

[PRESIDENTIAL DECREE NO. 1971, February 21, 1985]

REVITALIZING THE PHILIPPINE SUGAR INDUSTRY AND REORGANIZING THE PHILIPPINE SUGAR COMMISSION, AND FOR OTHER PURPOSES

WHEREAS, the Philippine Sugar Commission was created under Presidential Decree No. 388, as amended, to support the sugar industry and to foster its continued economic growth and development with the end in view of promoting public welfare.

WHEREAS, global and domestic conditions have brought the sugar industry into imminent collapse, thereby using the economic dislocation not only of the sugar planters and millers but also of the sugar workers and their families;

WHEREAS, under uncertainties in the sugar industry have spawned serious peace and order Problems in the affected areas of the country resulting in a grave national emergency;

WHEREAS, unless the grave emergency confronting the sugar industry is remedied with dispatch, the sugar industry may altogether collapse and deteriorate to a level beyond economic recovery, and thereby adversely affect the national economy;

WHEREAS, there is now a pressing need to reorganize the Philippine Sugar Commission and its subsidiary, the National Sugar Trading Corporation, to make the said Commission more responsive to the present requirements of the sugar industry, and to maintain and preserve its viability as an industry essential to the economic stability of the country;

WHEREAS, the price of sugar is way below the production cost, and in order to uplift the economic predicament of sugar producers, the Commission must determine the price of sugar as closely as possible to the production cost plus a reasonable margin of profit for the industry;

WHEREAS, the sugar industry must be more resilient and expedient in meeting the exigencies of changing world market conditions;

WHEREAS, there is need for a concerted effort by the Government and the private sector in the planning and direction of sugar production and marketing on a national basis;

WHEREAS, in support of such concerted effort it is necessary for sugar producers to participate directly in the formulation of national policies and the orderly planning and supervision of the production and marketing of sugar, by electing their representatives to the Commission;

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

SECTION 1. There is hereby declared a grave national emergency in the sugar industry, necessitating its revitalization by way of an industry rationalization program to be promulgated by the Philippine Sugar Commission, subject to the approval of the President of the Philippines. The sugar industry rationalization

program shall take into account the promotion of the interests of sugar planters, millers, workers and consumers alike. For this purpose, the Philippine Sugar Commission is hereby reorganized in the manner set forth in the succeeding sections hereof.

SEC. 2. Section 3 of Presidential Decree No. 388, as amended, is hereby further amended to read as follows:

"SECTION 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, to rationalize and revitalize the sugar industry.

"The Commission shall be composed of a Chairman and eight (8) Commissioners. The Minister of Trade and Industry, the Minister of Agriculture and Food, and the Governor of the Central Bank shall be *ex-officio* members of the Commission. The other six Commissioners, who shall be Filipino citizens, shall be the elected representatives of the sugar producers; *Provided, however,* That four (4) of the six Commissioners shall be elected by the planters and the other two (2) shall be elected by the millers; *Provided, further,* That the four representatives of the planters shall be elected from among themselves through an election by the various planters associations, and the two representatives of the millers shall likewise be elected from among themselves through an election by the individual milling companies which were operating during the crop year 1983-1984; *Provided, finally,* That the Chairman of the Commission shall be elected by all the Commissioners from among the six elective Commissioners.

"The initial election of the representatives of both planters and millers to the Commission, for a term of two years, shall take place as soon as possible, but in no case later than three (3) months from the date of effectivity of this Decree. Thereafter, the planters and the millers shall elect their representatives once every two (2) years.

"Voting for the representatives of the planters and the millers shall be on the basis of one vote for every 1,000 piculs net production share computed in accordance with the official production records of the Philippine Sugar Commission for crop year 1983-1984. The production basis for voting in succeeding elections shall be the production of the crop year immediately preceding such elections.

"The Compensation and allowance of the Chairman and Commissioners shall be determined by the Commission, subject to the approval of the President of the Philippines.

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

SEC. 3. Sub-sections (d) and (e) of the first paragraph of Section 4 of Presidential Decree No. 388, as amended, are hereby further amended to read as follows:

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