foreign markets so that those who are engaged in the coconut industry will be placed on a basis of economic security: Provided, however, That the PHILCOA may not engage in trading in any form without the prior approval of the President of the Philippines, which approval may be given only after prior recommendation of the National Economic Council;
- To improve the tenancy relations between coconut proprietors and tenants and the living conditions of laborers engaged in the coconut industry;
- To encourage the invention of useful machinery that will hasten the development of the coconut industry.

CHAPTER II.—Powers

SEC. 3. Specific and general powers.—In order to carry out the purposes mentioned in the preceding section, the PHILCOA shall have the following powers:

- To establish, keep, maintain and operate, or help establish, keep, maintain and operate, one central experiment station and such number of regional experiment stations in the coconut-producing areas of the Philippines as may be necessary to undertake extensive research in coconut culture, the control and eradication of coconut pests the improvement of copra, the manufacture of coconut products and by-products, and the greater utilization of the coconut for new purposes: Provided, That the PHILCOA may utilize for the purposes herein set forth existing governmental research agencies;
- To purchase or fabricate such machineries, materials, equipments and supplies as may be necessary to prosecute

successfully such researches and experimental works;

- To explore and expand the domestic and foreign markets for coconut products and by-products, to assure mutual benefit to consumers and producers, and to promote and maintain an efficient production of copra, oil and coconut by-products, by an effective coordination of the component elements of the coconut industry of the country;
- To allocate, with the approval of the President of the Philippines, sums of money in favor of any research institution, governmental or private, to undertake researches on any phase of the coconut industry for specified purposes: Provided, That exclusive ownership rights to the results of such research shall accrue to the PHILCOA as provided for under section fourteen;
- To regulate the marketing and exportation of copra by establishing standards for domestic trade and export and, pursuant hereto, to conduct an inspection through its agents of all copra proposed for export to determine if they conform to the standards established;
- To help planters and processors organize themselves into associations and cooperatives with a view to giving them greater control in the marketing of their products, and to help them obtain more credit facilities;
- To enter, make and execute contracts of any kinds as may be necessary or incidental to the attainment of its purposes; and
- Generally, to exercise all the powers necessary to attain the purposes for which it is organized.

SEC. 4. Special authority to undertake projects and incur debts.—Upon the recommendation of the National Economic Council and with the approval of the President of the Philippines, the PHILCOA may directly engage in such projects and undertakings as may be deemed vital or necessary to the early attainment of its general objective; and for the purpose of financing such projects, the PHILCOA may borrow the necessary funds from any financial institution subject to existing rules and regulations: Provided, That the total loan outstanding at any one time shall not exceed ten million pesos.

CHAPTER III.—Governing Body

SEC. 5. Composition and appointment.—All corporate-powers of the PHILCOA shall be vested in, and exercised by a Board of Administrators consisting of five members to be appointed by the President with the consent of the Commission on Appointments, three of whom shall be coconut planters: Provided, That no person appointed to this board may serve as director of more than two government or semi-government corporations. The President shall designate from among the members of the Board its Chairman.

SEC. 6. Tenure and compensation.—The members of the Board shall serve as designated by the President of the Philippines in their respective appointments for a term of four years, but any person to fill a vacancy shall serve only for the unexpired term of the member whom he succeeds. The Chairman shall receive a salary of twelve thousand pesos per annum and each member a per diem of twenty-five pesos for every meeting actually attended: Provided, That no member shall earn more than one hundred pesos a month in per diems: Provided, further, That if the member is a public official, he shall not be entitled to any per diem.

SEC. 7. Administrative powers and duties of the Board of Administrators.—The Board of Administrators shall have the following powers and duties:

- To prescribe, amend, modify, or repeal by-laws, rules and regulations, not inconsistent with the provisions of this Act, governing the manner in which the general business of the PHILCOA shall be exercised;
- To fix the compensation of the officers and employees of the PHILCOA;

- To approve the annual and/or such supplemental budgets of the PHILCOA which may be submitted to it by the management from time to time;
- To carry on the business of the PHILCOA as provided by law; and
- Perform such other duties as may be assigned to it by the President of the Philippines.

SEC. 8. Suspension and removal of Administrators.—Any member of the Board of Administrators may, for cause, be suspended or removed by the President of the Philippines.

CHAPTER IV.—Management

SEC. 9. The management of the PHILCOA shall be vested in the Chairman of the Board of Administrators.

SEC. 10. Powers and duties of the Chairman of the Board.—The Chairman of the Board shall have the following powers and duties:

- To direct and manage the affairs and business of the PHILCOA on behalf of the Board of Administrators and subject to its control and supervision;
- To submit for approval within sixty days after the close of each fiscal year an annual report to the President of the Philippines and to each House of Congress, through the Board of Administrators;
- To appoint and fix the number with the approval of the Board of Administrators, of such subordinate officials and personnel as may be necessary for the proper discharge of the duties and functions of the PHILCOA, and with the approval of the Board, to remove, suspend, otherwise discipline, for just cause, any subordinate employee of the PHILCOA; and
- To perform such other duties as may be assigned to him by the Board of Administrators from time to time.

CHAPTER V.—Appointments and Promotions

SEC. 11. Basis.—In the appointment and promotion of officers and employees, civil service eligibility, merit and efficiency shall serve as the basis. Any person appointed in violation of this prohibition shall be removed.

SEC. 12. Application of Civil Service Law and Regulations.—All officers and employees of the PHILCOA shall be subject to the Civil Service Law, rules and regulations, except those whose positions may, upon recommendation of the Board of Administrators, be declared by the President of the Philippines as policy determining, or highly technical in nature.

CHAPTER VI – Capitalization and Special Fund of the PHILCOA

SEC. 13. Capitalization.—To raise the necessary funds to carry out the provisions of this Act and the purposes of the PHILCOA, there shall be levied a fee of ten centavos for every one hundred kilo's of desiccated coconut, to be paid by the desiccating factory, coconut oil to be paid by the oil mills, and copra to be paid by the exporters, dealers or producers as the case may be. This service fee shall be collected by the PHILCOA under such rules and regulations that it shall promulgate: Provided, however, That pending the collection of service fee, the PHILCOA is hereby authorized to borrow from any banking institution the sum of fifty thousand pesos to be used in the organization and maintenance of this office.

SEC. 14. Special Fund.—The proceeds of the foregoing levy shall be set aside to constitute a special fund to be known as the "Coconut Development Fund," which shall be available exclusively for the use of the PHILCOA. All the income and receipts derived from the special fund herein created shall accrue to, and form part of, the said fund to be available solely for the use of the PHILCOA.

CHAPTER VII.—Transfer of Functions from other Office

SEC. 15. The functions of the Bureau of Commerce under Commerce Administrative Order Numbered Two dated January sixteen, nineteen hundred and forty-eight relating to the standardization and inspection of copra and the functions of the Sugar Quota Office in the allocation of coconut oil exports under Executive Order Numbered Ninety-four, dated October fourth, nineteen hundred and forty-seven, are hereby transferred to the PHILCOA. The personnel in these offices in charge of carrying out the foregoing functions and who are duly qualified in the civil service shall be transferred to the PHILCOA and those who do not possess civil service eligibility shall be retired in accordance with existing laws and regulations.

CHAPTER VIII.—Audit

SEC. 16. The Auditor General shall appoint a representative who shall be the Auditor of the PHILCOA. The number and salaries of the Auditor and such personnel as may be needed to assist him shall be determined by the Auditor General with the consent of the Board of Administrators. In case of disagreement, the matter shall be submitted to the President of the Philippines whose decision shall be final. Said salaries and other expenses of maintaining the Auditor's office shall be paid by the PHILCOA.

CHAPTER IX.—Miscellaneous Provisions

SEC. 17. Applicability of the Corporation Law.—The provisions of the Corporation Law which are not inconsistent with the provisions of this Act, shall be applicable to the PHILCOA created thereunder.

SEC 18. No official or employee of the Corporation shall directly or indirectly be financially interested in any contract with the corporation or in any special privilege granted by said Corporation during his term of office. Any violation of this prohibition shall be punished by dismissal from office and by a fine of not more than one thousand pesos or imprisonment of not more than one r or both, at the discretion of the court.

SEC. 19. Repeal or modifications.—Republic Act Numbered Four hundred seventy-one providing for the transfer to the NACOCO of fifty per centum of the fees collected from the Copra Standardization and Inspection Service s hereby repealed: Provided, That all amounts collected under said Act which are still unreleased upon approval hereof shall be turned over to the PHILCOA. All acts, executive orders, administrative orders, and proclamations or parts thereof inconsistent with any of the provisions of this Act are likewise repealed or modified accordingly.

SEC. 20. Constitutionality.—If any provisions of this Act shall be held unconstitutional, the other provisions shall not thereby be affected.

SEC. 21. Effectivity.—This Act shall take effect upon its approval.

Approved, June 17, 1954.

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