

AN ACT CREATING THE AGRICULTURAL MACHINERY AND EQUIPMENT CORPORATION

Commonwealth Act No. 694, October 15, 1945

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

SECTION 1. A corporation is hereby created which shall be known as the "Agricultural Machinery and Equipment Corporation", which shall be organized within ninety days after the approved of this Act. The corporation shall have its main office in the City of Manila and shall exist for a period of five years.

SEC. 2. The powers, functions and rights of the said corporation shall be the following:

- (a) To have continuous succession under its corporate name until otherwise provided by law;
- (b) To prescribe its by laws;
- (c) To sue and be sued;
- (d) To buy agricultural machinery, tools and equipment and to sell the same to farmers;
- (e) To acquire, hold, sell, transfer or otherwise dispose of real property, warehouses and other facilities for the storage of machinery, tools and equipment;
- (f) When essential to the proper administration of its corporate affairs or necessary for the proper transaction of its business or to carry out the purposes for which it was organized, to contract indebtedness; and
- (g) To exercise such powers and do such things as may be reasonably necessary to carry out the business and purposes for which it was organized.

SEC. 3. The capital stock of the Agricultural Machinery and Equipment Corporation, which shall be exclusively and fully subscribed by the Government of the Philippines shall be ten million pesos, divided into ten thousand shares of the value at par of one thousand pesos each.

SEC. 4. The management of the Agricultural Machinery and Equipment Corporation shall be vested in a Board of Directors, composed of one Department Secretary designated by the President of the Philippines with the approval of the Commission on Appointments, the Directors of the Bureaus of Commerce, Plant Industry, and Public Works and the Purchasing Agent of the Bureau of Supply. The Department Secretary designated by the President shall be the Chairman of the Board of Directors and the Manager of the Corporation. The members of the Board and the Manager shall not receive any additional compensation.

SEC. 5. The machinery, tools and equipment purchased by the Corporation shall be sold to farmers who may pay the same in cash at their cost price or under liberal terms in installments payable within a period not exceeding ten years: Provided, That in the latter case the payment of the purchase price shall be secured by a mortgage of such portion of the standing crop belonging to the purchaser as may be equivalent to the annual installment due and by a mortgage or pledge of the machinery, tool or equipment sold, if the purchaser is a landowner, and by a further

guarantee of the owner of the land leased to the purchaser or of a duly qualified farmers cooperative of which he is a member, in case the purchase is a lessee.

SEC. 6. Upon the expiration of the period of five years, the affairs of the Corporation shall be wound up and the payment of outstanding liabilities, if any, shall be assumed, and the collection of credits be undertaken by the Agricultural and Industrial Bank, which, for this purpose, is hereby granted full authority to act and exercise the same powers and rights which under the premises can be done and exercised by the Agricultural Machinery and equipment Corporation.

SEC. 7. The proceeds of the sale of the machinery, tools and equipment shall, after deducting the expenses necessarily incurred in the management of the affairs of the Corporation or in the collection of its credits by the Agricultural and Industrial Bank, be applied to the payment of the capital stock of the Agricultural and Industrial Bank subscribed by the Government of the Philippines subject to the limitation established in section six of Commonwealth Act Numbered Four hundred and fifty-nine.

SEC. 8. The sum of ten million pesos is hereby appropriated out of any funds in the National Treasury not otherwise appropriated, for carrying out the provisions of this Act.

SEC. 9. This Act shall take effect upon its approval.

Approved, October 15, 1945.

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