

[PRESIDENTIAL DECREE NO. 755, July 29, 1975]

APPROVING THE CREDIT POLICY FOR THE COCONUT INDUSTRY AS RECOMMENDED BY THE PHILIPPINE COCONUT AUTHORITY AND PROVIDING FUNDS THEREFOR.

WHEREAS, the coconut farmers are perennially beset with credit problems which hinder the growth and development of the coconut industry;

WHEREAS, under Presidential Decree No. 232, as amended, the Philippine Coconut Authority (PCA) is enjoined to formulate and recommend for adoption credit policies affecting production, marketing and processing of coconut and other palm oils;

WHEREAS, in compliance with its prescribed duty, the Philippine Coconut Authority has ascertained, in response to the appeal of coconut farmers conveyed in a resolution of the Board of Directors of the Philippine Coconut Producers Federation dated May 17, 1975, that ownership by the coconut farmers of a commercial bank is a permanent solution to their perennial credit problems;

WHEREAS, an operating commercial bank owned by the coconut farmers will accelerate the growth and development of the coconut industry and achieve a vertical integration thereof so that coconut farmers will become participants in, and beneficiaries of, such growth and development;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree and order as follows:

SECTION 1. *Declaration of National Policy.*—It is hereby declared that the policy of the State is to provide readily available credit facilities to the coconut farmers at preferential rates; that this policy can be expeditiously and efficiently realized by the implementation of the "Agreement for the Acquisition of a Commercial Bank for the benefit of the Coconut Farmers" executed by the Philippine Coconut Authority, the terms of which "Agreement are hereby incorporated by reference; and that the Philippine Coconut Authority is hereby authorized to distribute, for free, the shares of stock of the bank it acquired to the coconut farmers under such rules and regulations it may promulgate.

SEC. 2. *Financial Assistance.*—To enable the coconut farmers to comply with their contractual obligations under the aforesaid Agreement, the Philippine Coconut Authority is hereby directed to draw and utilize the collections under the Coconut Consumers' Stabilization Fund authorized to be levied by Presidential Decree No. 232, as amended, to pay for the financial commitments of the coconut farmers under the said Agreement and, except for the budgetary requirements of the Philippine Coconut Authority as approved by its Governing Board, all collections under the Coconut Consumers' Stabilization Fund Levy and fifty percent (50%) of the collections under the Coconut Industry Development Fund shall be deposited, interest free, with the said bank of the coconut farmers and such deposits shall not be withdrawn until the Board of Directors of the said Bank and the Governing Board of the Philippine Coconut Authority shall have jointly ascertained that the bank has sufficient equity capital to be in a financial position to service in full the credit requirements of the coconut farmers; and since the operators and activities of the