

[Commonwealth Act No. 518, May 07, 1940]

AN ACT TO ESTABLISH THE NATIONAL COCONUT CORPORATION

Be it enacted by the National Assembly of the Philippines:

SECTION 1. A corporation is created under the style and name of "National Coconut Corporation, " which shall be organized within six months after the date of the approval of this Act and shall exist for a term of thirty years from the said date. The Corporation shall have its main office in the City of Manila.

SEC. 2. The National Coconut Corporation shall have the following objects:

- a. To establish, keep, maintain, and operate or help establish, keep, maintain, and operate drying plants, or copra driers, or coconut centrals with a view to adjusting the coconut industry to a position independent of trade preferences in the United States and to provide facilities for the better curing of copra products and the proper utilization of coconut by-products, provided that no subsidy, direct or indirect, shall be paid to producers or processors of copra, coconut oil, or allied products;
- b. To afford facilities for bona fide production loans to Philippine coconut planters and copra producers.

SEC. 3. To carry out the purposes mentioned. in the preceding section, the National Coconut Corporation shall have authority:

- a. To grant bona fide production loans to Philippine copra producers upon the security of coconut crops or products; and
- b. To buy, sell, assign, establish or operate, rent or lease presses, warehouses, buildings, and any other equipment and materials necessary and proper to carry out its purposes.

SEC. 4. The National Coconut Corporation shall be subject to the provisions of the Corporation Law in so far as the same are compatible with the provisions of this Act, and it shall enjoy the general powers mentioned in said Corporation Law in addition to those herein specified.

SEC. 5. The management of the National Coconut Corporation shall be vested in a board of directors consisting of five members appointed by the President of the Philippines, with the consent of the Commission on Appointments of the National Assembly. The President of the Philippines shall appoint the chairman of the board from among its members.

The directors shall be appointed to serve for one year. In case of a vacancy, the person appointed to fill it shall hold office only for the unexpired portion of the term of his predecessor. The President may, in his discretion, remove any director. Three members of the board of directors shall constitute a quorum for the transaction of business.

Before entering upon the discharge of his duties, each director shall take oath prescribed by law.