

AN ACT FOR THE CREATION AND PROMOTION OF A NATIONAL MERCHANT MARINE, AND FOR OTHER PURPOSES.

Act No. 2754, February 23, 1918

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Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. For the purpose of creating and promoting a merchant marine that shall engage in the transportation of products, preferably articles of importation and exportation of the Philippine Islands, the Secretary of Commerce and Communications, with the consent of the presiding officers of both Houses of the Legislature and the approval of the Governor-General, is hereby authorized to—

- (a) Organize a corporation or corporations for the purpose of engaging in the construction and repair of vessels or the acquisition thereof, or in the business of carrying passengers and freight by sea, or for all these purposes.
- (b) Acquire stock or an interest, in behalf of the Government of the Philippine Islands, in corporations, companies, or associations engaged in any of the business activities mentioned in the last preceding subsection.
- (c) Subsidize navigation lines to foreign countries.
- (d) Retain and keep under domestic register merchant vessels which are now or may hereafter be registered in the ports of the Philippine Islands.
- (e) Exercise any other powers that may be necessary to create, promote, and maintain the foreign maritime traffic of the Philippine Islands.

SEC. 2. Whenever public funds are invested or expended for the purpose of contributing to, cooperating with, aiding, or subsidizing shipping concerns in accordance with the preceding section, the following conditions shall be imposed:

- (a) That all vessels belonging to said concerns shall at all times be subject to the exclusive service of the Government when the Governor-General shall certify that the public interest requires it.
- (b) That said vessels shall give preference to the transportation of the mail and other freight of the Government and to the products of the country.
- (c) That said vessels shall be constructed or repaired in accordance with plans and specifications approved by the Secretary of Commerce and Communications.
- (d) Any other conditions which the Secretary of Commerce and Communications may see fit to impose.

SEC. 3. Whenever funds of the Government of the Philippine Islands are invested in any of the corporations or companies mentioned in section one of this Act, the power to vote the stock or interest of said Government shall be vested in a committee composed of the Governor-General, the President of the Senate, and the Speaker of the House of Representatives.

SEC. 4. In case any corporation or corporations are organized under subsection (a) of section one of this Act, each of said corporations shall be constituted as follows:

(a) It shall be subject to the provisions of the Corporation Law, in so far as these are not incompatible with the provisions of this Act, and shall have the general powers mentioned in said Law and any other power necessary to carry out the purposes for which it was organized.

(b) The Secretary of Commerce and Communications shall subscribe to and pay, on behalf of the Government of the Philippine Islands, not less than fifty-one per centum of the capital.

(c) The Board of Directors shall be composed of five members.

SEC. 5. The Secretary of Commerce and Communications may obtain the advice of a board of competent persons appointed by him and numbering not more than five. Said persons may receive per diems of not more than twenty pesos for each day of session actually attended and not to exceed in any month one hundred pesos for each.

SEC. 6. The Secretary of Commerce and Communications shall include in his annual report a chapter relating to the work performed by him in accordance with this Act. Said report shall contain, among other things, a detailed account of the expenses incurred and investments made, the status of these investments, and the profit and loss.

SEC. 7. There is hereby appropriated, out of any funds in the Insular Treasury not otherwise appropriated, the sum of ten million pesos, which shall not be set up on the books of the Auditor until administratively allotted, to be expended in the discretion of the Secretary of Commerce and Communications for the purposes of this Act, until December thirty-one, nineteen hundred and nineteen, and any balance thereof remaining unexpended after said date shall revert to the general unappropriated funds in the Insular Treasury.

SEC. 8. This Act shall take effect on its approval.

Approved, February 23, 1918.

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