

**[ REPUBLIC ACT NO. 632, June 06, 1951 ]**

**AN ACT CREATING THE "PHILIPPINE SUGAR INSTITUTE",  
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 semi-public corporation is hereby created which shall be known as the "Philippine Sugar Institute," hereinafter called the "PHILSUGIN," which shall be organized within sixty days after the approval of this Act. It shall exist for a term of fifty years from the date of the approval of this Act and 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. This Corporation shall be under supervision of the Administrator of Economic Coordination.

SEC. 2. *Purposes and Objectives.*-The PHILSUGIN shall have the following purposes and objectives:

- a. To conduct research work for the sugar industry in all its phases, either agricultural or industrial, for the purpose of introducing into the sugar industry such practices or processes that will reduce the cost of production, increase and improve the industrialization of the byproducts of sugar cane, and achieve greater efficiency in the industry;
- b. To improve existing methods of raising sugar cane and of sugar manufacturing;
- c. To insure a permanent, sufficient and balanced production of sugar and its by-products for local consumption and exportation;
- d. To establish and maintain such balanced relation between production and consumption of sugar and its by products, and such marketing conditions therefor, as will insure stabilized prices at a level sufficient to cover the cost of production plus a reasonable profit;
- e. To promote the effective merchandising of sugar and its by-products in the domestic and foreign markets so that those engaged in the sugar industry will be placed on a basis of economic security; and
- f. To improve the living and economic conditions of laborers engaged in the sugar industry by the gradual and effective correction of the inequalities existing in the industry.

## CHAPTER II. *Powers*

SEC. 3. *Specific and General Powers.*-For carrying out the purposes mentioned in the preceding section, the PHILSU-GIN 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 any part of the Philippines as may be necessary to undertake extensive research in sugar cane culture and manufacture, including studies as to the feasibility of mechanizing sugar cane farms, the control and eradication of pests, the selection and propagation of high-yielding varieties of sugar cane suited to Philippine climatic conditions, and such other pertinent studies as will be useful in adjusting the sugar industry to a position independent of existing trade preference in the American market;
- b. To purchase such machinery, materials, equipment and supplies as may be necessary to prosecute successfully such researches and experimental work;
- c. To explore and expand the domestic and foreign markets for sugar and its by-products to assure mutual benefits to consumers and producers, and to promote and maintain a sufficient general production of sugar and its by-products by an efficient coordination of the component elements of the sugar industry of the country;
- d. To buy, sell, assign, own, operate, rent or lease, subject to existing laws, machineries, equipment, materials, merchant vessels, rails, railroad lines, and any other means of transportation, warehouses, buildings, and any other equipment and material for the production, manufacture, handling, transportation and warehousing of sugar and its by-products ;
- e. To grant loans, on reasonable terms, to planters when it deems such loans advisable;
- f. To enter, make and execute contracts of any kind as may be necessary or incidental to the attainment of its purposes with any person, firm, or public or private corporation, with the Government of the Philippines or of the United States, of any state, territory or persons therefor or with any foreign government and, in general, to do everything directly or indirectly necessary or incidental to, or in furtherance of, the purposes of the corporation;
- g. To do all such other things, transact all such business and perform such functions directly or indirectly necessary, incidental or conducive to the attainment of the purposes of the corporation; and
- h. Generally, to exercise all the powers of a corporation under the Corporation Law insofar as they are not inconsistent with the provisions of this Act.

## CHAPTER III. *Governing Body*

SEC. 4. *Composition and Appointment.*-All corporate powers of the PHILSUGIN shall be vested in, and exercised by, a board of directors consisting of five (5) members to be appointed by the President of the Philippines with the consent of the Commission on Appointments; *Provided, however,* That three of the members of the

said Board shall be appointed upon the recommendation of the National Federation of Sugar Cane Planters and two, upon the recommendation of the Philippine Sugar Association. The Chairman of the Board shall be elected by the members from among themselves.

SEC. 5. *Tenure and Compensation.*-The members of the Board shall serve as designated by the President of the Philippines in their respective appointments for terms of one, two, and three years, respectively, from the date they qualify and assume office, but their successors shall be appointed for a term of three years, except that any person chosen to fill a vacancy shall serve only for the unexpired term of the member whom he succeeds. For actual attendance at meetings, each director shall receive a per diem of twenty-five pesos.

SEC. 6. *Powers and duties of the Board of Directors.*- The Board of Directors shall have the following powers and duties:

- a. 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 corporation may be exercised, subject to the approval of the Administrator of Economic Coordination;
- b. To appoint and fix the compensation of the General Manager, subject to the approval of the President of the Philippines, and to appoint and fix the compensation of the other officers of the corporation, with the approval of the Administrator of Economic Coordination. The Board by a majority vote of all the members, may, for just cause, and, with the approval of the President of the Philippines, suspend or remove the General Manager;
- c. To approve the annual and/or such supplemental budgets of the corporation which may be submitted to it by the General Manager from time to time; and
- d. To perform such other duties as may be assigned to it by the President of the Philippines or by the Administrator of Economic Coordination.

SEC. 7. *Suspension and Removal of Directors.*-Any member of the Board of Directors may, for cause, be suspended or removed by the President of the Philippines solely or upon the recommendation of the Administrator of Economic Coordination.

SEC. 8. *Prohibition for Board Members.*-No chairman or member of the Board of Directors of a corporation shall at the same time serve in the corporation in any capacity whatsoever other than as chairman or member thereof, unless otherwise authorized by the President.

#### CHAPTER IV. *Management*

SEC. 9. *Managing Head.*-The management of the corporation shall be vested in the General Manager.

SEC. 10. *Powers and Duties of the General Manager.*- The General Manager shall have the following powers and duties: