

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED TWELVE HUNDRED OF REPUBLIC ACT NUMBERED TWELVE HUNDRED NINETY-FIVE, ENTITLED "AN ACT TO ESTABLISH THE ABACA CORPORATION..."

REPUBLIC ACT NO. 4720, June 18, 1966

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

SECTION 1. Section two of Republic Act Numbered Twelve hundred ninety-five is hereby amended to read as follows:

"SEC. 2. Purposes and objectives.—The Abaca Corporation of the Philippines shall have the following objectives:

"(a) To insure a permanent, sufficient and balanced production of abaca, maguey and other fibers for the requirements of the local industry and for exportation.

"(b) To check all speculation tending to promote a decrease in the prices of abaca, maguey and other fibers and to stabilize said prices at a level sufficient to cover the cost of production plus a reasonable profit.

"(c) To assist in preventing a short as well as an excess production of abaca, maguey and other fibers and in either case serve as a regulating organ in order to avoid a disorganization of this activity of the national economy and its consequences, such as suspensions of work, unemployment and other social calamities.

"(d) To promote the effective merchandising of abaca, maguey and other fibers in the domestic and foreign markets so that those engaged in the said industries will be placed on a basis of economic security.

"(e) To establish warehousing and marketing facilities in suitable centers and supervise the selling and buying of abaca, maguey and other fibers.

"(f) To promote the prompt, extensive and thorough industrialization of the abaca, maguey and other fiber industries.

"In achieving the above-named purposes and objectives of this Act, the Abaca Corporation shall limit its activities or intervention simply in aid of private capital or enterprise already dedicated or ready to be dedicated in any manner directly or indirectly to the promotion of the abaca maguey and other fibers industries in the Philippines; Provided, however, That if no private capital shall be interested in any of the proposed activities of the Corporation, then it may directly initiate, promote and develop such activities."

SEC. 2. Section three of the same Act is hereby amended to read as follows:

"SEC. 3. Specific and general powers.—For carrying out the purposes mentioned in the preceding section, subject to the terms of the last paragraph thereof, the Abaca Corporation of the Philippines shall have authority:

"(a) To buy, sell, export, barter, and in any other manner deal in abaca, maguey and other fibers.

"(b) To buy, sell, assign, own, operate, rent or leave subject to existing law, merchant vessels, rails, railroad lines, and any other means of transportation, stripping machines, decorticators, presses, warehouses, buildings, and any other equipment and material for stripping, decorticating, warehousing and, in general, for everything connected with the proper handling of abaca, maguey and other fibers.

"(c) To act as agent, broker, commission merchant or representative of the producers, merchants, pressing other dealers in abaca, maguey and other fibers and products derived therefrom.

"(d) To grant loans to abaca, maguey and other fibers, planters, cooperatives or centrals, guaranteed by a mortgage or pledge on abaca and maguey crops, fibers or other securities: Provided, however, That no loan shall be granted which is in excess of eighty per cent of the market value of the securities: And provided, further, That interest thereon shall not be in excess of four per cent per annum.

"(e) To invest the funds of the Corporation in the form of ordinary or preferred shares, in any private corporation established for the purpose of raising, developing, managing or administering abaca, maguey and other fiber plantations or establishing industrial plants using abaca, maguey and other fibers or its by-products as their prime raw materials, or warehouses for the storage of abaca, maguey and other fibers, its by-products, derivative or resulting manufactured products, or cooperatives founded in aid of the abaca, maguey and other fibers industries: Provided, however, That no investment in excess of one million pesos shall be granted without the approval of the Department of Agriculture and Natural Resources or its successors.

"(f) To borrow or otherwise raise funds for carrying out the objects of this corporation, whenever the needs of this industry require it, with the consent of the President of the Philippines.

"(g) To enter into, make and execute contracts of any kind as may be necessary or incidental to the attainment of its purposes, with any person, firm or public or private corporation, with the Governments of the Philippines or the United States or any state, territory or possession thereof, or with any foreign government.

"(h) In general, to do everything directly or indirectly necessary or incidental to, or in furtherance of the purposes of the Corporation.

"(i) In the transaction of its business, to perform all acts which a co-partnership or natural person is authorized to perform under the laws now existing or which may be enacted hereafter.

"(j) Generally, to exercise such incidental powers as may be necessary to carry out the purposes and objectives of this Act within the limitations prescribed by the same."

SEC. 3. Sections seven and eight of the same Act hereby amended to read as follows:

"SEC. 7. Capitalization.—The capital stock of the Abaca Corporation of the Philippines shall be forty million pesos divided into four hundred thousand shares of stock, having a par value of one hundred pesos each, and no stock of said corporation shall be issued at less than par or except for cash.

"The entire authorized capital of forty million pesos shall be subscribed for and paid by the Republic of the Philippines upon the organization of said Corporation in the manner provided in the following section."

"SEC. 8. Payment of Subscription to the Capital.—The amount of forty million pesos required to pay for the entire authorized capitalization of the Abaca Corporation of the Philippines herein recited shall be raised by means of the sale or disposition of bonds under Republic Act Numbered One thousand, and for that purpose it is hereby declared that the organization of the Abaca Corporation of the Philippines is one of the economic projects contemplated under said Act to be financed by the sale or disposition of bonds therein specifically authorized to be sold; or, by borrowings which the Government of the Republic of the Philippines may be able to secure thru the Central Bank; or out of funds in the National Treasury not otherwise appropriated of which the amount forty million pesos is hereby appropriated: Provided, however, That Four million pesos be devoted

to the development of maguey and other fibers.

"There shall be added to the capital of the Abaca Corporation of the Philippines all the funds, assets and properties still available belonging to the defunct National Abaca Fibers Corporation. In the event that the an urgent or immediate need for funds to carryout the trading and industrialization program of the abacorp and the funds herein appropriated are insufficient for such purpose, the abacorp may borrow the needed amount to be guaranteed by the Central Bank of the Philippines from of the Government financial institution, such as the Philippine National Bank, Development Bank of the Philippines and the Government Service Insurance System."

SEC. 4. This Act shall take effect upon its approval.

Approved, June 18, 1966.

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