

AN ACT TO ESTABLISH THE ABACA CORPORATION OF THE PHILIPPINES

REPUBLIC ACT NO. 1295, June 15, 1955

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

Chapter I ESTABLISHMENT AND OBJECTIVES

Section 1. Name, duration and domicile.—A portion is hereby created which shall be known as the Abaca Corporation of the Philippines, which shall be organized immediately upon the approval of this Act and shall be under the direct supervision of the Office of Economic Coordination or its successor. It 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 and branches and agencies within or outside the Philippines, as may be necessary for the proper conduct of its business.

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

- To insure a permanent, sufficient and balanced production of abaca 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 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 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.
- To promote the effective merchandising of abaca in the domestic and foreign markets so that those engaged in the industry will be placed on a basis of economic security.
- To establish warehousing and marketing facilities in suitable centers and supervise the selling and buying of abaca and other fibers.
- To promote the prompt, extensive and thorough industrialization of the abaca industry.

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 read to be dedicated in any manner directly or indirectly to the promotion of abaca industry in the Philippines: Provided, however That if no private capital shall be interested in any of the proposed activities of the Corporation, then may directly initiate, promote and develop such activities.

Chapter II

POWERS

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:

- To buy, sell, export, barter, and in any other manner deal in abaca.
- 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, 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.
- To act as agent, broker, commission merchant or representative of the producers, merchants, pressmen or other dealers in abaca and the products derived therefrom.
- To grant loans to abaca planters, cooperatives or centrals, guaranteed by a mortgage or pledge on abaca 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 percent per annum.
- 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 plantations or establishing industrial plants using abaca or its by-products as their prime raw materials, or warehouses for the storage of abaca fibers, its by-products, derivatives or resulting manufactured products, or cooperatives founded in aid of the abaca industry: Provided, however, That no investment in excess of one million pesos shall be granted without the approval of the Office of Economic Coordination or its successor.
- 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.
- 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.
- 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 co-partnership or natural person is authorized to perform under the laws now existing or which may be enacted hereafter.
- 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.

Chapter III MANAGEMENT

Sec. 4. The management of the Abaca Corporation of the Philippines 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. The President of the Philippines shall appoint the Chairman of the Board from among its members. The members of the Board shall serve as designated by the President of the Philippines in their respective appointments for terms of one, two and three years, respectively, from the date they qualify and assume office, but their successors shall thereafter be appointed for a term of three years, except that any person chosen to fill a vacancy shall serve only for the unexpired term of the member whom he succeeds.

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 twenty-five 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 twelve thousand pesos per annum: Provided, That no member shall earn more than one hundred pesos a month in per diems: Provided, further, That if the member is a public official, he shall not be entitled to any per diem.

The Administrative powers and duties of the Board of Directors shall be:

- To prescribe, amend, modify, or repeal by-laws, rules and regulations not consistent with the provisions of this Act, governing the manner in which the general business of the Abaca Corporation of the Philippines shall be exercised;
- To fix the compensation of the officers and employees of the Abaca Corporation;
- To approve the annual and/or such supplemental budget of the Abaca Corporation which may be submitted it by the management from time to time;
- To carry on the business of the Abaca Corpora-tion as provided herein and by law;
- To perform such other duties as may be assigned to it by the President of the Philippines, in accordance with law;
- In general to do everything directly or indirectly necessary or incidental to, or in furtherance of the purposes of the Corporation.

The Chairman of the Board shall have the following powers and duties:

- To direct and manage the affairs and business of the Abaca Corporation of the Philippines on behalf of the Board of Directors and subject to its control and supervision;
- To submit within sixty days after the close of each fiscal year an annual report to the President of the Philippines and to each House of Congress, through the Board of Directors;
- To appoint and fix the number, with the approval of the Board of Directors, of such subordinate officials and personnel as may be necessary for the proper discharge of the duties and functions of the Abaca Corporation, and, with the approval of the Board, to remove, suspend, or otherwise discipline, for just cause, any subordinate employee of the Abaca Corporation; and
- To perform such other duties as may be assigned to him by the Board of Directors from time to time.

Chapter IV APPOINTMENTS AND PROMOTIONS

SEC 5. Basis.—In the appointment and promotion of officers and employees of the Abaca Corporation of the Philippines, merit, seniority and efficiency and not civil service eligibility shall serve as bases, and no political test or qualifications shall be prescribed and considered for such appointments and promotions. Any person appointed by the Board in violation of this prohibition shall be removed: Provided, however, That other things being approximately equal, duly recognized veterans should be given preference.

Chapter V AUDIT

Sec. 6. Personnel—The Auditor General shall appoint a representative who shall be the auditor of the Coporation,

and the necessary personnel to assist said representative in the performance of his duties. The salary of such auditor and the number and salaries of said personnel shall be determined by the Auditor General, with the advice of the Board of Directors. In case of disagreement, the matter shall be submitted to the President of the Philippines whose decision shall be final. Said salaries and all other expenses of maintaining the Auditor's Office shall be paid by the Corporation.

Chapter VIFUNDS

Sec. 7. Capitalization.—The capital stock of the Abaca Corporation of the Philippines 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.

The entire authorized capital of twenty 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 twenty 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 the Central Bank.

Chapter VIIMISCELLANEOUS PROVISIONS

Sec. 9. Applicability of the Corporation Law.—The Abaca Corporation of the Philippines shall be subject to the Provisions of the Corporation Law insofar 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. 10. Repealing clause.—All acts, executive orders administrative orders, proclamations, rules and regulations, or parts thereof, inconsistent with any of the provisions of this Act are repealed or modified accordingly

Sec. 11. Separability clause.—If any provisions of this Act or the application of such provision to any person or circumstances is declared unconstitutional, the remainder of the Act or the application of such provision to other persons or circumstances shall not be affected by such declaration.

Sec. 12. Effectivity.—This Act shall take effect upon its approval.

Approved, June 15, 1955.

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