

[REPUBLIC ACT NO. 3470, June 16, 1962]

**AN ACT CREATING THE NATIONAL COTTAGE INDUSTRIES
DEVELOPMENT AUTHORITY (NACIDA) UNDER THE DEPARTMENT
OF COMMERCE AND INDUSTRY, PRESCRIBING ITS DUTIES,
POWERS AND FUNCTIONS, AND APPROPRIATING FUNDS
THEREFOR.**

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Within thirty days after the approval of this Act, the President of the Philippines shall create a board known as the National Cottage Industries Development Authority, hereinafter referred to as the Board, under the Department of Commerce and Industry, which shall be composed of a chairman and four members, one of whom shall be the Chief of the Division of Home Industries of the Bureau of Public Schools: *Provided*, That no person appointed to this Board shall simultaneously serve as director of any government-owned or controlled corporation: *Provided, further*, That no person who is a candidate for a public elective office at the time of his appointment or was such a candidate at the general or special elections immediately preceding the same shall be eligible for appointment as administrator, deputy administrator, member of the board of directors or director of regional institutes: *Provided, further*, That one of the members of the Board must come from the minority party to be nominated by the president of said party. The chairman and members of the Board who shall be appointed by the President of the Philippines, with the consent of the Commission on Appointments, shall hold office for a term of six years unless sooner removed or otherwise separated from the service for causes provided by law, in which case a successor may be appointed for the unexpired term. The chairman and members of the Board shall be entitled to a *per diem* of twenty-five pesos for each session actually attended by them: *Provided, however*, That in no case shall the regular or special sessions exceed ten sessions monthly but under no circumstance shall a member receive more than five hundred pesos a month including privileges, allowances and expenses. The President of the Philippines shall appoint the Administrator of the Board with a compensation of fifteen thousand pesos *per annum*. There shall also be a Deputy Administrator to be appointed by the President with a compensation of twelve thousand pesos *per annum*. The other officers and personnel of the Board shall be appointed and their compensation fixed by the Board in accordance with the Civil Service Law and Rules and Salary Law.

SEC. 2. The National Cottage Industries Development Authority, shall perform the following duties:

- a. To organize, revive, encourage, and promote the establishment of cottage industries; however, projects for the establishment, expansion and

development of cottage industries now being undertaken by other governmental agencies or offices shall be transferred to the Board and the personnel, know-how and technology from these governmental agencies shall be absorbed by the Board;

- b. To survey and evaluate existing skills, machinery and equipment, and raw materials available in industrial quantities;
- c. To promote the effective merchandising of cottage products in domestic and foreign market so that those engaged in such industries will be placed on a basis of economic security and towards this end the Board itself may, if necessary, market the cottage products for the producers;
- d. To promote the standardization of cottage industries products, prescribe rules and regulations governing the grading, classifying, and inspecting of cottage industries products, especially those for export;
- e. To grant small loans under such terms and conditions as may be prescribed by the Board or arrange for necessary loans with public or private credit institutions and banks, including such other loans intended for the planting, cultivation, and production of needed raw materials for the cottage industries covered under this Act;
- f. To extend assistance to cottage industries producers in their problems relating to financing, production and marketing;
- g. To render consultation services, provide technical know-how and field assistance to cottage industries producers;
- h. To undertake research and training programs designed to improve cottage industries products;
- i. To administer and maintain a tool and dye development program responsive to the technological needs of the cottage industries; and
- j. To adopt such measures as may be deemed necessary and proper to carry out the purposes of this Act.

SEC. 3. *General Powers.*—The National Cottage Industries Development Authority is hereby authorized to make contracts; to lease or own real and personal property, and to sell or otherwise dispose of the same; to sue or be sued; to prescribe such rules and regulations as are necessary to carry out the functions vested it by this Act; to make such expenditure to carry out the purposes and functions of the Board; and to acquire and hold such assets resulting directly from operations authorized by the provisions of this Act, or as are essential or incidental to the proper conduct of such operations. The rules and regulations issued by the Board shall take effect fifteen days after their publication in a newspaper of general circulation in the Philippines.

SEC. 4. *Powers and duties of the Board of Directors.*—The Board of Directors shall have the following powers and duties:

- a. To fix the compensation and number of officers and employees of the Board;
- b. To approve the annual and/or such, supplemental budget of the Board which may be submitted to it from time to time; and
- c. To enunciate the policies that shall guide the operations of the Board.

SEC. 5. *Managing Head.*—The Head of the Technical Office of the Board shall be known as Administrator who, together with the Deputy Administrator, shall be