

[PRESIDENTIAL DECREE NO. 388, February 02, 1974]

CREATING THE PHILIPPINE SUGAR COMMISSION

WHEREAS, the economic and social stability of the Philippines depend in large measure upon the sustained growth and development of the sugar industry;

WHEREAS, due to chronic imbalance in production, the sugar industry is barely able to meet the requirements of the domestic and United States export markets while foregoing entirely new opportunities in the world market, notwithstanding the large investments made in new milling facilities in recent years with government support;

WHEREAS, it has become necessary to organize a mechanism to give sustained support to the sugar industry in all phases of its operation and potentials, and moreover, to provide conditions needed for its continued development and growth with the end in view of optimizing its effectiveness as a factor for social and economic good; and

WHEREAS, our sugar limitation laws when enacted were based on conditions existing in the years 1933 and 1935 and may no longer be realistic and adequate to promote the development and stability of the sugar industry;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, and upon the recommendation of the sugar planters, millers and traders of the Philippines through their associations and cooperatives, do hereby decree and order the creation of the Philippine Sugar Commission as follows:

SECTION 1. *Title of the Decree.* — This Decree shall be known as the Philippine Sugar Commission Decree.

SEC. 2. *Declaration of Policy.* — It shall be the policy of the State to promote the integrated development and stabilization of the sugar industry so that it can properly discharge its economic and social responsibilities and contribute its share in the development of the national economy.

SEC. 3. *Philippine Sugar Commission.* — In order to carry out the foregoing policy, there is hereby created the Philippine Sugar Commission hereinafter referred to as the Commission which shall be organized within thirty (30) days after the issuance of this Decree.

The Commission shall be composed of one (1) Commissioner, who shall serve as Chairman of the Commission and six (6) Associate Commissioners.

The Chairman and all the members of the Commission shall be appointed by the President of the Philippines. The members of the Commission shall be Filipino citizens, with sufficient experience in the sugar industry, and of proven honesty, integrity and recognized competence.

The Chairman and members of the Commission shall hold office for a term of four (4) years unless sooner removed for cause.

The Commissioner shall receive an annual compensation of fifty thousand pesos (P50,000) and a commutable representation and transportation allowance of one thousand pesos (P1,000) pesos monthly. The Associate Commissioners shall receive an annual compensation of forty thousand pesos (P40,000) and a commutable representation and transportation allowance of one thousand pesos (P1,000) pesos monthly.

The Commission shall meet in regular session twice a month. It may be called by the Chairman to a special session as the need arises.

SEC. 4. Powers and Functions. — The Commission shall have the following powers and functions:

- a. To establish policies pertaining to all phases of the sugar industry; and to inquire into other aspects of the sugar industry with a view to improving existing methods and systems;
- b. To enter into contracts, transactions, or undertakings of whatever nature which are necessary or incidental to its functions and objectives with any natural or juridical person and with any foreign government, private corporations, partnerships, institutions, or private individuals;
- c. To levy and collect charges, fees and contributions to finance its operation, for social amelioration of the workers in the industry, and for such other purposes as the Commission may determine. The amount of the fees, charges and contributions shall be subject to approval by the President;
- d. To act as the single buying and selling agency of sugar on the *quedan*-permit level, in order to promote the effective merchandising and distribution of sugar;
- e. To determine the floor-ceiling price of sugar which will insure the planters, millers, traders, wholesalers and retailers a fair return on their investments: *Provided*, That such floor-ceiling price of sugar for any crop year shall be the total anticipated cost of production per picul of sugar as determined by the Commission plus a corresponding reasonable margin of profit set by the Price Control Council or any other government agency authorized to regulate prices of commodities and services after taking into consideration the effects of devaluation and other economic factors affecting production, processing, marketing, transportation and other related expenses including the minimum wage for agricultural and industrial workers: *Provided, further*, That the floor-ceiling price established by the Commission shall be adjusted in direct relation to significant changes in the cost of production as determined by the Commission and the Consumers Price Index prepared by the Central Bank of the Philippines;
- f. To promulgate rules and regulations to carry into effect the provisions of this Decree and impose penalties for the violation thereof;
- g. To assume control and/or supervision of any sugar mill or refinery that has failed to meet its financial and other contracted obligations for two years or has become inefficient in its operation;
- h. To organize cooperatives of sugar planters throughout the Philippines; and
- i. To perform such other functions as are necessary and incidental to its purposes and objectives.