

CREATING THE NATIONAL SUGAR BOARD

EXECUTIVE ORDER NO. 157 [1], August 17, 1938

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Whereas, with the incidence of the export tax upon sugar shipped to the United States as provided in the Tydings-McDuffie Law so imminent, and the eventual loss of the preferential position of the Philippine sugar in the United States market unavoidable, it has become necessary to find means whereby the sugar industry as a whole would be able to stand the gradual loss of its preferential position in the United States market and in time place it upon a competitive position in relation with the other sugar producing countries of the world;

Whereas, it has been found that some of the component elements of the industry are unfairly situated under the present relationship obtaining between the mill, landowners, planters of sugar cane and the laborers, thus making it necessary to study and adopt ways and means whereby all of said elements may derive their fair proportion of the benefits arising out of the preferred position of said industry in our national economy;

Whereas, the stability of Government revenues and the welfare of whole communities in the sugar producing regions depend in no small measure upon the continued existence of the sugar industry upon a basis profitable for all elements contributing to the production of sugar;

Now, therefore, I, Manuel L. Quezon, President of the Philippines, by virtue of the power vested in me by the Constitution and the existing laws, do hereby create and constitute a Board, to be known as the “National Sugar Board” to be composed of eleven members who shall be appointed by the President from time to time.

1. It shall be the duty of the National Sugar Board to make a complete survey of the sugar industry and conduct an investigation into the financial condition of each sugar producing mill and the sugar cane planters adhered thereto; the financial and social condition of labor both in the mill and in the field; the possibilities of every mill district with special reference to present and probable future cost of production, methods and equipment for sugar cane culture and manufacture of sugar, and the adaptability of the sugar cane plantations or portions thereof for the production of other crops; the possibility of the industrialization of the byproducts of sugar cane; and other facts related to the industry as a whole and to its component units; and to determine the fair and proper distribution of benefits derived from the industry by those units which contribute to its development.

2. The Board shall, after the completion of the survey and investigation provided in paragraph one hereof, classify the different sugar producing units into three classes, to wit: (a) the economic units or those which may bear the imposition of a burden equivalent to the maximum export tax provided in the Tydings-McDuffie Act under present allotments and conditions; (b) the marginal units or those which, under favorable conditions, may bear the same tax burden but would require an increase of allotments to bring them up to the class of economic units; and (c) the sub-marginal units or those which can not bear the aforesaid tax under any condition on account of high production costs and other unfavorable factors.

3. The National Sugar Board, upon the basis of the classification so made, shall render a report to the President of the Philippines as to the manner of re-allocating sugar allotments corresponding to such marginal and sub-marginal producing units among the remaining sugar producing units, in order to insure the reduction of the cost of production of sugar and thus place these units on a competitive basis. In such report, the National Sugar

Board shall also recommend the compensation that should be paid to the marginal and sub-marginal units for the loss of their sugar allotment. After the approval of such report by the President of the Philippines, the National Sugar Board shall proceed to carry out, by voluntary agreement of the parties, the surrender and re-allocation of the sugar allotments as so recommended and approved, and in the event that such voluntary surrender and re-allocation can not be accomplished, the National Sugar Board shall recommend such legislation as may be deemed necessary to carry out the plans with reference to the readjustment of production.

4. Upon the result of its survey so conducted, the Board shall, likewise, if it finds that some of the component elements of the industry in any mill district or group of mill districts under like or similar conditions do not receive their fair and proper share of the benefits derived therefrom, invite the representatives thereof to discuss the possibility of adjusting their relationship, due consideration being given to the equities of each party, and special preference to be given to the betterment of wages and living conditions of laborers in the field. In the event that the intervention of the Board in this respect prove of no avail, the Board shall proceed to study and make recommendations as to the proper and practicable step that should be taken in order to carry out such an objective, including such legislation as may be deemed necessary for this purpose.

5. Due regard being given to the purposes of this Executive Order, the Board shall make estimates as to the amount required for the readjustment and stabilization of the entire sugar industry upon the completion of its survey as well as the proper methods of financing such a readjustment and stabilization program.

6. In order to enable the Board to carry out its functions hereunder, the Board or any of its members and its duly authorized representatives or agents are hereby granted all the powers of an investigating committee within the purview of section seventy-one of the Revised Administrative Code. The Board is also authorized to call directly upon any Department, Bureau or office in the executive branch of the Government or upon any Government-owned or controlled entity or agency for such assistance as the Board may need and subject to the approval of the President of the Philippines, to requisition for, utilize and make use of, the services of their personnel.

Done at the City of Manila, this seventeenth day of August, in the year of Our Lord, nineteen hundred and thirty-eight, and of the Commonwealth of the Philippines, the third.

MANUEL L. QUEZON
President of the Philippines

By the President:

JORGE B. VARGAS
Secretary to the President

[1] As corrected, and amended by Executive Order No. 168.

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