

**[ REPUBLIC ACT NO. 1828, June 22, 1957 ]**

**AN ACT AUTHORIZING THE DEVELOPMENT, EXPLOITATION AND UTILIZATION OF THE MINERAL DEPOSITS IN THE SURIGAO RESERVATION AND, FOR THE PURPOSE, AUTHORIZING THE PRESIDENT OF THE PHILIPPINES TO HAVE THE SAME UNDERTAKEN EITHER BY THE GOVERNMENT ITSELF, OR JOINTLY WITH PRIVATE ENTERPRISE, OR BY ENGAGING THE SERVICES OF INDEPENDENT CONTRACTOR OR CONTRACTORS, TO CREATE AN OFFICE OR AGENCY, AND TO CONTRACT LOANS, AND/OR FLOAT BONDS AND FOR OTHER PURPOSES.**

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

SECTION 1. Recognizing the importance to the national economy of the development, exploitation and utilization of the mineral deposits in the Surigao Mineral Reservation and the processing and disposition of the minerals may be produced therefrom, it is hereby declared to be the policy of the Government to undertake such development, exploitation, utilization, processing and disposition either by itself, or jointly with private enterprise, or by engaging and utilizing the services of persons or corporation, as independent contractor or contractors sixty *per centum* (60%) of the capital stock of which is owned and controlled by persons qualified under the Constitution to exploit, develop and utilize the natural resources of the Philippines. In any case, the foreign exchange derived from the sale of the minerals and/or mineral products produced from the said operations shall belong to the Government except as hereinafter provided.

SEC. 2. In order to carry out the policy declared in Section 1 hereof, the President of the Philippines is hereby authorized to determine, upon previous advice and recommendation of the National Economic Council whether the development, exploitation and utilization of the said mineral deposit and the processing and disposition of the minerals that may be produced therefrom:

1. shall be undertaken by the government itself, in which case he is authorized to contract loans and/or float bonds in such amounts as he may deem necessary, and adequate to carry out effectively the undertakings contemplated in this Act, but not exceeding Two Hundred million pesos, after consultation with the Monetary Board of the Central Bank and upon recommendation of the National Economic Council; or
2. shall be undertaken by the government jointly with private enterprise, in which case he is also authorized to contract loans and/or float bonds in the amount and in the manner stipulated in the preceding subparagraph (1) : *Provided, however,* That the government shall, at, any one time, have no less than fifty-one per centum(51 %) control of the capital stock of such enterprise; or

3. shall have the operation undertaken as hereinabove provided through an independent contractor or contractors who are qualified pursuant to Section 1 hereof for the operation or any part or phase thereof.

Unless there are clear advantages in favor of the third mode, either of the first two modes shall be preferred: *Provided*, That in any case, the President may create designate an office or agency which shall implement the policy herein declared.

Should the President of the Philippines decide to have the operation undertaken through an independent contractor or contractors, as hereinabove provided, he is authorized to, or such office or agency so created or designated by the President may, engage and utilize the services of persons or corporations, as independent contractor or contractors, by calling for bids to undertake or perform for the government any phase or phases of all the operations authorized in this Act covering any particular area or areas within the Surigao Mineral Reservation and the processing of the minerals produced therefrom, negotiating and entering for such purpose into a contract or contracts of service with any party or parties, domestic or foreign, fully qualified as to organizations, finances, resources, experience and technical competence, and which may offer such terms and conditions as determined by the President of the Philippines to be most advantageous to the Government.

For the purpose of this Act, a contract of service shall mean an operating contract in which the Operator is an independent contractor of service, entitled as such to compensation for services rendered: *Provided*, That any contractor or contractors of service, shall not, by virtue of the contract, acquire any title or interest in the area or areas affected, nor, except as hereinafter provided in Section five hereof, in any of the minerals from the Surigao Mineral Reservation produced or processed by it. The Operator shall furnish all materials, labor, equipment, plants and other installations that may be acquired for carrying on the operations herein authorized, or necessary or incident to those herein authorized, and all such operations, processes, work or acts shall be carried out Operator's own cost and expenses, without prejudice the Government and Operator agreeing on other terms regarding materials, equipment, plants and other installation.

SEC. 3. The President may grant to such office or agency, or to the contractor mentioned in the preceding section the following rights and privileges:

1. Necessary rights over an area or areas for investigation within the Surigao Mineral Reservation;
2. Exemption from laws and regulations relating to: (a) importation of machinery, equipment, accessories, spare parts, and/or supplies and materials necessary for or in connection with said operation or processing of minerals; (b) exportation of such machinery and equipment which were imported solely for construction and installation purposes in connection with the aforesaid operation and processing, and which are no longer needed in the operation;
3. Exportation of mineral products produced by the operations: *Provided*, That all domestic requirements for the same shall have first been satisfied;
4. Importation of highly technical and specialized personnel and executive staff, who may exercise without examination or certification their profession solely for this undertaking subject to such regulations as may be prescribed by the office or agency to be created and designated, and who may receive not more