

AN ACT TO ESTABLISH THE NATIONAL ABACA AND OTHER FIBER CORPORATION.

Commonwealth Act No. 332, June 18, 1938

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Be it enacted by the National Assembly of the Philippines:

SECTION 1. A corporation is hereby created which shall be known as "National Abaca and Other Fiber Corporation" and which shall be organized immediately upon the approval of this Act, shall exist for a term of thirty years from the date of the approval of this Act, and shall have its main office in the City of Manila.

SEC. 2. The "National Abaca and Other Fiber Corporation" shall have the following objects:

- To insure a permanent, sufficient and balanced production of abaca and other fibers for the requirements of the local industry and for exportation.
- To check all speculation tending to promote a decrease in the prices of abaca and other fibers and to stabilize said prices at a level sufficient to cover the cost of production plus a reasonable profit.
- To assist in preventing a short as well as an excess production of abaca and other fibers and in either case serve as regulating organ in order to avoid a disorganization of this important activity of the national economy and its consequences, such as suspensions of work, unemployment, and other social calamities.

SEC. 3. For carrying out the purposes mentioned in the preceding section, the National Abaca and Other Fiber Corporation shall have authority:

- To buy, sell, export, barter, and in any other manner deal in, abaca and other fibers.
- To buy, sell, assign, own, operate, rent or lease, subject to existing law, merchant vessels, rails, railroad lines, and any other means of transportation, stripping machines, presses, warehouses, buildings, and any other equipment and material for stripping, warehousing and, in general for everything connected with the proper handling of abaca and other fibers.
- To act as agent, broker, commission merchant or representative of the producers, merchants, pressmen or other dealers in abaca and other fibers and the products derived therefrom.
- To grant loans to planters when it deems it advisable, on reasonable terms, on account of abaca and other fiber crops.
- To borrow, issue bonds or otherwise raise funds for carrying out the objects of this corporation, whenever the needs of this industry require it.
- 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 of any State, territory or possession thereof, or with any foreign government.
- To have an office or offices outside of the Philippines and transact business and exercise its powers in any part

of the Philippines or any foreign country, state or territory.

- In general, to do everything directly or indirectly necessary or incidental to, or in furtherance of the purposes of the corporation.

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

SEC. 4. The capital stock of the National Abaca and Other Fiber Corporation shall be twenty million pesos, divided into two 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.

Fifty-one per centum, at least, of said capital stock shall be subscribed by the Government of the Commonwealth of the Philippines, and the remainder thereof may be offered to provincial, municipal, and city governments of the Philippines and to the general public. Twenty-five per centum of the value of all stock subscribed shall be paid at the time of subscription, and the balance thereof shall be subject to call at such time or times as the Board of Directors of the corporation may deem advisable: Provided, however, That as regards the sum or sums subscribed by the Government by virtue of this Act, the same shall be paid only upon certification to the President of the Philippines by the Auditor General and the Secretary of Finance that there are sufficient funds available in the National Treasury to warrant their disbursement, in excess of the appropriations made for the ordinary expenses of the National Government.

The voting power of all stock owned by the Government of the Commonwealth shall be vested in the President of the Philippines or in such person or persons as he may designate, and the voting power of the stock owned by the provincial, municipal, or city governments shall be vested in the chief executive officer of such respective governments.

SEC. 5. The National Abaca and Other Fiber 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 with the purposes for which it has been created, and it shall enjoy the general powers mentioned in said Corporation Law in addition to those herein specified.

SEC. 6. The management of the National Abaca and Other Fiber Corporation shall be vested in a Board of Directors consisting of not more than 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.

Of the five directors first appointed as above prescribed, the President of the Philippines shall designate one to serve for one year, one for two years, one for three years, one for four years, and one for five years; and thereafter, each director appointed shall serve for five years. Whenever a vacancy shall occur among the directors, the person appointed to fill it shall hold office for the unexpired term of the member whose place he is selected to fill. Any director shall be subject to removal by the President of the Philippines. Three members of the Board of Directors shall constitute a quorum for the transaction of business.

Before entering upon the discharge of their duties, each of the directors shall take the oath prescribed in section twenty-three of the Revised Administrative Code and in the Constitution of the Philippines.

The members of the Board shall each receive a per diem of not to exceed thirty pesos for each day of meeting actually attended by them, except the chairman of the Board who shall at the same time be general manager of the corporation and shall receive a salary not to exceed fifteen thousand pesos per annum.

The Board shall submit its annual report and balance sheets to the President of the Philippines and to the National Assembly, as provided in sections five hundred and seventy-four to five hundred and seventy-seven, inclusive, of the Revised Administrative Code.

SEC. 7. The sum of eleven million pesos is hereby appropriated, out of any funds in the National Treasury not otherwise appropriated, to pay for the shares of stock of the National Abaca and Other Fiber Corporation which shall be acquired by the Government of the Commonwealth in accordance with this Act.

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

Approved, June 18, 1938.

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