

[**REPUBLIC ACT NO. 1145, June 17, 1954**]

**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.**

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:

- a. To ensure the steady and orderly development of the coconut industry, and to stabilize and strengthen its position in the world markets;
- b. 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;
- c. To improve the tenancy relations between coconut proprietors and tenants and the living conditions of laborers engaged in the coconut industry;
- d. 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:

- a. 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;

- b. To purchase or fabricate such machineries, materials, equipments and supplies as may be necessary to prosecute successfully such researches and experimental works;
- c. 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;
- d. 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;
- e. 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;
- f. 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;
- g. To enter, make and execute contracts of any kinds as may be necessary or incidental to the attainment of its purposes; and
- h. 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-